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The winners of the 2014 awards revealed

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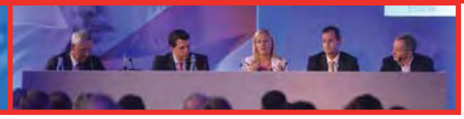

December 2014

FStech

Formerly FST - the leading audited business title for UK financial services technology decision makers

Digital disruption

Innovators and laggards: 2014 in review

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editor's letter

A year of two halves, Brian

As a nod to Buzzfeed, which has never been far from the headlines in 2014, here are five FS technology-related lessons our Editor has taken from the last 12 months...

First up, 2014 will IMHO go down as the year that banks really started to be challenged and disrupted by technology and new entrants. We've seen all sorts of new forms of finance, funding and payments. Cryptocurrencies and Bitcoin have captured the public imagination. There has been a huge buzz around the likes of Alibaba, PayPal, Apple Pay and mobile payments in developing countries. And here in the UK people with deep pockets (such as Tesco Bank and Virgin Money) have put their money where their mouth is and stepped up their efforts to increase market share. The former launched its long awaited current account and the latter announced plans to float shares on the London Stock Exchange and (along with Yorkshire Building Society) wrote to the Competition and Markets Authority to push for the big banks to be broken up, creating more challengers from their network of branches and customers.

2.) The FS sector has been hit hard by a flurry of regulations. In 2013, there was the sense that the industry had made it out of the crisis and could look to the future with a certain degree of optimism. This year, though, attitudes have soured, thanks to a significant (some might say stifling) push on regulation by authorities around the world, sometimes with little or no understanding of the long-term impact they will have on businesses. And next year a new payments systems regulator will be unleashed. Erm, yay!

3.) For years tech evangelists have been waxing lyrical about a world in which goods could be paid for at the wave of a smartphone. While mobile wallets have thus far failed to capture the imagination of the general populace, Apple's entry into the marketplace could be the spark that finally takes NFC mainstream. It's not a foregone conclusion, however. Apple Pay has partnered with a number of banks in the US but, at the time of writing, only has acceptance at less than four per cent of US retail stores. Ah, the tangled web that is mobile payments! And it's not even available in Europe at this point. As Google's largely unsuccessful foray into this space demonstrated, brand power is no guarantee of victory.

"IT outages continued to grab the headlines whilst the overall service experience often failed to meet customers' expectations"

4.) Over the past year, there has been an awful lot written about technology trends taking flight in the FS sector. From mobile technology and wearable devices to social media and biometrics, FIs have been rolling out innovative IT as they look to stay relevant in a sea of competitors. Yada yada yada. Whilst there has been some interesting stuff going on this year at the traditional banks, the omnichannel dream of a unified cross channel customer experience remains out of reach for most. IT outages continued to grab the headlines whilst the overall service experience often failed to meet customers' expectations. The likes of Nationwide, Barclays and TSB are, however, at least pushing in the right direction.

5.) And last but not least, don't write off cash and cheques just yet. Both remain popular with customers and businesses alike. The former, for instance, wrote 425 million cheques in 2013, compared with 1,353 million in 2003 and 2,469 million in 1993. But research by the Cheque and Credit Clearing Company showed that 44 per cent of the general public are still choosing to pay in this way.

Scott is Editor of FStech. He can be contacted at: scott.thompson@fstech.co.uk

at a glance

Rounding up the essential FS technology news from the last two months

Barclays is launching a new face-to-face video banking service, claiming a first for the UK banking sector. The 24/7 offering will give customers the option to carry out a secure, face-to face-video call with a Barclays staff member from their smartphone, tablet or computer, at a time and place convenient to them. The service went live for Barclays premier customers on 8th December, and will be rolled out to mortgage, business and wealth customers from early 2015. It will then be made available to all retail banking customers, automatically matching account holders to a specific member of staff they have spoken to previously.

Steven Cooper, the CEO of personal banking at Barclays, said: "This is a watershed moment for the way people do their banking in the UK – where we will finally be able to interact with customers completely on their terms, rather than ours. While many of our customers are increasingly using digital channels to complete routine transactions, for the important moments you just can't beat face-to-face conversations, yet traditional branch opening hours don't always give customers that choice."

Face-to-face: video banking at Barclays.

A new digital retail bank called Starling will open for business in 2015, founded by Anne Boden, the former chief operating officer of Allied Irish Bank. Boden said that Starling would "resemble Facebook or Google more than traditional High Street banks", and would be customer driven and technologically enabled, with state of the art security. The startup declared that it would offer more personalised banking features, charge low fees and "reset the bar for bank accounts" by using modern web technology.

Commenting on why she decided to launch a digital challenger bank, Boden said: "The music industry has been transformed by iTunes, retailing by Amazon, but banking hasn't changed its approach in a long time. The same simple services traditionally offered in branches have just moved online and into apps. Empowered, tech-savvy consumers want and deserve more from their banks – they want easy, intelligent banking, not just mobile versions of paper statements." She added that traditional banks were built on "outdated systems", and customers were deterred from switching providers because of "little difference between the big banks that all offer the same old-fashioned services."

Lloyds Banking Group is to axe 9,000 jobs as part of a three-year strategy that will see £1 billion invested in digital services. A net total of 150 branches are also set to close, although the Halifax branch network is to be maintained. The bank said that the change in focus was necessary to adapt to shifts in technology and customer behaviour, as well as the evolving competitive and regulatory environment. Lloyds said in a statement: "We will transform our digital capability, providing customers with simpler, seamless interactions across online, mobile and branches, and improving the efficiency of products and services. We will retain a leading network of branches which will evolve to reflect our customers' changing preferences, integrating the role of branches with digital and telephony as part of a seamless multi-channel approach."

Meanwhile, ING is also set to make a €200 million IT investment to improve omnichannel banking at its Dutch retail banking business. The move will see ING standardise and automate the different IT systems powering its mobile app, website, call centre and branches.

The bank said that making information more readily available across all channels would provide customers with "a more seamless service". However, the three-year investment plan means that ING Netherlands will shed 1,700 fill-time posts by 2017 – mostly at the headquarters of ING Retail Banking and in the back office, call centre and IT departments. Ralph Hamers, CEO of ING Group, commented: "We are creating a consistent customer experience by integrating our service channels in the Netherlands and by making a substantial investment to simplify and upgrade our IT systems."

MasterCard and Visa are developing a new authentication standard that will gradually replace the current 3D Secure password protocol for online purchases. MasterCard described the joint creation of 3DS 2.0 as "the largest wholesale upgrade to online payment security". It said the 2015 roll-out would benefit consumers, banks and merchants with invisible authentication and far fewer prompts for passwords.

MasterCard also revealed that it was working on other measures to create a "password-free environment". These include evolving its SecureCode programme to support the new security standard, piloting commercial tests for facial and voice recognition apps to authenticate cardholders, and conducting trials of a wristband which can authenticate a cardholder through their unique cardiac rhythm.

Customers at a raft of new banks can now register for the mobile payments service Paym. Account holders at first direct, Clydesdale Bank and Yorkshire Bank can both send and receive Paym payments. Meanwhile, NatWest, RBS, Isle of Man Bank and Ulster Bank customers can now receive Paym payments, with the ability to send payments from the middle of 2015.

The new sign-ups mean 20 banks and building societies are now onboard with Paym, which allows UK customers to transfer money using just a contact's mobile number. Since the service launched in April this year, 1.6 million customers have registered their mobile number with their bank or building society to receive payments through Paym, and over £15 million has been sent. More than 40 million customers are eligible to register for Paym – representing over nine out of ten current accounts in the UK. The roll-out is set to continue, with Nationwide Building Society, Metro Bank, Tesco Bank and Ipagoo all planning to join the scheme from next year onwards.

Australia's Westpac Bank is rolling out a fingerprint sign-in for its new digital banking platform Westpac Live. Westpac customers will be able to use the Touch ID fingerprint sensor to securely sign in via their iPhone, and be the first in the world to use fingerprint sign-in for the Samsung Galaxy S5 and Note 4. The bank stated that the new technology – which will be available from January next year – will add further security and convenience for the increasing number of Westpac customers banking on their smartphones.

The Westpac Live platform launched in May and offers self-service options including a real-time running balance and advanced search capabilities. New features slated for next year include the ability to share account access with others and view accounts in foreign currency.

In an industry first, Nationwide has announced that its mobile banking members can now access real-time account balances on their Android Wear smartwatches. A version for iOS is also set for development when the Apple Watch comes to market in 2015. Tony Prestedge, chief operating officer at Nationwide, said: "Providing customers with a variety of ways to manage their money, whenever and how ever they want is a priority for us. Giving those members who want and have the technology the ability to check their balance on their watch provides them with even more choice as to how they interact with us, whether it is online, through an app, face-to-face or over the phone."

The building society also unveiled a new shopping discounts and rewards app this autumn, enabled by Visa and called Simply Rewards. The iPhone and Android app allows users to search over 100 offers based on their location, as well as by a range of categories, such as food, entertainment or travel. It also displays prioritised offers to individual Nationwide customers based on their shopping spending history. There is no need to print off a voucher in order to redeem the offer, and users can make restaurant reservations directly from the app.

Nationwide's smartwatch balance checker.

IN BRIEF

IBM has signed a 10-year, "multi-billion dollar" service agreement with ABN AMRO to manage the IT infrastructure that supports the bank's global operations. The agreement includes the implementation of a private IBM cloud, together with further "standardisation and simplification" of the bank's existing IT systems, ranging from mobile computing to mainframe infrastructure.

WorldRemit marked its most significant expansion to date with a launch in the USA this autumn. The move into 10 American states closely followed a roll-out in 15 Latin American countries, done in partnership with Bancomer Transfer Services. WorldRemit also launched a new money transfer app, allowing people to send funds to more than 110 countries from Android devices.

Santander, MasterCard and Telefónica are to invest a combined £49.2 million in mobile money specialists Monitise. The strategic partnership will see the trio of companies support the development and accelerated roll-out of Monitise products and services. Elsewhere, Virgin Money announced a seven-year deal with Monitise to help develop the bank's digital channels and mobile solutions.

SumUp has partnered with payments processor BitPay to accept Bitcoins at its European mobile POS terminals. The integration means bricks and mortar retailers can now accept Bitcoin payments at checkout – customers confirm the amount to pay with a single click on their smartphone, after scanning a QR code or using NFC.

Mobile in focus

[The Apps World conference and exhibition came to London's Excel in November. Michelle Stevens reports on day one of the Mobile Payments stream]

Talking payments: Apps World at Excel.

"Payments isn't broken" was a phrase that kept cropping up during day one discussions in the Mobile Payments track at Apps World. And it's a challenge which affects all of the financial services and tech companies involved in trying to create or push mobile payments into a UK market where cash and cards still work perfectly well for many consumers.

The key then, is to offer a convenient, value-added experience that goes beyond the simple process of payment, according to Dan Salmons, managing director of mobile and online at PayPoint. Highlighting the success of PayPoint's PayByPhone parking service, he explained: "Adoption was not driven by consumers wanting to change their method of payment; what they wanted was functionality that did something really useful for them. Our focus is very much on functionality and I think it is the missing corner of the equation of mobile payments adoption. A lot of people talk about convenience, security or cost as if that is enough to make it interesting. For me functionality is king – what is it that customers would find really useful? They are not really interested in the payment mechanism per se."

This was a sentiment echoed by fellow panellist Rory Maguire, managing director of entertainment association AIME. "Payments are just an enabler, and it is the convenience factor that will tell me which method to use," he noted. "For mobile payments to be really adopted by consumers there has to be that relevancy and lifestyle fit. We've seen a fairly stalled mobile wallet entrance by Google and Isis – they have worked from a technology point of view forward and that is not the right approach, it has to be consumer-centric. What do consumers want in an application that will also deliver a payment functionality with it?"

Continuing the talk of mobile wallets, Jonathan Vaux, executive director of mobile at Visa Europe, said there was still consumer appetite for them, but questioned whether there would "be one to rule them all". "I think the strength and importance of operating systems should not be underestimated, along with the role of the Googles and Apples in this space," he continued. "We are going to have to watch how this plays out and see where people put their trust. Research shows that people really compartmentalise, and choose which service they will take from a bank or from a telco."

Terry Cordeiro, head of mobile at RBS, added: "The winner will be the one who drives an end-to-end customer experience, and it is absolutely not about the brand, because the customer will choose the experience that is best for them." He noted that despite the popularity of mobile phones, the devices were still not at the stage where they could replace the wallets or purses that people had with them daily. "I think the interesting thing about [traditional] wallets is that people still carry one even though they are addicted to their phones," he said. "The reason is that a lot of experiences that you have on your phone don't necessarily give you a better experience than the ones you have got in your wallet. In many ways, mobile contactless is no better than a contactless card at this moment in time."

