

FinTech-led Innovation in BFS – Financial Crime & Compliance (FCC)

July 2023: Complimentary Abstract / Table of Contents



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For more information on this and other research published by Everest Group, please contact us:

Ronak Doshi, Partner

Pranati Dave, Practice Director

Kriti Gupta, Practice Director

Apoorva A, Senior Analyst

Pooja Mantri, Senior Analyst

Saumil Misra, Senior Analyst

Rudi Rajkumar, Senior Analyst

Kriti Seth, Senior Analyst

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Introduction

- Transactions globally have changed a lot in the past decade, with payments moving mostly to cashless in the largest economies; and digitalization is bringing even newer forms of transactions
- Debit cards are the most favored form of cashless payment; however, in the last few years Real-time Payments (RTP) through methods such as mobile payments and online payments have started rising significantly
- Even the currency format is changing through various types of cryptocurrencies, stable coins, and Central Bank Digital Currency (CBDC), to be used in future parallel with regular currencies
- The advent of new transaction methods with higher digitalization and more technology will create extremely large amounts of online data trail, that is becoming harder to manage and still harder to read using legacy technologies, thus significantly affecting Financial Crime and Compliance (FCC)
- Usage of faster transaction methods such as RTGS and various RTPs have increased, thus the need to perform FCC checks and prevent financial crime even faster has become paramount. Otherwise, both banks and customers stand to lose significantly
- Fraudsters and criminals are becoming more tech savvy and can attack electronic payment methods, such as Buy Now Pay Later (BNPL), digital wallets, and online payments, relatively easily if the method is not secured properly with training against the latest trends, and it can be too late by the time service provider or customers become aware of the crime
- To meet the demand for FCC, IT service providers, FinTechs, and some banks are investing in next-generation digital technologies such as cloud, APIs, AI/ML, and platforms

Scope of this report



Geography
Global



Industry
Banking and financial services



Services
Financial crime
and compliance

Overview and abbreviated summary of key messages

In this report, we study the key trends in the FCC space, implications on technology investments for BFS enterprises, and FCC technology provider ecosystem. We profile 16 technology providers in terms of their coverage of capabilities across the FCC value chain and highlight case studies in providing FCC solutions to BFS enterprise clients.

Some of the findings in this report, among others, are:

FCC for Financial Institutions (FIs)

- Growing cases of financial crime in various forms are affecting profitability and reputation along with increasing risk exposures for BFS enterprises
- Legacy systems, outdated cybersecurity measures, and talent shortage are preventing BFS enterprises from tackling financial crimes effectively

Technology trends

- Adoption of AI, ML, and RPA across the value chain has seen a huge uptick with tightening security measures and increasing efficiencies across the front, middle, and back offices
- As data privacy laws continue to evolve across different regions, FIs need to have a robust data strategy in place before they begin their data monetization journeys to avoid paying huge fines and losing reputation