It would be the bigger players who would succeed in the mobile wallet arena, owing to the money and scale needed to reach a large enough customer base, argued Brian Pearce, senior VP and head of retail mobile channel and digital innovation at Wells Fargo. He said that in terms of mobile payments, Apple had set the bar high – describing their solution as a "fabulous, simple experience". Controlling the whole operating stack meant the tech giant could "offer a payments experience no one else can replicate". Pearce also spoke of the role of banks in this space, saying that account holders were looking to their banks to provide payments innovation. "Customers don't want to open another account, they want to use existing bank products to pay in exciting new ways. It's a great way to engage and get customers excited about our products again."

"For mobile payments to be really adopted by consumers there has to be that relevancy and lifestyle fit"

Talk then turned to mobile banking apps themselves. Herco le Fevre, head of business strategy at ING Nederland, discussed the bank's initial attempts at launching their mobile app. "We got it wrong a couple of times – years ago we started with our first app and couldn't figure out why people weren't downloading it, because from a product perspective we thought it had everything," he explained. "Then later we completely changed our mobile banking development team and started feeding back questions to customers. We set up our customer experience centre, invited customers in and communicated with them about what they wanted to see [in the app] and how there were going to use it, which was a great help."

He added that ING had two separate apps for its customers – one for mobile banking and one for making mobile payments at retailers. "I think they have two very distinctive usages, and if you try to blend them into one it becomes kind of a Swiss knife, that does everything but is never really good," he concluded.

QUOTE / UNQUOTE

Choice quotes from this issue of FStech

"While the brave new worlds of wearable tech, Bitcoin and the rest of the FinTech pizza and beer brigade grabbed most of the column inches in 2014, much of the really good work being done by banks and other FS companies remained firmly under the proverbial radar, like an army of industrious moles, or maybe those daring tunnel diggers from The Great Escape." p. 12

"From my own experience working with startup banks, it's incredibly complicated to access payments systems. There are a lot of vested interests, which to some extent is understandable given how much the banks have invested in this area." pp. 26-29

"I can't foresee a world anytime soon where the major banks don't have a significant branch presence. They'll invest heavily in augmenting that with a strong digital proposition, but I certainly don't think the branch is dead, or will be for the foreseeable future." pp. 37-39

"While mobile payments are rapidly being accepted, especially by millennials, the next generation of mobile banking will be more about understanding how you use your money and the bank as a platform every day to make financial decisions and save money." pp. 40-41

FOCUS

2015 FStech Awards
London Marriott Hotel
26 March 2015
www.fstech.co.uk/awards

Now into their 15th year, the FStech Awards recognise excellence and innovation in the field of information technology within the UK and EMEA financial services sector. Winning entries come from financial services institutions and technology suppliers who are leading the way in such areas as social media, customer service, compliance, mobile, online, systems integration, outsourcing and data governance.

Those shortlisted this time around include Banco Sabadell, Barclays, Deutsche Bank, Fiserv, HSBC, Lloyds, LV=, Misys, Nationwide, SWIFT and VocaLink.

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coming up

[FStech rounds up the must-attend FS technology-related events taking place in the next 12 months]

22 January: FStech Roundtable - Modernising Legacy Systems Whilst Driving Innovation
London
Website: www.fstech.co.uk/events

10-11 February: Finovate Europe
London
Website: www.finovate.com/europe2015

11-12 March: Cloud Expo Europe
London
Website: www.cloudexpoeurope.com

26 March: FStech Awards 2015
London
Website: www.fstech.co.uk/awards

14-15 April: TradeTech
Paris
Website: www.tradetecheu.wbresearch.com

30 April: Engagement & Loyalty Awards 2015
London
Website: www.engagementandloyalty.com

02-04 June: Infosecurity Europe
London
Website: www.infosec.co.uk

9-10 June: PayExpo
London
Website: www.payexpo.com

15-17 June: Enterprise Architecture Conference Europe and Business Process Management Conference
London
Website: www.irmuk.co.uk/eac2015

7-8 October: IP Expo Europe
London
Website: www.ipexpo.co.uk

12-15 October: Sibos
Singapore
Website: www.sibos.com

04 November: FStech/Retail Systems Payments Awards 2015
London
Website: www.payments-awards.com

FStech roundtables

FStech hosts exclusive roundtables throughout the year, which are free to attend for financial IT professionals. Recent topics under discussion have included cloud computing, social business, retail banking and IT security.

For further information on our forthcoming roundtable events, contact Rhiannon Wooding at: rhiannon.wooding@fstech.co.uk, or on 020 7562 2439. For sponsorship enquiries, contact Sonia Patel at: sonia.patel@fstech.co.uk, or on 020 7562 2430.

Got an event to publicise? Send the details to Scott Thompson, Editor, FStech at: scott.thompson@fstech.co.uk

Further information on industry events at: www.fstech.co.uk/events

talking point

What were the key financial service tech-related issues and trends during 2014?

Simon Barrows, director, Archioptiryx: "While the brave new worlds of wearable tech, Bitcoin and the rest of the FinTech pizza and beer brigade grabbed most of the column inches in 2014, much of the really good work being done by banks and other FS companies remained firmly under the proverbial radar, like an army of industrious moles, or maybe those daring tunnel diggers from The Great Escape. Improved your system resilience? Great! Well done. The press were poised with yet another bank-systems-failure headline if you hadn't, as were the bank-bashing hordes on social media, but no one noticed that you did, 'cos we all now just expect 24x7 five-nines availability and shout and scream if we can't check our account balance at 3am, just because. Re-engineered your service architecture to present a common set of capabilities across all your customer touch points. Top banana! So how many extra customer 'likes' did you actually get as a direct result? And do any of them have a clue what omnichannel means? Or care? (By the way if they do, give them a job!) Virtualised your provisioning of data for DevOps to support agility of change and saved loadsamoney on storage costs. Oh, just stop already! What do you want? A medal?! Well actually one of those lovely FStech Awards would be nice...OK, OK, you can now get investment portfolio alerts direct to your Wi-Fi-enabled designer swimwear so you don't even have to leave the pool. Happy? Good! Right, now back to 'Harry'. If we're lucky we might just get out of this legacy system prison camp before the next visit by the regulator."

"Much of the good work by banks remained under the radar."

Ken Hoang, co-founder and CEO, Strevus: "Digital currency is no longer relegated to the underbelly of the internet. There are more than 70,000 Bitcoin transactions daily, and the number of wallets has increased from under 500,000 to over two million in just one year. Governments are starting to take notice, as well: The Bank of England recently published its take. The upcoming listing of COIN, a Bitcoin Exchange-Traded Fund (ETF), on the NASDAQ validates the growing acceptance of Bitcoin as a viable investment vehicle. Many view these factors as an indication that cryptocurrency is not just another passing tech fad. As we move into 2015, Bitcoin has the capacity to fundamentally change the world in terms of global financial inclusion, enhanced liberty and dignity, improved privacy protection, stable money supplies, and more. However, its long-term viability is potentially jeopardised by too little or too much regulation. Too little and the industry falls prey to criminals and terrorists; too much and innovation and growth are stifled. It is imperative that regulations such as New York's BitLicense proposal get this balance right, as 2015 will be Bitcoin's time and the world is watching. The pseudonymous nature of transacting counterparties and lack of regulatory requirements make it difficult for financial institutions to mitigate their exposure to criminal activities, including terrorist financing and money laundering. Because of that, regulators' biggest concern is how to regulate the industry responsibly in order to promote innovation and transparency, while also ensuring the ability to monitor and control money laundering and terrorist financing. Although the digital currency space has clearly piqued the curiosity of institutional investors, most still remain wary of jumping into a market that can potentially yield unprecedented returns. As digital currencies are poised to become mainstream, in 2015 there's a pressing need to balance the privacy benefits Bitcoin provides with the transparency necessary to control the possibility of criminal and fraudulent activities."

A chat with...

FStech catches up with Tom Schouteden, the co-founder of Sign2Pay, a startup in the mobile payments authentication field

FStech: Give us a brief outline of the history of Sign2Pay – the people behind the company and your reasons for starting it.

Tom Schouteden: We started Sign2Pay just over a year ago, because we noticed there was a real problem with sales conversion on mobile. The payment process is the number one reason why customers drop out of the sales funnel. There just isn't a convenient way to pay on mobile when shopping online. Our solution allows customers to simply use their finger to sign on the screen of their mobile phone to authorise a payment. The payment is then taken from their bank account and transferred to the merchant's account. Currently we're a team of eight, with Nicolas Mertens, Nick Lloyd and myself being the co-founders.

FStech: What are the highlights and successes of Sign2Pay to date?

TS: We only launched in October 2014, when we were selected for the TechCrunch Disrupt Startup Battlefield in London. I guess we're most proud of the technology that we've built over the past year. We're the only ones that can do a real-time signature verification, and our ground-breaking pre-emptive risk analysis allows us to drive down fraud percentages. No one in the payments space is currently working with these metrics.

FStech: How is signing your smartphone screen to make a payment more secure than using traditional PINs or passcodes?

TS: That's a very interesting question. It turns out that a signature holds much more data than a traditional PIN or passcode. By comparing data points such as stroke length, direction, velocity and touch points we have been able to build an authentication method that qualifies as a biometric and holds even more information than your fingerprint. In terms of security, the major problem with biometric authentication – identified by Google's own research – is that once your account gets compromised you can't change your fingerprints, or your face for that matter.

The Sign2Pay team at London's TechCrunch Disrupt.

FStech: Why do you believe your solution will help drive up m-commerce conversion rates?

TS: Current credit card authentication methods such as card readers, challenge response codes, or SMS verifications drive up card abandonment because people postpone their purchase until they're at the desktop. This will change next year when mobile makes up 50 per cent of all traffic and merchants start feeling this on their bottom line. By replacing these obstacles with something people have used for centuries we are convinced we can bring conversion rates up to par with desktop payments.

FStech: Sign2Pay can process payments from over 3,700 European banks – which retailers are onboard?

TS: As we've only just launched it's a bit early days to talk numbers. But we're in talks with some major commerce companies and have already started onboarding our first merchants.

FStech: Do you have any plans to launch outside of Europe in the future?

TS: While our technology is not limited by geographical boundaries, right now our focus is on the current launch into the mobile payments space. Once we've established our presence, we will definitely look at opportunities overseas. The potential of this technology also allows us to consider other markets. For example, it could also be used to authenticate credit card payments, sign off for package deliveries, or replace document signatures.

Making a success of outsourcing

Outsourcing sometimes has a poor reputation. But as a business practice it can, and regularly does, make perfect sense in many situations.

Last March, National Savings and Investments (NS&I) and its outsourcing partner Atos fought off stiff competition from a number of other financial service partnerships – including Credit Suisse and BT - to claim the 2014 FStech Outsourcing Partnership of the Year award.

It was an award which really emphasised the importance of good partnership working and how the right level of outsourcing services can improve an organisation's efficiency, increase its business and improve customer satisfaction.

For NS&I and Atos this award demonstrates the benefits of 15 years of working closely together. Since 1999, NS&I and Atos have demonstrated the advantages of ensuring close attention is paid to working collaboratively over a sustained period of time.

It's through that partnership that NS&I's operations have been transformed. Some changes have been large and customer facing – moving over 2.3 billion customer records including those for Premium Bonds to a new banking system in order to provide more efficient and secure online transactions for the nation's favourite savings products - while others are more subtle. It's this transformation that has enabled NS&I to utilise its operations to provide services to other areas of government including the Ministry of Justice's Court Funds Office via its Government Payment Services (GPS), helping save the operation, and in turn the taxpayer, money.

If you were to look at NS&I's business at the turn of the millennium you'd see a vastly different animal to the organisation it has evolved to be today; and a lot of that is thanks to its outsourcing partnership.

In 1999, at the start of the outsourcing relationship, the operation was largely paper based with little automation of its processes. Over the past 15 years NS&I has grown from a £60 billion operation to a £105 billion one, online interactions are now around 46 million per annum and the average time for a customer's transaction to be complete has reduced by over six days from 9.2 to just 3.1 days, whilst maintaining a high degree of accuracy.

When NS&I first decided to outsource, the contract was won by Siemens who ran operations up until Atos acquired Siemens IT Solutions and Services in 2011 – thus taking over the contract. By 2013 NS&I had competitively retendered its requirements, with Atos winning the contract for the next seven years with the view to make the organisation more digitally focused by increasing customer interactions via digital channels, growing NS&I's business-to-business operations and improving both service and efficiency.

Julian Hynd, NS&I's Retail Director said: "Our partnership with Atos ensures that we can deliver our vision of enhancing further the services we offer to savers and our clients over the course of the contract. Atos has the skills, capability and commitment to deliver this and, crucially, can do so in a way that delivers for taxpayers as well."

While longevity is important to a good outsourcing relationship, what is also critical to its success is having clearly outlined boundaries of the distribution of responsibility and the sharing of risk, as well as the ability to demonstrate that what you're doing actually has a positive benefit for both parties. A cliché, but a long-term relationship really has to demonstrate a win-win.

An alignment of goals and a shared stake in positive outcomes is essential for success. A commitment to strong contract and relationship management is also essential. The relationship works because both sides know what is expected of the other and through constant dialogue issues of concern are quickly identified and addressed.

NS&I's experience shows that outsourcing can be a remarkably effective business model and through hard work and joint goals it really can bring success.

Further information about NS&I and NS&I GPS can be found at www.nsandi.com and www.nsandi-gps.com.

Table to show NS&I's key stats pre-outsourcing and as the business stands this year.

	1999	2014
Total stock	£60 billion	£105.7 billion
Operational staff	4,200	1,410
Products	15	10
Average time to manage a transaction	9.2 days	3.1 days
Efficiency ratio	34 basis points	14 basis points
Number of calls handled per year	577,000	3.1 million
Number of online interactions handled per year	0	45.9 million

Second time around

After a hugely successful debut in 2013, the FStech/Retail Systems Payments Awards were back in November to recognise cards and payments excellence and technology innovation.

We received a large number of impressive entries from retailers, FIs, telcos and technology vendors. But much like the so bad it's awesome 1980s movie Highlander, there can be only one. Or more specifically only one winner per category. So if you picked up a gong on the night, were over the moon Brian and wanted to show your gratitude the next time you run into me, mine's a large glass of white wine, a pint of lager or an amusingly named cocktail. Basically, anything alcoholic. I'm not fussy...

Thanks to the judges for their help in determining the 2014 winners. I said it during my welcome speech, but can't stress enough the contribution they make to the continuing success of the event. So take a bow....

Simon Burrows, director, PwC
Graeme Forward, forensic data analyst, Transport for London
Neira Jones, chairman, global advisory board, CSCSS, chairman, advisory board, Ensygnia
Ali Farid Khwaja, vice president, Berenberg
Mark McMurtrie, director, Payments Consultancy
David Parker, director, Polymath Consulting
Matt Simester, director of cards & payments, Piran Partners
Daryl Wilkinson, head of group digital development, Nationwide Building Society

Thanks also to our sponsors, Payment Gateway, Retail Merchant Services and Verifone, and to all those who continue to support the event with their feedback, advice and submissions; too many to mention here but you know who you are.

If you'd like to enter the 2015 Payments Awards (oh, go on, you know you want to), you can find all the information you need at: www.payments-awards.com/awards

Scott Thompson
Group Editor
FStech and
Retail Systems

Overall Winner: Greggs/Eagle Eye Solutions

Payments leaders

Who won what at the 2014 Payments Awards, which took place on 20 November at the Grosvenor House Hotel, London? Read on and all will be revealed

VocaLink, Starbucks, Harris+Hoole, Barclaycard, Zapp and Greggs/Eagle Eye Solutions were among our 2014 winners. Hosted by Retail Systems and FStech, the big night (20 November at the Grosvenor House Hotel, London) kicked off with a welcome speech by Scott Thompson, Group Editor across the sister titles. "The event is now into its second year and is going from strength to strength. There was a 40 per cent increase in entries from the 2013 gathering and I was really impressed with the innovation on display, both from established players and new entrants. The shortlist reflects a hugely eventful year, both from the retail and financial services side of things," he said. As a nod to Buzzfeed, which has never been far from the headlines in 2014, and with tongue firmly in cheek, Thompson then ran through some payments-related lessons he had taken from the last 12 months and which also set the scene for the night ahead.

Best Online Payments Solution (Consumer)


Best Online Payments Solution (Merchant)

"Both the retail and financial service sectors are in a period of radical change. Against this backdrop, alternative payments could become a difference maker. McDonald's has been a leading voice in the move to contactless whilst Starbucks has embraced mobile payments and Apple Pay could take it into the mainstream. And FIs like Barclays and Barclaycard are coming out with such potentially game-changing innovations as the mobile payments service Pingit and the contactless wristband bPay. Both of which I should add are shortlisted tonight," Thompson said, adding that it wouldn't be a payments event without at least one mention of Bitcoin. "There has been so much written and said about Bitcoin this year, I'm not sure what more I can add. I could waffle on about how it is no longer relegated to the underbelly of the internet. But instead of that, I thought I would make a joke. So I scoured the internet for Bitcoin gags and this was the best I could find…How many Bitcoin users does it take to change a lightbulb? None. There are no users…So there you go. Official proof that Bitcoin is mildly amusing at best."


Mobile Payments Solution of the Year


Best Omnichannel Payments Solution


Best Contactless Payments Project

The winners are...

Best Online Payments Solution (Consumer)

With Klarna Checkout customers only need to provide their email address and zip code to complete a purchase. This simplicity means less friction and increases conversion, especially on mobile devices.

Best Online Payments Solution (Merchant)

Skrill's innovative technology and advanced approach to payments means it is able to offer products that drive convenience for businesses and a seamless, secure and reliable online experience for their customers.

Mobile Payments Solution of the Year

Starbucks offers customers a solution which enables customers to make a payment and simultaneously be rewarded for their loyalty in a single transaction. Using its app, customers can join the My Starbucks Rewards loyalty programme, load money onto their account, track their purchases and pay in a store and receive loyalty stars.

Best Omnichannel Payments Solution

In January 2013, Moss Bros embarked on a journey to expand its digital footprint and boost revenue in both the UK and abroad. Partnering with Adyen, it completely refreshed its payments infrastructure across online, mobile and PoS channels, resulting in a significant transaction conversion uplift.

Best Contactless Payments Project

e-PLUS TaptoPay is an end-to-end, scalable loyalty and e-payment solution developed by Advanced Card Systems (ACS). The only contactless smart card-based solution of its magnitude in the Philippines, it has proven to be one of the best ways for Filipinos to embrace smart card technologies.

Best In-Store Payments Solution

Verifone offers seamless customer experience and speedy transactions to Gondola Group restaurants. Combining state of the art portable payment devices with the Pennies promotional system, Gondola is now giving its customers and staff a unique payment experience.

Best In-Store Payments Solution

Tech Provider of the Year

The VocaLink proxy platform removes the need to store personal details within an application or payment channel. The platform offers fast searching for a payee, using only the mobile phone number as a unique identifier. Data storage, search and retrieval are detached from the application; an industry first in UK payments.

Technology Provider of the Year

Online Technology Provider of the Year

xWare42 has developed an innovative prepaid card management platform that really impressed the judges.

Anti-Fraud/Security Solution of the Year

Spotify eliminated $145,000 in monthly chargeback costs and lost revenues thanks to Kount. Chargeback rates dropped significantly as a result, e-card sales doubled, now contributing millions of dollars in revenues. Kount also facilitated international expansion to 57 countries in just seven months.

Online Technology Provider of the Year

Most Disruptive Payments Technology

Zapp puts real-time payments on mobile phones

Best Merchant Acquirer/Processor

Most Disruptive Payments Technology

Anti-Fraud/Security Solution of the Year

Retailer of the Year

for the benefit of consumers, banks and retailers.

Best Merchant Acquirer/Processor
Credorax has developed a painless and affordable payment solution to make cross-border e-commerce possible for small, micro and sole Euro merchants.

Retailer of the Year
Harris+Hoole has significantly altered the customer experience by becoming the UK's first retailer to allow customers to pay without having to touch, tap or scan at a counter. It has developed an innovative app that has created a seamless experience for customers, by giving them the option to load pre-paid amounts upfront so they can order their usual drink, be rewarded for their loyalty and pay.

Financial Services Institution of the Year

Financial Services Institution of the Year
Wirecard Card Solutions Ltd (WDCS) is the largest issuer of MasterCard and Visa prepaid cards in Europe and issues plastic and digital prepaid products for many of the most innovative programmes in the European marketplace.

Best Alternative Payments Project
This year, Boku made significant strides in expanding the presence of carrier billing-based mobile payments, from new geographies where consumers can now pay via their mobile phone to new platforms integrating the venture's solution.

Cash Initiative of the Year
In a first for the Payments Awards, we had joint winners. For their work on a local authorities project enabling emergency payments to vulnerable residents, our winners were i-movo and PayPoint.

Best Use of Social Media
Retail Merchant Services are a leading UK-based independent card payments provider. Looking to support their marketing and recruitment functions, they re-launched their social media platforms in April. Amplifying a recruitment day and a switchover campaign, an integrated approach has bolstered their sphere of social influence.

Compliance Project of the Year
Handpoint identified PCI Point-to-Point Encryption (P2PE) as a way to help the company overcome the security, compliance and integration barriers that had prevented enterprise merchants from embracing mPOS. The company turned to Foregenix and the results enabled Handpoint in June 2013 to become the first company in the world to be PCI P2PE certified for an mPOS application.

B2B Payments Innovation of the Year
Earthport's payments model challenges the existing infrastructure that facilitates money moving around the globe supporting international trade, e-commerce and remittances. Through one connection with Earthport e-commerce businesses, banks and financial institutions make faster, cheaper and more transparent international payments.

Best Prepaid Card Solution
T-Mobile US is redefining the way consumers and businesses buy wireless services through product and service innovation. A T-Mobile Visa prepaid card, and companion mobile money app, launched nationally in January 2014.

Best Alternative Payments Project

Cash Initiative of the Year

Best Use of Social Media

Engagement and Loyalty Scheme ofthe Year

Eagle Eye Solutions began working with Greggs early in 2014 on Greggs Rewards, a loyalty and rewards section of its app which includes the option of making mobile payments and a digital stamp card. By allowing customers to pay and redeem rewards through a single scan of their smartphone, the retailer is able to obtain invaluable insight into customer behaviour from every sale made. These insights extracted by the Eagle Eye Air platform are used to assist it in business-wide decisions and campaigns.

Payments Team of the Year (Financial Services)

The Current Account Switch Service means that customers can now switch banks free of charge and within seven working days. By developing the technical infrastructure for the service, the VocaLink team have delivered a world first, as there is no comparable service available anywhere.

Innovation of the Year

The judges felt that the stand out entry in this category was bPay by Barclaycard; an open loop contactless wristband, it is innovative and on course for mainstream success in the UK.

Compliance Project of the Year

Payments Pioneer Award

This went to VocaLink's David Yates, whose vision and decisive leadership has helped bring about change in the UK payments landscape. Now people can pay who they want, when they want, from a bank account using a mobile device. UK banks have re-established their position at the heart of payments and the ACH has become relevant to the digital age.

Overall Winner

Greggs/Eagle Eye Solutions edged this one, with Harris+Hoole as a close runner up.

Further information on the Payments Awards at: www.payments-awards.com/awards

Engagement and Loyalty Scheme of the Year

Best Prepaid Card Solution

B2B Payments Innovation of the Year

Payments Pioneer Award

Payments Team of the Year (Financial Services)

Innovation of the Year

With thanks to our sponsors

VocaLink does the treble at 2014 Payments Awards

VocaLink triumphed in three categories at the FStech and Retail Systems-hosted Awards, the most wins for any company at the 2014 event

They emerged victorious in the following categories:

Technology Provider of the Year: This was in recognition of the VocaLink Mobile Proxy Platform, which removes the need to store personal details within an application or payment channel. The platform offers fast searching for a payee, using only the mobile phone number as a unique identifier. Data storage, search and retrieval are detached from the application, an industry first in UK payments.

Payments Team of the Year (Financial Services): The Current Account Switch Service launched in 2013 and is designed to make switching current account from one provider to another a simpler experience. Now customers can switch banks free of charge and within seven working days. By developing the technical infrastructure for the service, the VocaLink team has delivered a world first, as there is no comparable service available anywhere.

Payments Pioneer Award: David Yates joined VocaLink as CEO in 2012, bringing to the role nearly 30 years of experience in the payments and transaction processing industries. His vision and decisive leadership has had a huge impact on the UK payments landscape. Now people can pay who they want, when they want, from a bank account using a mobile device. UK banks have re-established their position at the heart of payments and the ACH has become relevant to the digital age.

Scott Thompson, Group Editor, FStech and Retail Systems, says: "Congratulations to VocaLink. To win one award is an achievement; three in one evening is a record for the Payments Awards and one that will take some beating. The judges were really impressed with the quality and depth of the submissions and agreed that they showcased a company at the forefront of payments innovation in the UK."

David Yates, CEO at VocaLink, comments: "We are very proud that VocaLink has been recognised for its innovation and delivery of the Mobile Proxy Platform and Current Account Switch Service. This is testament to the calibre of our technical expertise as well as passionate commitment to collaborate with partners to build and deliver relevant products and services that benefit our customers. The shortlisted candidates for the Payments Pioneer Award were all worthy winners and so we are very honoured and delighted to receive this accolade."

xWare42™ singled out for xPay™

The 2014 Payments Awards Online Technology Provider of the Year was awarded to xWare42

The company landed the award in recognition of xPay, an innovative card management platform that combines several new techniques. The platform takes a normal payment transaction and enriches data such as: merchant information, logo of the merchant, opening hours and service numbers, location-based information like address, longitude and latitude. Additionally (depending on the merchant integration) it also stores all of the shopping cart data. Based on this information xWare42 has built a new online banking experience.