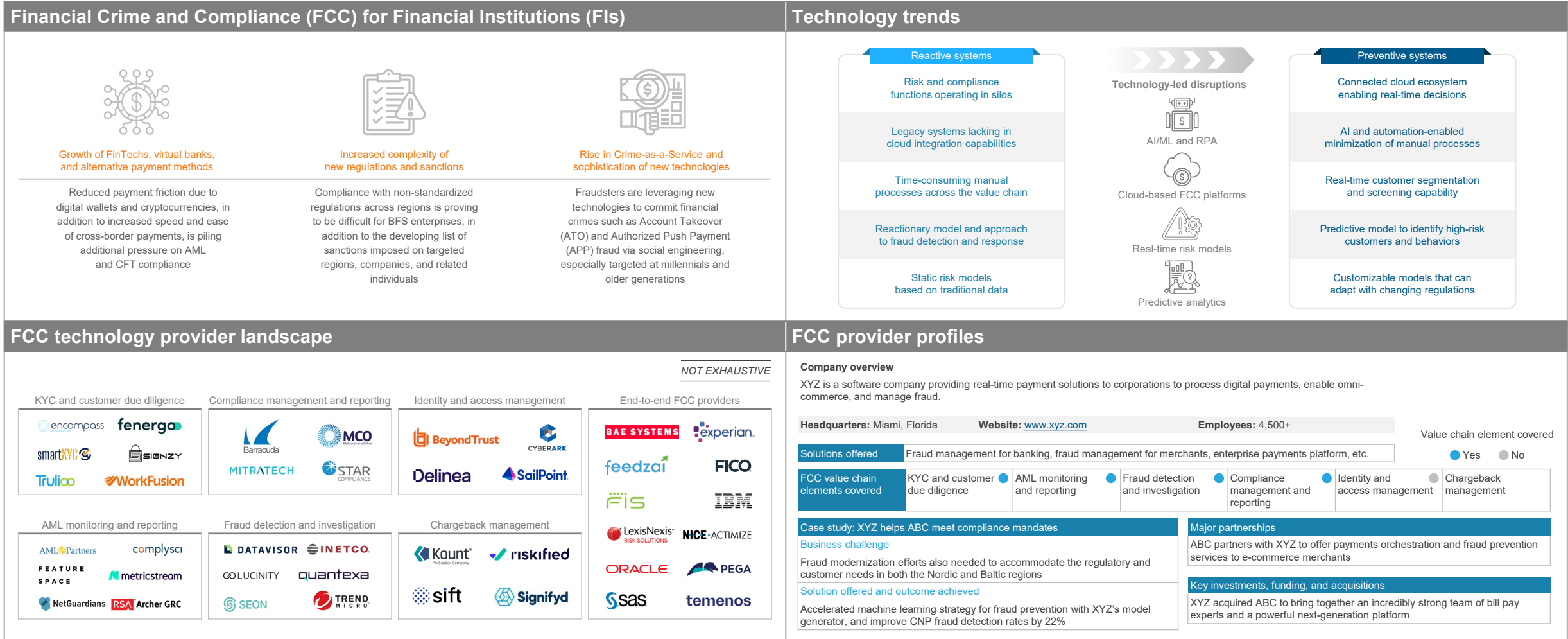
FCC technology provider overview

- BFS technology providers are building industry-specific advanced digital offerings by partnering with FCC providers and addressing the need for better online fraud prevention
- Providers need to shift the solutioning mindset from implementation of FCC technologies to co-innovation with enterprises as they align with their risk strategies

FCC provider profiles

FCC providers can be categorized into end-to-end solution providers and emerging players in niche areas

This study offers four distinct chapters providing a deep dive into key aspects of FCC market; below are four charts to illustrate the depth of the report



Research calendar

Banking and Financial Services Information Technology

Published Planned Current release

Reports title	Release date
Finastra IT Services PEAK Matrix® Assessment 2022	January 2022
Temenos IT Services – Provider Compendium 2022	February 2022
Finastra IT Services – Provider Compendium 2022	February 2022
Platform IT Services in BFS – Provider Compendium 2022	February 2022
Introducing the Rubik’s Cube Supplier Segmentation Approach: Navigating the Talent Crisis by Engaging Specialist IT Providers	June 2022
Banking IT Services State of the Market Report 2022	August 2022
Enterprise Pulse on Third-party Platforms Services in BFS: Fostering Innovation and Deriving Value During a Talent Crunch	September 2022
Future of Investment Banking – Data and Digital Driving Disruption and Disintermediation	October 2022
Wealth Management Products PEAK Matrix® Assessment 2023	November 2022
Future of Treasury – Adopting Platforms, APIs, and Cloud for Real-time and Digital Functioning	November 2022
Capital Markets Technology and IT Services – State of The Market Report	November 2022
Asset and Wealth Management IT Services PEAK Matrix® Assessment 2023	June 2023
Digital Experience Platforms (DXP) in Asset and Wealth Management (AWM) Products PEAK Matrix® Assessment 2023	June 2023
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Payments IT Services PEAK Matrix® Assessment 2023	Q3 2023

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Stay connected

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475

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