The customer has access to a variety of tools to manage their finances such as: enriched payment transaction data statistics, advanced searches by merchant location, hash tags, date and shopping cart items and personalisation of transactions: adding an individual description and hashtags, attaching receipts as pictures, etc.

The xPay platform is available on mobile devices and boasts advanced fraud protection with real-time notifications and behaviometric verification. Customers receive push notifications, text messages or emails right when they carry out a transaction and can manage those transactions within the mobile app or online. Behaviometric verification makes it possible to verify the card holder personally without needing an additional device (e.g. fingerprint sensor).

More interestingly the additional information around a transaction can be used for issuing banks to enable new business models and additional income for each financial transaction. xWare42 estimates that by using these business models, banks might be able to increase their revenue per transaction by up to 100%.

Scott Thompson, Group Editor, FStech and Retail Systems, comments: “This award recognises an online technology vendor who has excelled in its field, implementing innovative cards and payments technology during the past year, and xWare42 has certainly done that. The company was up against some tough competition but the judges gave xPay the nod as it includes several features previously unseen in the industry and is a great example of a technology provider striving to improve the way things are done in the payments sector.”

David Lais, CEO, xWare42 GmbH, says: “We are very much confident that transaction enrichment will play a crucial role in the future of payment systems by providing new and innovative business models that benefit end customers, merchants and issuers. We are therefore absolutely thrilled and excited to hear that our work gets noticed and is recognised by the industry with such a great prize.”

Worlds collide

Scott Thompson guides you through a lively, thought provoking 2014 FStech/Retail Systems Payments Conference

There has never been a more exciting time to be in the payments sector. At the same time, however, a gulf between hype and reality is threatening to hamper progress, particularly in the contactless/mobile commerce space. That was a key message to come from the 2014 FStech/Retail Systems Payments Conference, which took place in London during November. The event offered up an intriguing clash of the old and the new. In the latter corner, Bitcoin had a strong showing. The digital currency has not been without its critics, who label it at best all hype, no substance and at worst yet another vehicle for money laundering and illicit trades. But two of our speakers argued passionately that digital currencies are no longer relegated to the underbelly of the internet. Governments are starting to take notice. The Bank of England recently published its take as Ecuador announced the world's first central bank-issued digital currency. Whilst the upcoming listing of COIN, a Bitcoin Exchange-Traded Fund, on the NASDAQ highlights its growing acceptance as a viable investment vehicle.

> "Contactless works well from a tech point of view, but adoption wise it's patchy. Speed of adoption is much slower than the technologists would have us believe"

Simon Hamblin, CEO, Netagio, said that it is rapidly becoming part of the fabric alongside traditional currencies, while quietly and steadily growing in use. Computer companies, travel websites, online shopping companies, High Street merchants down to coffee shops all see the benefits and are happily accepting Bitcoins. With ATMs cropping up and even the UK Chancellor of the Exchequer saying it's about time we all had a Bitcoin, the future looks rosy, he argued. One significant benefit, which makes it different to all other currencies is that Bitcoin is reliable, not suffering from any deflationary risk. Also, you buy something and you either have your goods, or your Bitcoins straight away. No middle man, no clearing time or large transaction fees. So what's the catch? There isn't one, Hamblin claimed, as he outlined the benefits of embracing a currency which cannot fail, and why regulators are playing catch up but have nothing to fear with this "innovative and clever coin."

Bitcoin exists through an open source software programme (we don't know for sure who created it); anyone can access it as long as they have enough skill and computing power. It is not managed by a single company or government and that is the sort of powerful idea that will spark a worldwide revolution, said Akin Fernandez, founder, Azteco. He noted that Apple's announcement of integration with credit card companies shines a light on the problem of the 2.2 billion unbanked people in the world. In Nigeria, for example, 70 per cent of the population do not have a bank account, credit cards or iPhones. The answer to their situation is not to give them bank accounts or credit cards, but to provide them with easy access to Bitcoin. With its default global access, microscopic fees and no possibility of payer fraud, it is set to change the way people move money online. Azteco has built a platform that gives the global unbanked easy access to Bitcoin and e-commerce, in a form designed to be convenient and without any complication, expense, barriers to entry or risk. Using technology that is already widespread, Azteco is set to change people's ideas of how Bitcoin can spread prosperity, Fernandez claimed.

"Bitcoin is not money. It is text. It is nothing but text. It is not money, or a financial instrument, any more than Monopoly money is. Bitcoin is speech, and as speech, it is 100 per cent protected by the constitutions of countries that enshrine the principle of freedom of speech," he said. In this brave new world, banks will be utterly useless and credit card companies redundant, he added, predicting a global e-commerce explosion. Britain can be at the forefront of the revolution and Fernandez applauded the government's announcement earlier this year that it will explore the role that digital currencies such as Bitcoin could play in the financial system as Chancellor George Osborne set out measures he said would make Britain the "global centre of financial innovation". But the government needs to hold firm, he stressed, and not go down the route chosen by Russia. The Ministry of Finance of the Russian Federation recently released the full version of the draft bill that, if passed in current form, would effectively ban the creation and distribution of software that allows for the use of digital currencies. "There is a lot of irrational fear around Bitcoin."

In terms of the old, the conference saw presentations from Barclays, Cumberland Building Society and the Payments Council. While these three organisations boast hundreds of years of history and tradition between them, they are also out in front when it comes to digital banking. In January, Cumberland Building Society became one of the first current account providers in the UK to launch a P2P mobile payments service. Whilst in April it was the only building society to be part of the launch of the mobile payments service, Paym. "Our internet and mobile banking services complement our branch network and allow our members to combine traditional personal service with the convenience of being able to access their account whenever and wherever they are," said Allister Green, business development controller, Cumberland Building Society. "The ability to implement and adapt new technologies and channels, balanced with a commitment to traditional building society values, proves a mutual can continue to be relevant in a fast changing world."

"Cash is the ultimate mobile payment."

Meanwhile, Milon Veasey, head of mobile solutions specialists, Barclays, gave an update on the bank's Pingit m-payments app (3.4 million downloads, two million of which are regular users) and observed that this is a truly exciting time to be in the payments space. Everyone, however, has a different take on mobile payments, which was emphasised when Veasey asked the audience what they associated with it, drawing various responses including "hype". "Who here has a mobile wallet?" he asked. "No one. That's because there aren't any in the UK right now. Cash is the ultimate mobile payment." Things are changing, though. "The average times a Barclays customer accesses their banking app per month is 26. That's massive, a huge cultural shift and a difference maker in the way people are interacting with corporations," he said.

Chris Bryson, head of project delivery, Payments Council, set out the requirements and operation of Paym, which has the potential to link every bank account in the country with a mobile number. This is integrated into customers' existing m-banking or payment apps, making it possible to send and receive payments using mobile devices. The service is currently available to more than 30 million customers with planned expansion set to increase that number to more than 40 million by the end of the year, representing over nine out of ten current accounts. At the moment it can only be used for payments between individuals, not in shops (e.g. paying a friend back or an individual such as a tradesman or babysitter for their services).

Customers of first direct can now register for the service. Bank of Scotland, Barclays, Cumberland Building Society, Danske Bank, Halifax, HSBC, Lloyds Bank, Santander and TSB already offer it. Since its launch in April, 1.5 million customers have registered with their bank or building society and the total value of transactions to date is £9.5 million. The second phase of roll-out will continue over the coming months, with Clydesdale Bank, Isle of Man Bank, NatWest, RBS and Yorkshire Bank coming onboard (exact timings will be confirmed in November). Meanwhile, Ipagoo, Metro Bank, Nationwide and Tesco Bank plan to join in 2015.

Paym has been dismissed in some quarters as little more than a bank transfer using the Faster Payments Systems; the difference being that now you give out your mobile number rather than your account number and sort code. "It's not original as such but has a much wider reach than what has been before," Bryson argued, adding that extensive market research told everyone involved to keep it as simple as possible. The target market is the urban 16-24 demographic and also parents. "Within these groups the churn of mobile numbers (which could have been an issue) was not that great, particularly for young people who view their mobile number as part of their social identity."

Discussion panels

The conference featured two discussion panels. The first, entitled The Future of Payments, asked: Where is the payments market headed and what infrastructure, regulatory and strategic changes are necessary to push things forward? Which technologies/solutions are tipped for success and which ones are overhyped? And how will the next generation of consumers want to pay for goods? Panellists as follows: Trevor Belstead, partner, global head of transaction banking technology, Delta Capita - Business and Technology Consulting; Simon Burrows, director, PwC; and Andrei Charniauski, research manager - European banking IT strategies, IDC Financial Insights.

Sample quotes…Burrows: "Regulation is crucial here. It's not the most exciting of areas, but we need a baseline of standards to build trust in the value chain. As we all know, there is a new payments systems regulator next year, the aim of which is to be a competition-focused, utility-style regulator, similar to the likes of Ofcom. From my own experience working with startup banks, it's incredibly complicated to access payments systems. There are a lot of vested interests, which to some extent is understandable given how much the banks have invested in this area."

Burrows: "The TfL contactless roll-out is a good example of almost forcing people down that road and then they get to see the benefits of the contactless/NFC proposition. This will evolve quickly over the next couple of years."

Belstead: "The market is full of technologies that have been heavily hyped. In terms of the back end of systems, we have to be smarter in how we do things, but there will at some point be a technological revolution."

Burrows: "Apple Pay is interesting as it goes over the credit card and other payments mechanisms. But at the moment everyone is jockeying for position and working out their next move."

"Regulation is crucial here."

Charniauski: "Cash is not going anywhere and neither are payments cards. The challenge for retailers is to offer a variety of options for customers whilst making it cost-effective. I don't see major retailers phasing out cash and cards."

Belstead: "Customers don't want complexity and we need to drive that out of the market."

The second discussion panel was entitled Payments in the Retail Sector and featured Neira Jones, chairman global advisory board, Ensygnia, Mark McMurtrie, director, Payments Consultancy and Matt Simester, director of cards & payments, Piran Partners. Forward thinking retailers are seeking to provide the fastest possible, most secure and flexible payment offerings for their customers. But what is the answer?

Sample quotes…Simester: "Who knows? The retailers I speak to are placing their bets everywhere. It's about building a roadmap but neither I nor anyone else really knows all the answers at this point."

McMurtrie: "It depends on the retailer. Contactless, for instance, is good for EAT etc. But it's not about payments, it's about looking after your customers."

Jones: "The customer doesn't go into a retailer to make a payment. They go to shop. It's a case of providing a seamless experience and customer relationship management. We have been talking about omnichannel for years, it's the holy grail but no one is doing it because large retailers have legacy systems."

McMurtrie: "PayPal has disrupted payments, shaken up Visa/MasterCard and stimulated the alternative payments debate."

Jones: "In order for this to all work, we need to deal with security and identity issues. That's key for me."

Simester: "Contactless works well from a tech point of view, but adoption wise it's patchy. Speed of adoption is much slower than the technologists would have us believe. Roll-outs are expensive and slow. It will take time to move from one payment method to another, decades perhaps."

Cash still making a splash

Charniauski's remark that cash isn't going anywhere was the subject of the last presentation of the day. Ron Delnevo, executive director, ATMIA Europe (UK), called for consumer choice in payments. With a shop opening recently in Glasgow which only accepts Bitcoin as a means of payment, it is pertinent to examine what steps are necessary to ensure consumer inclusion rather than exclusion in the fast changing world of payments, he said. "There are seven billion people in the world, five billion of which live on less than $10 a day. Cash is popular because poor people don't have a massive interest in high technology methods. Most of the fascination with modern payment methods is down to western affluence," he claimed.

London buses this year stopped accepting cash fares on all routes. Passengers now need to be in possession of a prepaid or concessionary ticket, Oyster card or contactless payment card. TfL claims that the move will have no impact on the vast majority of passengers as over 99 per cent already pay for their journeys with Oyster, or using a prepaid or concessionary ticket. A decade ago around 25 per cent of journeys were paid for with a cash fare but that figure has now fallen to less than one per cent. But Delnevo isn't buying it. "I won't travel on London buses now that they have withdrawn the cash option and if enough people did the same, TfL would be forced to rethink their strategy. I don't want to be in a world where we're all robots who march to the tune of big businesses and their vested interests. If they stop circulating cash it will never come back and that will be bad as it limits customer choice."

Delnevo cited research that found 90 per cent of payments under Euro 20 are made using notes/coins. "Think before you go down the road of only using cards etc; cash will die out and that is a threat to our liberty. M-payments offer hope for diversity but only with other choices."

A big thank you to our chair for the day, Steven Furnell, head of school and professor of IT security, Plymouth University and to our speakers and panellists. Thanks also to our sponsors: Verifone, Aspect, First Data and Delta Capita.

Further info on the conference can be found at: www.fstech.co.uk/payments/

FStech awards 2015 SHORTLIST

BOOK YOUR TABLE

Congratulations to the finalists!

15th Annual Awards Gala Dinner & Ceremony, Thursday 26 March 2015

The winners will be announced at the FStech Awards black tie Gala Dinner and Ceremony at a NEW VENUE, The London Marriott Hotel, Grosvenor Square, on Thursday, 26 March 2015. Early table booking is advised at **www.fstech.co.uk/awards**

Best Use of Social Media
Banca Transilvania/Misys
LV=
Panacea Adviser
Retail Merchant Services

Best Use of IT in Retail Banking & Insurance
Aegon/Salesforce
Banco Sabadell
Deutsche Bank
Lloyds Banking Group – Multi-Channel Architecture Programme
LV=
Welcome Finance/Target Group

Best Use of IT in Wholesale & Investment Banking
Akbank
Bank Leumi
Lloyds Banking Group – Transaction Banking Transformation

Best Trading System
Bats Chi-X Europe
City Index/Delphix
Equiduct
MahiFX
Misys
OANDA Europe

Storage Solution of the Year
DataCore Software
Lloyds Banking Group – Project Bolt Storage & Middleware
Pure Storage

Best Use of Technology in Customer Service
Aegon
Bank Leumi
Barclays/BT
DirectID
Lloyds Banking Group – Savings Re-Engineering
LV=

Best Use of Online Services
Banco Sabadell
Bank of America Merrill Lynch
HSBC
Idea Bank
MarketInvoice
True Potential Investments

Best Use of Mobile
Banco Sabadell
Barclays Bank
Barclays Wealth
HSBC
Lloyds Banking Group - Mobile Fast & Secure
Nationwide Building Society
Monitise
Vodafone Turkey

Anti-fraud/Security Strategy of the Year
Bonifidee
Capital Support
Deutsche Bank
ecoPayz
HID Global
Lloyds Banking Group - Next Generation Mobile Banking App
LV=
miiCard

Compliance Project of the Year
BATS Chi-X Europe
SWIFT
Lloyds Banking Group – FATCA Compliance

Systems Integration Project of the Year
Akbank
aquilaheywood
Bank of America Merrill Lynch
Lloyds Banking Group – Credit Card Simplification

Infrastructure Solution of the Year
Bank of America Merill Lynch
Corning Optical Communications
Lloyds Banking Group – Horizon Programme Design Team
netConsult
SWIFT
Traxpay




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Outsourcing Partnership of the Year
Barclaycard/Sysnet Global Solutions
Cognizant Technology Solutions/Credit Suisse
Expobank/CFT Group
Lloyds Banking Group/Cognizant Technology Solutions
Siteset/SJP

Payments Innovation of the Year
Creditcall
Earthport
Foregenix
Global Payments
Skrill
SWIFT
VocaLink
WorldRemit

Omnichannel FS Provider of the Year
HCL Great Britain
Lloyds Banking Group - Multi-Channel Architecture programme
TBC Bank

Financial Sector Innovation of the Year
118 118 Money
Nationwide Building Society
Nutmeg
Open Bank Project
Platform Black
Saxo Bank
Thomson Reuters
Wealth Wizards

IT Team of the Year
Barclays Wealth
BATS Chi-X Europe
Credit Suisse
Hiscox
LV=
VocaLink

Cloud Computing Innovation of the Year
Blackline
Cashfac
Eze Castle Integration
InvestCloud
Mambu
Moneycorp

Risk Management Software of the Year
ACI Worldwide
CrowdControlHQ
Misys
OpenGamma
Quantifi
SunGard

Most Innovative Product of the Year
Aon Benfield
Artificial Solutions
BT
Delphix
Plan B Disaster Recovery
SimCorp
Temenos
Worldpay

Technology Provider of the Year
Equiniti Pension Solutions
Fiserv
GBST
Matsco Solutions
MindLink Software
smartTrade Technologies
VocaLink
Verifone

Online Technology Provider of the Year
Creative Virtual & TSB
Diasoft
Intelligent Environments
InvestCloud
Misys
True Potential Investments

Most Disruptive Financial Sector Technology
Auto Enrolment Advisory Group
CommuterClub
Gold-i
Instinct Studios
Payfriendz
PremFina
Roostify
Sonovate
Sprint Enterprise Technology
Yoyo
Zapp
Zercatto

Barry Holland Memorial Award for Outstanding Individual Achievement
Bertram Meyer, CEO and co-founder, Taulia
David Yates, CEO, VocaLink
Fabian Vandenreydt, Head of Markets Management, Core Business Development, The Swift Institute and Innotribe, SWIFT
Lisa Falzone, CEO and co-founder, Revel Systems

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Once in a lifetime

Scott Thompson reports from the British Bankers' Association's Annual Banking Conference

The future for banks in this country is enormously exciting, but it also throws up many challenges, with technology set to play a crucial role. That was a key message to come from the event, which took place in London during October. One of these challenges is customer trust. RBS CEO Ross McEwan called on all banks to "decide today to compete with each other on proving that we are worthy of the trust of our customers", describing trust in banks a commercial essential, not a nice to have.

"When I took this job over a year ago, one eager staff member suggested a 100-day plan during which all past problems, practices and related fines could be rooted out so that everyone could get on with a focus on better everyday customer service," he said. "Nothing would make me happier and I understand why colleagues feel that way. But the truth is that I need a 500-day plan for that. I can't draw the line until we know the line will hold. We must get through a slate of conduct and litigation issues at RBS, relating to foreign exchange, our 2012 IT problems, US mortgage backed securities, and our treatment of distressed SME customers...We cannot re-write the past as an industry, but we can chart a different future."

That future could go either way, though, depending on various factors. "Looking five years ahead to 2019, I am concerned that we are in real danger of sleep-walking into a situation where the financial sector is on the verge of paralysis," said Bill Michael, EMA head of financial services at KPMG. "If current trends are allowed to continue, my big fear is that lending still won't be reaching those who need it. Our capital markets could be dysfunctional. Our need for long-term infrastructure will be even more acute. The UK's long-term savings problem will be worse, not better. And banks will be overrun by even more compliance officers, regulatory gurus, auditors, lawyers, and so-called financial crime experts. I fear we could be left with a system that doesn't serve any customer well. We also risk betraying a 400-year history of expanding our knowledge and influence, and generating wealth beyond our borders. Buzzing customer hotlines are certainly a measure of failure, but economic sclerosis and structural unemployment are the worst customer failures of all. Is sleepwalking into this nightmare a real possibility? I fear it is."

In terms of technology, Michael argued that it represents the greatest transformation in financial services. "Banks spend billions on IT, yet systems are creaking and are not fit for purpose. It's not sustainable. Like the car sector in the 1970s, when it embraced robotics, banks must face up to a once-in-a-generation infrastructure project. Collaboration may well be

required. And a sympathetic regulatory and political ear. If traditional financial institutions are not efficient enough in making financial connections you can bet someone else will be, including shadow banking. Who knows, one day, financial institutions might need less than 10 per cent of their current workforce?"

Greater safety

Banks are safer than they were before the crisis, observed Anthony Browne, chief executive, BBA. They hold three times more capital than they did. They are less highly leveraged and less risky businesses. But the push for greater safety must not undermine the core purpose of banks: to provide the finance businesses need to fuel economic growth. "Yes, too many risks were taken in the past. But we must be more ambitious than just seeking to achieve, in the Chancellor's words, the stability of the graveyard."

"A big part of our future agenda is also how we make new technologies work best for customers," he added, flagging up huge changes in the way we now bank. £1 billion is moved online and through apps every day. The number of downloads of mobile banking apps is doubling every year. Contactless payments are growing exponentially. And plastic has overtaken cash as the preferred method of payment for the first time this year. "Fast forward 20 years and it is not hard to imagine customers finding physical cash is almost redundant, a world where payments are made with biometric recognition technology. Paying in money, arranging a loan or making payments abroad will be possible from the palm of your hand. Everyone will have their very own bank branch in their pocket. This means banking will be easier than ever for all of us. But it will also present huge challenges for the banks we work for as big global brands such as Apple, Google and Amazon shake up and disrupt the market in unpredictable but exciting ways," Browne stated.

This isn't a case of technology spelling the end of the branch, however. Nationwide chairman Geoffrey Howe argued that it's actually a great opportunity for the High Street. Anthony Thomson, founder and chairman of Atom Bank, a digital venture due to launch next year where the aim is to build a bank with none of the baggage of the past, said that there was a seismic shift in 2012 towards digital banking ("all data tells me that self-service is the future"). But even he conceded there is a digital divide in this country. "My mum's very digital savvy. My dad would walk three miles for a few extra bips on his savings," he commented.

And let us not forget that Thomson also co-founded Metro Bank, which places a heavy focus on the branch and good, old fashioned face-to-face customer service (even if he does now believe the business model is outdated). In December, the venture opened its 31st 'store' (this one in Orpington, Kent and, like all the others, open seven days a week, 362 days a year, early and late with such facilities as magic money machines and safe deposit boxes). More will follow this year and next.

So, who has got this one right? The online-only guys or the Metro Banks? And can the banking sector regain customer trust whilst simultaneously grappling with a myriad of other challenges? Truth is, no one really knows at this point. To quote BBA's Browne: "We live in a fast changing world. I have no crystal ball. But I am sure of this. The banking sector we work in now will look very different to the banking sector in which we will work in 20 years' time. We have a lot of work to do to get it where we want it to be. But we have to be ambitious because the prizes and opportunities are great. And I am sure that we are up to the challenge."

talking heads

Alastair Paterson, CEO, Digital Shadows

FStech: How did you get into the sector?

Alastair Paterson: I spent most of my career working at a security and intelligence consultancy called Detica that was later acquired by BAE Systems. That gave me the background and skills necessary to start our cyber intelligence firm, Digital Shadows. We decided to focus on the financial sector due to the amount of cyber attacks the industry faces. We were lucky enough to be part of the FinTech Innovation Lab in 2013, sponsored by a number of global banks that are now our clients, which helped to launch us in the sector.

FStech: Who has been the biggest influence on your career?

AP: I've been lucky enough to work with a number of fantastic colleagues, managers and mentors in my career, and have done my best to learn from each of them. It's hard to single an individual person out from that field.

FStech: Who in the sector inspires you?

AP: There are many inspiring people in both FinTech and cyber security, as both fields are seeing incredible growth and innovation right now. In terms of FinTech, I love what GoCardless and TransferWise are doing to truly disrupt the business models of some old, complacent multi-nationals. In cyber security, there are some great US firms on high growth trajectories such as ThreatStream, Cylance and Co3 Systems, and Darktrace is doing some interesting things in the UK.

FStech: Which IT professional do you most admire?

AP: There are some innovative young companies and individuals in the FinTech and security spaces. However, in more general terms I am constantly amazed by Elon Musk, who has proven himself a true entrepreneur in multiple fields including FinTech with PayPal, transportation with Tesla and now space exploration with SpaceX.

FStech: Is there anything that you dislike or that frustrates you about the sector?

AP: I do get frustrated with the cyber security sector from time to time for a couple of key reasons. Despite everything that has happened and is publicly known, many firms are still not taking their security seriously enough. I think the fact that cybercrime is not very tangible makes it easier to ignore. If someone broke into your office and stole all your computers you would know all about it. But if they hack in and steal all your data it's harder to detect. Things are changing, with better attitudes and new legislation, but there's got a long way to go. The problem is worse in the UK than the US – we seem to be a few years behind and more education at boardroom level is needed. My second frustration relates to security vendor marketing departments. It's hard for companies to know what to do when they are bombarded with a multitude of often misleading scare tactics, that overplay some of the risks in order to sell specific products. We are committed to being honest with our clients about the risks they face and strive to avoid FUD (fear, uncertainty and doubt) marketing techniques.

FStech: What technology can't you live without?

AP: I've always been a bit of a technology gadget geek, but if I had to choose one device above all it would be my iPhone. We all know it's a design marvel, but it's also astoundingly good for workplace productivity and I would be lost without it.

FStech: How do you relax?

AP: These days it's tricky because there is always more work to be done! I still play and watch football and go running quite a bit to stay in some sort of shape. I always make time for snowboarding each year – I can't get enough of it. Outside of that I enjoy music and still take in the odd gig, having played in a band myself a few years back.

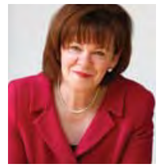
FStech: What was your last banking experience both online and on the High Street, and were they positive experiences?

AP: We recently swapped to Silicon Valley Bank, ditching one of the large High Street banks. It's been a fantastic experience from the get-go. They really understand venture-backed growth companies as that's all they deal with, and there's always someone on the end of the phone who I can speak to about our business. We now have a seamless online and off-line experience, which was the key driver for us swapping from our previous provider as we expand into the US.

People on the move

Gary Norcross

FIS has announced that its current chief operating officer Gary Norcross is to become president and CEO from January 2015. Norcross, who has been with FIS for 26 years, will undertake a five-year term as CEO. The world's largest provider of banking and payments technology also confirmed that Frank Martire, its current CEO, will move to the role of executive chairman.



Dame Colette Bowe

Dame Colette Bowe has been appointed as chairman of the Banking Standards Review Council, the new body charged with promoting high standards across UK banks and building societies. Dame Colette was most recently chairman of both Ofcom and Electra Private Equity. She was chosen to head up the BSRC by a selection panel chaired by Bank of England governor Mark Carney.

Ian Summers

Ian Summers has taken on the newly created role of business development director at insurance software specialists Sequel. He joins the company from AON Group Ltd, where he was chief information officer. "Ian's appointment is highly significant for our long-term strategic planning. He brings with him a wealth of high level experience and specialist commercial skills," says Mario Garcia, Sequel's managing director.

Matthew Glover

The Islamic Bank of Britain has promoted Matthew Glover to the newly created positon of head of IT and change. He was previously change delivery manager at the bank, which he joined in 2007 from RBS. Glover's remit will be to manage IBB's transformation programme as it enters a period of expansion, ahead of its planned December 2015 name change to Al Rayan Bank.

Lisa Wood

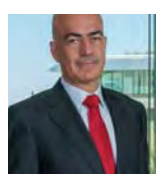
Atom, set to be the UK's first 'digital-only' bank, has appointed Lisa Wood as chief marketing officer. Wood was formerly head of marketing at first direct, where she was responsible for a brand refresh by bringing in the stronger use of social media channels to engage a younger audience. Prior to that, Wood was head of customer propositions for the HSBC Expat business, based in Jersey.

JP Rangaswami

JP Rangaswami is to become the first chief data officer at Deutsche Bank. The FI said that it had created the new post to strengthen its technology and operations leadership team. Rangaswami will play a key role in supporting the bank's digital strategy and standardising its information processes, tools and governance. He will join in January from Salesforce, where he has been chief scientist since 2010.

John Ennis

John Ennis has been named as vice president, United Kingdom and Ireland, for self-service and security provider Diebold. He will be responsible for developing the company's business and growth strategies in these two markets. Ennis joined Diebold in 2012 and has more than 30 years' leadership experience in the financial technology sector, including positions at NatWest/RBS.



Javier San Félix

Global retail banking association Efma has appointed Javier San Félix as its new chairman. He is currently senior executive vice president and global head of retail and commercial banking at Banco Santander. He succeeds Hans van der Noordaa, former member of the board at ING and soon-to-be CEO of Delta Lloyd, who held the chairman position for two years.

The rise of omnichannel

Retail banking customers can access their financial services in more ways than ever before. FStech looks at the state of play in online and mobile banking as well as the role of the branch in an increasingly digital world

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Branching out

Online and mobile banking may be moving at a ferocious pace, but there's still life in the bank branch yet, finds David Adams

For many of us, memories of having to queue up inside a branch several times a week may seem rather quaint, now that we do most of our banking through a PC, tablet or smartphone screen. From that perspective, the closure of hundreds of branches across the country seems both logical and inevitable. Branch transactions have fallen by around 30 per cent since 2010. By this September, 331 bank branches had already closed across the UK during 2014, according to the Campaign for Community Banking Services – up from 195 in 2013. In October, Lloyds Bank also announced it would be closing 150, representing around seven per cent of its network.

However, both TSB and Santander are opening new branches, while newer entrants into the UK market – such as Metro Bank and Handelsbanken – are expanding their networks. There

> "There's a demographic who are motivated to join a bank by whether or not it has a High Street presence"

has also been an increase in the number of bank customers who visit the branch at least once a month, from 45 per cent in 2012 to 52 per cent today, according to recent research from Accenture. Surprisingly, the age group that shows the greatest increase is 18 to 24 year olds. Yet this must be put into context alongside the striking growth in the use of online

and mobile banking services also revealed by Accenture's research. Eight out of 10 customers interact with their bank online at least once per month, while 27 per cent now use mobile banking, up from 21 per cent in 2012 and 10 per cent in 2011.

Banks are bound to act on such trends. "Customer behaviour has changed in recent years," says a spokesperson for Lloyds. "We are investing in the online capability of our business as well as our branch colleagues to further enhance our customer experience. We believe branches will continue to play a vital role in meeting customer needs."

TSB, which inherited its 631 branches from Lloyds when split off from the larger bank in 2013, is committed to a "bricks and clicks" strategy, according to Peter Navin, managing director for branch and business banking. "We know that 70 per cent of people looking to open a current account still say a convenient branch is the top priority," he says. "The service we provide to customers within our branches is an important differentiator."

Anthony Thomson is founder and chairman of digital-only bank Atom, but also the founder and former chairman of Metro Bank, which based its strategy around branches located in convenient places and open at convenient times. He believes the transaction-based branch will be dead within the next few years. He sees the rise of mobile banking as a significant factor, noting an increase in the number of downloads of banking apps from 8.5 million to 14 million between 2013 and 2014.

But mobile banking will not kill the branch, counters David Parker, head of banking, UK, at Accenture. "There are sections of the population who would never go near the branch and are happy to be served by digital channels, but there's another demographic who are motivated to join a bank by whether or not it has a High Street presence," he points out. "Too often at the moment, even if you have been looking at [a financial product] online, when you start having that conversation with someone in the branch, it's a brand new conversation. I think we will see banks move back towards the world where you had someone in the branch who knew you personally and you could have discussions based on that knowledge, rather than having to start from scratch."

Last branch in town?

Recently, banks have faced criticism when branch closures have left some communities without a bank. In June 2014, the union Unite slammed RBS/NatWest for having effectively reneged on a previous pledge not to close branches if they were the "last bank in town" (LBiT). Unite claimed that 48 out of 100 branches the bank had closed between January and June 2014 were LBiTs. A further 10 per cent of the group's branches are also earmarked for closure. However, at one branch the bank monitored no customers walked through the door for two days, points out Brian Holland, head of network development and points of presence at RBS.

"We're aware of our social responsibilities," he insists. "If we close a branch we make sure there's an ATM nearby. We have also extended our relationship with the Post Office, so customers can withdraw money and get their balance at Post Office counters. In more rural areas we run a fleet of 23 mobile [on-vehicle] banks. We've installed satellite technology in them, meaning customers will be able to use these banks to get online access even in really remote areas. With our branch network and our partnership with the Post Office we can offer banking services within three miles of 99.6 per cent of our customers, and can reach 90 per cent through our own branch network."

Holland says the bank is still investing in this area, noting the importance of the branch to small business customers in particular. RBS/NatWest still runs a branch network that serves 15 million customers and 1.5 million business customers in the UK, and also manages a network of 4,500 ATMs. The bank is developing a new branch format to turn it from a transaction centre into an education and advice centre, adds Holland, so it would be deeply short-sighted to use this as an excuse to reduce headcount.

Meanwhile, at Nationwide, technology is being used to "breathe new life" into some of the less busy of the mutual's 700 branches, says Richard Searle, head of future customer outcomes at Nationwide. This includes the Nationwide Now service, which uses video-conferencing technology to allow customers sitting in a private room in the branch, alongside two screens, a printer and a scanner, to speak to product experts in other parts of the country. When the system was introduced into Nationwide's Caversham branch, in Berkshire, it led to a tripling in the number of mortgage completions and a doubling in the uptake of financial planning products. The system is currently used in 61 branches, but will be rolled out further.

Metro Bank, launched in 2010, has based its business model around its working hours-friendly, dog-friendly branches. Its target is to have 200 of its banking 'stores' open by 2020; and the stores have to be in the right locations, in the right sort of building, sometimes with part of the first floor removed to give them a brighter, roomier feel. Although its market share is still tiny, growth has been healthy, with over 400,000 accounts now in place and total deposits of £2.3 billion, up almost 120 per cent from 2013 to 2014. The plan is to reach a 2.5 per cent market share (around £25 billion in deposits) by 2020. At the time of writing, the bank was about to open its 31st store, in Orpington, Kent. Most of the 200 stores it plans to open will be in south east England, according to David Young, director of change and innovation at the bank. The bank also offers telephone, online and mobile services. "If customers want to call us every day, that's fine. If they want to do everything online, that's fine too – but the store will always play a key part," says Young.

Similarly, Swedish bank Handelsbanken believes its branches have been a crucial factor in the progress it has made in the UK market in recent years. It now has 181 UK branches, from Aberdeen to Truro. Spokesperson Simon Alderson says the aim is always to expand organically, in response to customer demand. "Our structure is decentralised, so there's real power in the hands of branch staff," he notes. "There is a general rule that no lending decision should be made above branch level. That appeals to customers. They also like the fact that they go to a branch where they know the staff. We don't operate call centres – we pick up the phone in the branch."

Although each branch is different, all are designed to feel very welcoming, with a lounge-like feel. They do not handle cash, which is managed through agency arrangements with other High Street banks. "We're growing rapidly in the UK, taking market share from the High Street banks and will continue to grow when we see the opportunity to do so," says Alderson. "There is a strong and growing demand for local relationship banking."

> "The demand for local relationship banking is strong and growing"

Even so, Atom's Thomson still believes the long-term trend for decline in use of the branch will continue to be felt. "Customers are deserting them," he argues. "We'll continue to see closures of branches. Those that remain will largely be used as sources of advice." On the other hand, says Accenture's Parker, new entrants limit their potential market if they have no branch infrastructure. "There's no question that if you have a physical bricks and mortar presence customers are more likely to open current accounts with you," he points out. "I can't foresee a world anytime soon where the major banks don't have a significant branch presence. They'll invest heavily in augmenting that with a strong digital proposition, but I certainly don't think the branch is dead, or will be for the foreseeable future."

Mobile mavens

Brits are embracing mobile banking, observes Hannah Prevett, so how are banks meeting the demand for banking on-the-go?

Consumer appetite for mobile phone apps has become ravenous in recent years. And no sector has had to adapt more quickly than financial services. Whether it's paying bills, checking balances or making transfers between accounts, customers are demanding more from the banking services at their fingertips.

The numbers bear this out: a recent report from the British Bankers' Association and accountancy group EY found that roughly £1 billion worth of online or mobile banking transactions are now carried out in the UK every day. What's more, as many as 14.7 million banking apps for mobile devices have been downloaded, with transactions worth £6.4 billion carried out via mobile phones or the internet every week around the country. Users are getting very comfortable with mobile banking technology, notes Robert Watts, director of media relations at the BBA. "Between 2012 and 2013, you saw a doubling of average app use," he says. "From 9.1 million app uses a week in 2012, the average app use has more than doubled to 18.6 million in 2013."

"Consumer adoption of mobile banking has occurred 300 to 500 per cent faster than online banking adoption occurred"

Consumers have embraced mobile banking with much more vigour than they did internet banking earlier this decade. "Consumer adoption of mobile banking has occurred 300 to 500 per cent faster than online banking adoption occurred," argues Brett King, founder of Moven, the digital bank. "The real trailblazers weren't banks, but the likes of Apple and Google, who need to be recognised for creating the platforms that we use today. In respect to the traditional banks who've adapted well to mobile, it's more about culture for me," he continues. "The likes of Fidor, USAA, BBVA, mBank in Poland and Barclays are good examples of banks that early on determined they should be primarily digital moving forward."

King also says he looks for banks "who have a chief digital or chief mobile officer" as an indication of their commitment to mobile. Daryl Wilkinson is one such figure, having been head of group digital development at Nationwide since 2012. His role and that of his team is to look at emerging trends around the world and to think about how they might be applicable to the FS sector.

"They are not necessarily technology trends but are typically enabled by technology," explains Wilkinson. "We might spot, for example, that in Asia or the US people are increasingly utilising mobile devices to purchase goods and services, and they really like that they can do this in one or two clicks. We may conclude that it's probably not going to be too long before customers expect to be able to do the same with some of their banking or savings products and we need to respond to that. This will then lead to extensive analysis and testing. It's about using really good insights and we have a dedicated team of insight analysts, social anthropologists and a data scientist to figure out how what we are seeing around the world and across industries would impact financial services, to help us deliver more choice to members and to deliver a better proposition."

This means the mobile platform is constantly evolving and changing. Since its launch in November 2012, there have been four iterations of Nationwide's mobile app – which now gets more log-ins than the desktop site. "Doing a new release resets your rating so we try to ensure that we don't fiddle around for the sake of it and that we actually add value in each release," Wilkinson says. "There are a lot of conversations around digital based on the idea of constantly iterating and while I believe you need to do that, it's often misunderstood. Change for the sake of it isn't going to help anyone. If our customers have strong preferences about the UI [user interface] of applications and you suddenly change the look and feel, customers can be very unhappy about that – even though the new version may be better."

Always evolving

While the team at Moven is constantly tinkering to improve the customer experience, King says banks are living in a dream world if they think they can achieve perfection. "We are in a cycle of about two iterations a month right now with Moven. Some of that is bug fixes and fine tuning, but more is about A/B testing new features or iterating on user experience and interaction. It's more important to constantly evolve the app around your customers – it will never be perfect or finished. If you think like that then you don't understand mobile."

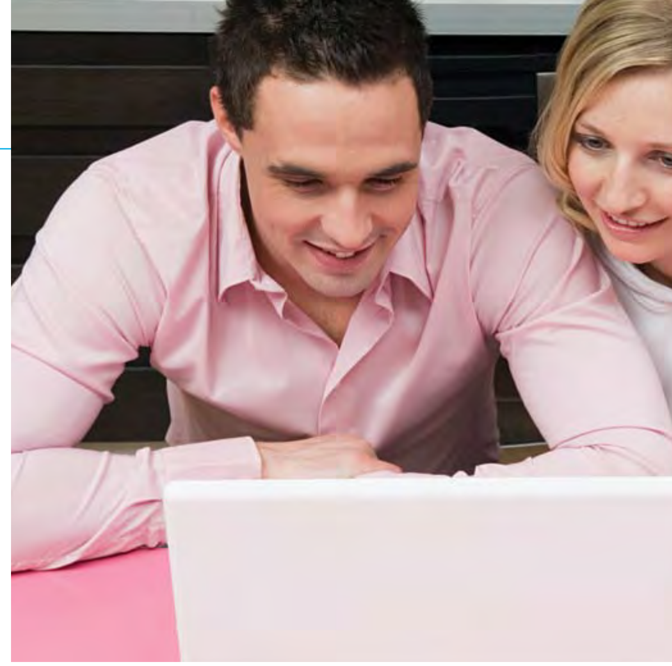
One of the latest iterations of the Nationwide app includes a feature whereby users can receive balance snapshots on their smartwatches. "They can look at their watch and say, 'OK Google, show me my balance' and it will appear on their wristwatch, or they can tap it if they prefer," explains Wilkinson. "It's about offering choice and convenience to consumers in a way that may be important to them. There are some of our members who have expressed an interest to receive notifications on their smartwatch and to make payments on their smartwatch. We would be remiss not to respond to that."

Wilkinson is also betting on NFC payments to be the next big thing. "I'm a huge fan of NFC payment. I think it's fantastic; I can take my phone out with me and leave my wallet at home," he adds. King agrees that plastic cards may soon become relegated to the history books. "The most significant shift in banking will be firstly when we can download a bank account to our phone and we don't need plastic at all. The second big shift will be around ongoing advice in real-time when and where you need it," he predicts.

"We initially thought mobile was about shoving a plastic card proxy in a mobile wallet or shrinking internet banking down on to an app-size screen. This is what we focused on but now we know we were wrong," King admits. "Mobile is about context. It is about helping you solve a problem when and where you need the help. In that respect, while mobile payments are rapidly being accepted, especially by millennials, the next generation of mobile banking will be more about understanding how you use your money and the bank as a platform every day to make financial decisions and save money."

For this kind of relationship to develop, customers need to have absolute trust in their bank. Thankfully, some of the barriers related to customers' concerns over security are now lifting, says King. "The reality is that when it comes to something simple like in-store mobile payments, a mobile is ten times more secure than a piece of plastic – so we need to help customers understand every time they use a plastic card today they are risking their identity and money, but with a phone they won't have those issues."

Wilkinson agrees that concerns about security are gradually falling by the wayside. "The caution is definitely subsiding. People may still be a little cautious in proportion to other banking methods they may use, but this is about education, and one of the things we can always do more of as an industry is educate people about what mobile payments are and why in some cases they may be more secure than what they're doing already."



Digital dividends

Online banking is growing faster than ever as consumers use the internet to access an increasing number of financial services. Kate O'Flaherty reports

Online banking is evolving, driven by the rapid uptake of mobile applications and other digital services. This is resulting in a wider variety of offerings, with banks investing in multi-channel strategies aimed at pleasing a diverse and increasingly digital customer base.

The growth in online banking has accelerated. In the UK, it surged by nearly 40 per cent in just four years, according to recent figures from the British Bankers' Association (BBA). The statistics show that British consumers used internet banking nearly seven billion times in 2013, up from five billion in 2009 – equivalent to almost 800,000 log-ins an hour. Last year, 316 million bill payments were made online, together with 293 million inter-account transfers. There were 152.6 million direct debit or standing order creations or amendments, and 1.1 billion account queries. Some 10.5 million 'stop payment' instructions were also made – an eight-fold increase on the previous year.

The move to digital channels is creating huge cost-cutting benefits, but there are also challenges to be met by UK banks. There is a need to balance security with growing functionality. Additionally, services must be available to customers 24/7, requiring many banks to drastically change their infrastructure. Pressure is being added by the fact that the adoption of online technology has been faster than banks expected. But the industry agrees that this pace is being set by the consumer, leading to investment across the board.

Lloyds is seeing a huge demand for internet services, after adding one million users a year across its digital portfolio. In total, over 10 million customers use the bank's digital services, with five million of these taking advantage of mobile banking. It has seen Lloyds Banking Group invest £750 million in a digital strategy, with another £1 billon spend planned over the next three years. But while the bank is adding 25,000 mobile banking customers a week, it has come at the expense of desktop usage, according to Nick Williams, consumer digital director at Lloyds Banking Group. "We are still seeing strong growth in mobile, but it is slowing on the desktop side as customers become digitally active using portable devices," he says.

Meeting needs

Even so, desktop banking now has much more functionality, notes Sean Barton, head of digital at first direct. This has seen developments in areas including money management, personalisation, mobile banking and mobile payments technology, he adds.

Browser-based banking is still common and used by both consumers and corporate customers, agrees Andrei Charniauski, research manager at IDC Financial Insights, adding that as well as meeting customer needs, online channels offer multiple benefits to banks. Cost-cutting is seen as one of the main drivers, Charniauski explains: "Even before the economic crisis, banks realised they could move routine applications such as transfers to another channel and reduce the costs of a transaction – sometimes by 10 times."

Additional efficiencies are being achieved by some banks, who are promoting online channels heavily in a move to redirect tele-personnel to become sales people. "This means they spend less time doing routine tasks and instead sell products," says Charniauski. "So there is a huge shift and it's still ongoing. People only need financial advice on complex products like mortgage savings accounts. The other stuff they can do at home." On top of this, online banking can cut the expense of running multiple branches, he adds: "If you stop people coming into the branch it provides the opportunity to reduce costs."

This could have an effect on the branch network, says BBA CEO Anthony Browne, but face-to-face contact is still essential to some services. "The number of High Street bank outlets has been falling for 25 years – but this new technology is accelerating the decline of branch transactions far faster than our industry predicted." However, he adds: "The reality is, that millions of us are only using branches for 'bigger moments', such as taking out a mortgage, assessing options or resolving a complaint. Branches are still vital and will remain an integral part of banking in the 21st century – more than 2,000 have been refurbished in the past two years."

Yet online banking is by no means taking over traditional methods, according to Williams, who says that currently, more Lloyds customers use the branch than digital channels. "The difference is that digital users interact more often. A customer could make one visit a month and have a 10-minute conversation. With digital they are more likely to log on 10 times in one minute," he says. "So the way you interact needs to change – you need to be relevant and timely when talking to the customer. That multi-channel experience starts to become your brand. There are expectations of fulfilment and response."

In order to encourage customer take up of online services, Lloyds has implemented its digital solution at the counter. It takes 50 per cent less time to do, "so is more efficient for both us and the customer", notes Williams. "This helps educate the consumer of the value of the service. We can show the customer how to do it by turning the screen around." Lloyds is now looking at managing "more complex needs" by moving services such as mortgages to digital channels. Williams explains: "We are looking at making that process more efficient and providing an online option for people who are more confident, such as those doing it for the second or third time."

Under pressure

However, the move to online is often putting systems under pressure. Initially, old legacy systems and software that did not have the features for mobile channels made it hard for banks to introduce new functionality.

Security was a key area that needed examining by banks, especially in the move to mobile phones – which were often seen as less protected than laptops. "Banks have had to figure out ways to ensure that on the one hand, they provide customers with great facilities, but also at the same time the accounts are secured," Charniauski says. "So it is about striking a balance between functionality and security." first direct's Barton agrees, saying: "Security remains a key concern and it's important this is balanced with customer experience."

Banks are also under pressure to remain online 24/7, requiring them to invest in updating legacy systems. According to Williams, on a monthly basis, mobile customers typically use the service between 12 and 14 times. On top of this, he says, consumers are learning to expect more from their everyday digital lives. "Customers have a great experience with internet companies like Amazon, ebay and Google; they expect that now from banks." He adds: "It presents challenges in terms of how you provide a 24/7 process when customers want information in real-time, and legacy systems collect information and file it at the end of each day."

But online banking applications are becoming increasingly sophisticated, making the future look bright for the technology. It is likely that soon, Apple's Touch ID and similar biometric applications will further improve mobile security. Additionally, imaging technology, allowing users to take a picture of a cheque with a mobile and send it to their bank, is being trialled. Meanwhile, the Pingit app by Barclays is also allowing customers to pay utility bills. Another crucial development in online technology will be video banking, highlights Charniauski. "Banks still feel that there is value in person-to-person interaction between themselves and the customer," he says. "I think the future is in mobile banking over video link."

Digital disruption

Scott Thompson looks back over what has been an extremely eventful 12 months for the FS technology sector, and ahead to 2015

June saw the return of the FStech Omnichannel Banking Conference. A key message to come from the event: banks with omnichannel aspirations must shake off old ways of working and start acting more like startups. It looked at how they are faring when it comes to fusing channels to create a unified customer experience across various touchpoints (mobile, online, the branch, social etc). This is tricky territory to navigate, it was concluded. Regulatory compliance requirements, for instance, continue to place enormous strains on banks' budgets and resources. Throw in the potential invasion of their markets by new non-traditional, digitally savvy entrants, such as Amazon, Apple and Google, and some organisations could be pushed to breaking point. At the same time, however, a successful omnichannel strategy could potentially strengthen their relationships with existing customers, capture new ones and gain better customer intelligence.

These challenges and opportunities dominated 2014. There have been many examples of FIs making omnichannel progress. But for every Nationwide Building Society blazing a trail on the High Street and online, there have been FIs aplenty falling down on customer service and generally failing to join up the cross channel dots as they continue to be weighed down by pesky legacy IT systems.

Let us, however, start with the good, before moving onto the bad and the ugly. As mentioned, Nationwide has forged ahead this year. In an industry first, it announced that its mobile banking members could now access real-time account balances on their Android Wear smartwatches. The building society's Android app has such other features as the ability to make payments, transfer money, manage overdrafts and open savings accounts. Kudos also to Barclays Bank for its Digital Eagles effort. It has trained thousands of members of staff to help customers who come into branches and express an interest in online and mobile products. The initiative forms part of its bid to close the digital divide and have the most digitally savvy workforce in the world.

Barclaycard's bPay wristband hit the capital during September, allowing Londoners to make contactless payments at 300,000-plus terminals and across the TfL network. Any UK Visa or MasterCard debit or credit card can be linked to the wearable device, bringing onboard the 50 per cent of Londoners currently without a contactless-enabled payment card.

Barclaycard said that bPay would help the capital's commuters avoid 'card clash', which can arise where the card readers on buses, stations or at tram stops in London detect

more than one contactless card and either take payment from a card that was not intended to be used or present an error message. The product itself is free and there will be no usage fees for consumers. At the heart of the offering is a pre-paid account to which funds are either added automatically when the balance runs low or can be done so online. It was trialled at the Pride in London LGBT celebration in June and the Barclaycard British Summer Time music festival in Hyde Park in July and is expected to be made publicly available next year.

Outside of the UK, Poland's mBank won plaudits for mDeals, the first European implementation of merchant-funded transactional marketing. It has also developed a way to perform online loan underwriting and credit scoring in 30 seconds. Money transfers instantly into the customer's account and the customer can repay with a debit card or at any ATM.

And it doesn't stop at mBank. Efma's 2014 Yearbook, published in November and looking at the state of global retail banking markets, notes that there are various interesting developments taking place in that part of the world. "Poland has some very innovative banks and has been one of the growth markets in the European Union in the last several years," commented Patrick Desmarès, secretary general at the not-for-profit retail FS organisation. He also flagged up Thailand and Colombia as having some similar characteristics as rapidly developing but still low income countries. In contrast, the East African countries have very low income and generally weak infrastructure but have been global leaders in mobile money developments, he noted.

In Spain, meanwhile, CaixaBank launched Europe's first Visa contactless wristband, enabling payments at terminals in more than 300,000 businesses across Spain. It initially issued 15,000 of the bands this summer, to selected customers who have made the most use of their contactless cards. The device was then made available to all customers via the bank's branch network and other channels in the second half of the year. Inside the band is a microtag with the customer's encrypted card details, protected with the same security guarantees as normal contactless cards, CaixaBank said. As with a normal card transaction, for purchases worth over €20, customers will have to enter their card PIN to validate the transaction. There will also be an option to download a new mobile app, which will alert customers when any transactions are made using the device. This was not the first foray into wearable technology for CaixaBank; earlier this year it launched the world's first application for smartwatch devices and a function for Google Glass users to locate branches and convert currencies.

A bad year for...

The Prudential Regulation Authority (PRA) fined RBS, NatWest and Ulster Bank £14 million for inadequate IT systems and controls in 2012. It was the first financial penalty the PRA had imposed since it came into being last year. The Financial Conduct Authority (FCA) separately fined the banks £42 million for the same incident. As they agreed to settle at an early stage, they were entitled to a 30 per cent discount.

This followed on from the Central Bank of Ireland's decision to fine Ulster Bank €3.5 million for the IT and governance failings that resulted in approximately 600,000 of its customers being unable to use their accounts over a 28-day period during June and July 2012. The penalty was the largest imposed by the Central Bank and came on top of €59 million paid out in compensation to affected customers. The incident, which began on 18 June, directly affected at least 6.5 million people in the UK, 92 per cent of whom were retail customers. Disruption to the majority of RBS and NatWest systems lasted until 26 June, and Ulster Bank systems until 10 July. Disruptions to other systems continued into July 2012. The cause of the IT incident was determined to be the failure of the banks to have the proper controls in place to identify and manage exposure to the IT risks within their business.

Andrew Bailey, deputy governor, Prudential Regulation, Bank of England and CEO of the PRA, said: "The severe disruption experienced by RBS, NatWest and Ulster Bank in June and July 2012 revealed a very poor legacy of IT resilience and inadequate management of IT risks. It is crucial that RBS, NatWest and Ulster Bank fix the underlying problems that have been identified to avoid threatening the safety and soundness of the banks."

The jury's out on...

The Payments Council welcomed the new Payment Systems Regulator (PSR)'s proposals to regulate the payments sector when it becomes fully operational next year, while stressing that "we are already committed as an industry to maintaining our world class payments systems for customers whilst ensuring new providers enjoy a level playing field."

Maurice Cleaves, interim chief executive of the Payments Council, commented: "The UK is globally renowned for delivering payments innovations. UK customers already enjoy contactless technology and chip and PIN on their cards, internet and phone payments at the touch of a button, Paym on their mobile phones, and they can move account more quickly and easily than ever before thanks to the Current Account Switch Service. These services match or beat what customers enjoy elsewhere in the world. We will press on with all this work whilst continuing to engage with the PSR to ensure that all those that access and use payment services on a daily basis are the winners."

Open for consultation until 12 January 2015, the PSR's proposals focus on driving industry strategy and encouraging innovation; opening up the ownership, control and governance of payment systems; and providing fairer and more open direct access to payment systems as well as increasing transparency.

Hannah Nixon, managing director at the PSR, said: "It's vital for the UK to have world class payment systems. The systems we have today have been developed incrementally over time by the major banks. So while they are relatively resilient, they are often treated as back office functions. Competition is limited, decision making opaque, and this is stifling innovation. This has to change. I want to see an industry that is responsive to, and focused on, the needs of those using payment services. This will be an industry that encourages and enables competition and innovation, provides value for money, while maintaining reliability and security. In short: a UK payments industry that is world class. I am confident that our proposed package of measures will make this possible."

We at FStech are following this one with a healthy dose of scepticism. Whilst startups have undoubtedly found it hard to access payments systems due to various vested interests at work, we're not sure that wading in with yet more regulation is the right approach. To quote a delegate at our Payments Conference in November: "We've got civil servants trying to decide how payments systems should work. They haven't got a clue. The new payments regulator will need its own regulator."

The TfL roll-out was an undeniable shot in the arm, but contactless still flatters to deceive in many respects. Contactless payments have been growing at a phenomenal pace over the past two years, gushed Worldpay during November, adding that we will see a potential tipping point for the technology in 2015 when the current £20 limit rises to £30. Erm, define phenomenal, guys...Although the banks and card schemes see it as a done deal, the fact remains that it has yet to gain traction outside Japan and South Korea. Ah well, maybe next year.

Our ones to watch in 2015

Zapp...a bit obvious, we know, as they've rarely been out of the spotlight this year and have been the go-to guys for lazy journalists (not us, obviously, ahem) looking to knock off an m-commerce article in double quick time. Nonetheless, the mobile payments venture set up by VocaLink and due to launch in 2015, makes our list for announcing tie-ups with a number of retailers. Asda, Sainsbury's, House of Fraser, Thomas Cook and Shop Direct (including the very.co.uk, Littlewoods, Isme, Woolworths.co.uk and K&Co brands) have given it their backing. Other retail and biller partners include: Clarks, Dune, Spar, Best Western Hotels (GB), Starstock, QD Stores, Anglian Water, Bristol & Wessex Water, Sutton and East Surrey Water.

Zapp also has in its corner such payment providers as Verifone, Klarna, Touch Go, Siemens, Apogee International, Vix Technologies, Global Charge, Just Desire and RSL. And banks including HSBC, first direct, Nationwide, Santander and Metro Bank, who combined provide current accounts to over 18 million people in the UK. Additionally, almost all major UK acquirers and PSPs are supporting it, including Worldpay, Elavon, Optimal Payments, SagePay, Realex, TrustPay Global and Checkout.com.

If there's a downside, it's that, while many of the banks not mentioned just now have made positive noises, they've yet to commit publicly to a deadline. Zapp, which bypasses the card networks and offers real-time payments on consumers' mobile phones through their existing mobile banking application via the Faster Payments service, is competing for attention with the likes of V.me and Apple Pay. The mobile payments road is long, with many a winding turn, as somebody sort of once sang.

2014 was the year that London solidified its position as a leading hub for FinTech startups looking to disrupt the way the FS sector operates. Startupbootcamp FinTech has been key here. Launched this year and pitched as "the first true London-based global accelerator specialised in FinTech", it recently hosted its first London Demo Day for 10 selected startups. Over three months, the companies collaborated with more than 250 mentors, partners and investors, to build products. Startupbootcamp FinTech invites angel investors, venture

It is crucial that RBS, Natwest and Ulster Bank fix the underlying problems that have been identified to avoid threatening the safety and soundness of the banks"

capitalists and financial institutions looking for investments and partnerships, to watch the startups pitch and meet the teams.

436 startups applied from across 59 countries, for the opportunity to receive mentoring and exposure, three months' free office space, €15k in cash and €450k in partner services. The 10 finalists were: Creditable, enables employers to lend money to their employees, easily, transparently and fairly; Dutch, integrates with existing bank systems to enable real-time social payment networking; Epiphyte, deploying enterprise software that allows the pre-installed systems of financial institutions to "talk" to crypto-financial networks; Friendlyscore, creates credit scorecards based on big data from Facebook; Insly, a cloud-based tool for insurance salespeople, enabling them to manage sales from start to finish; investUP, enables people to find, track and grow all of their debt and equity crowdfunding investments; Invoicesharing, a financial services marketplace which enables free electronic invoicing; Liquity, an online marketplace matching buyers and sellers of private company shares; m-changa, enables anyone to quickly and inexpensively manage a remote fundraiser; milliPay, a Swiss micropayment startup that makes online payments as simple as browsing.

As FStech went to press, TransferWise, a London-based money transfer startup backed by Sir Richard Branson, was on track to raise $50 million from US venture capital firm Sequoia Capital, in a deal valuing the business at around $1 billion (it has already raised $33 million in the three years since its launch). Estonian friends Taavet Hinrikus and Kristo Käärmann came up with the idea for building the platform when they first became expats in London and were confronted by the high fees banks charge to transfer money abroad. Hinrikus had worked for Skype in Estonia, so was paid in euros. Käärmann worked in London, but had a mortgage in euros back in Estonia. They realised they each needed the currency the other had, so they devised a plan: every month Käärmann put pounds in his friend's British bank account and Hinrikus put euros in Käärmann's euro account. They used the official mid-market rate exchange rate, both received the right amount of money and neither paid any bank fees. Within a few months they'd saved thousands of pounds and realised there were probably millions of others that needed a system just like theirs. So they set to work and the result is a business that has so far transferred over £1 billion worth of customers' money.

The startup also makes our list for an inventive marketing campaign that has seen it mock the traditional banking industry and its penchant for hidden charges. In October, calling for greater transparency in foreign exchange, over a hundred amusing coves dressed as skeletons and marched from Bank to the Silicon Roundabout tech cluster in Old Street, flying a giant, inflatable tombstone inscribed with the words, "RIP Hidden Fees", which was left to float above the London skyline. Customers were also urged to participate via the hashtag, #RIPHiddenfees. You gotta laugh...

Directory of key players

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To make the directory section as easy as possible to use, we have added an index of headings above. These are listed alphabetically in order for you to find the products and services you are looking to source.

To list your company within the section, please contact:
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Auriga is a software solutions company, specialized in end-to-end systems that integrate the various delivery channels used in retail banking. The Company is a specialist provider of innovative multi-channel solutions to banks and other financial institutions, always focusing on shared and integrated architectures as enablers for the implementation of new distribution channels as well as for the promotion of cross-channel capabilities.

Auriga's flagship solutions are WinWebServer (WWS), a unique cloud-based concept to manage all distribution channels consistently and with minimum effort, regardless of the manufacturer of the terminals, and PlainPay a mobile app integrated in WWS architecture, testimony of how Mobile technology can become a cross channel enabler in today's banks' multi-channel strategy.

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book review

Title: Digital Inferno: Using Technology Consciously In Your Life And Work. Author: Paul Levy. Publisher: Clairview. RRP: £12.99.

This book in a nutshell... Technology is great but don't fall into the trap of becoming a constantly connected consumer, controlled by the Man. To quote school skipping teenage icon Ferris Bueller, "Life moves pretty fast. If you don't stop and look around once in a while, you could miss it." OK, so perhaps I'm being a bit harsh. The author, Paul Levy, does have some insightful things to say about the behemoth that is the digital world, how human beings must rise to the challenge which the digital realm presents, and that we do not seem to be doing so. But he's also prone to (by his own admission) heavy-handedness and new age gobbledygook (one liners like 'be your own exorcist' and 'there can be no river, unless the mountain spring makes a sacred promise to the sea' abound).

"How many times do you check something on the internet but find you are drifting aimlessly from one link to another? If you can't not answer the phone when it rings, and you spend hours a week on social media, and you read your texts instead of kissing your loved one goodnight, and you don't give your kids proper attention because you just have to prioritise new responses to your tweet... then this book is for you," enthuses the accompanying press release. Although if you've officially bottomed out in such a way, there's probably no way back for you and you're certainly not going to pick up a book (a book, how 20th century!) in the search for a cure. "Some people I've met say it isn't possible to remain free in the digital inferno and that ultimately we will be swallowed up by it. Possibly," Levy writes. I'm inclined to agree with those people and, as such, I guess I'm one of those who the writer invites to throw this book away rather than plough through to the end. During the introduction, Levy comments: "If you have no problem with the effects of digital technologies and social media platforms, if you do not feel the negative 'drag' and have no fears of losing a part of yourself in them, then read no further. Put the book down, give it away or recycyle it somehow. If you happen to be a champion of total surrender to the miracle of digital technology, then this book will irritate you and make no apology for having done so. This isn't a book to convert you."

There is obviously a market for what he has to say, though. UK consumers fear that technology is overtaking their lives, with many increasingly concerned about the pace of change they face, according to a recent KPMG survey. Fifty eight per cent resented the idea that computers seem to run their lives "wherever I go" and 70 per cent suggested that, with the marketplace flooded by inter-connected devices, it's too easy for things to go wrong. UK consumers are hankering after a return to 'simple' technology. They also questioned how it's possible to keep personal information private, with 56 per cent of those polled concerned about a Big Brother effect occurring as a result of these products and the pace at which they are being produced and implemented. To his credit, the author resists the easy option of delivering a diatribe against how technology is overtaking our lives. There are enough pundits etc out there ranting against the rise of the machines. And I did find myself agreeing with many of his observations on the complex nature of addiction and social media (to cut a long story short, Facebook is a bit rubbish and Twitter can turn people into crushing, insensitive bores). So, reservations aside, I'd say take this one for a spin. It will annoy and entertain in equal measure but, at the risk of sounding corny, its heart is in the right place, even if at times the author does seem stuck in 1995.

TOP OF THE TWEETS

The most tweeted stories at FStech Online (www.fstech.co.uk) during November/December. Follow us @FStechnology

2015 FStech Awards: shortlist
Nationwide, Lloyds Banking Group, Banco Sabadell, HSBC, Barclays, Saxo Bank, SWIFT and VocaLink are among the companies shortlisted for the 2015 FStech Awards. The winners will be announced on 26 March at the London Marriott Hotel, Grosvenor Square.

Plastic fantastic, cash still king
There's a significant shift taking place in the way British consumers are paying for goods, according to Worldpay research.

ING invests in digital but cuts jobs
ING is to make a €200 million IT investment to improve omni-channel banking at its Dutch retail banking business, but will shed 1,700 fill-time posts by 2017.

SEPA in need of further fine-tuning
Even though the SEPA Credit Transfer and Direct Debit schemes now represent almost 100 per cent of transactions in the eurozone, there are still a number of issues to be solved, according to a new Aite Group report.

London FinTech firms see record investment
FinTech firms in London have attracted more than US$539 million in venture capital so far this year – triple the amount raised in 2013.

Read these and many more FS technology stories at the new look www.fstech.co.uk