

## Crediting the Future.

What the Finance and Insurance sectors do about digital now, will pay dividends in the future.



shaping tomorrow with you



Digital is transforming the banking and insurance industry. Everything seems to be changing fast: new service innovations are reported almost daily, with many more in the pipeline. And then, of course, there's pressure from Governance, Risk Management, and Compliance. What's clear is that traditional business models are being threatened and, most probably, will soon become obsolete. That's why digital transformation is already a strategic priority for the banking and insurance sectors, and it's vital to their ability to stay ahead of both economic and social trends.

**How can your organization do it with both creativity and certainty? What should you start doing that will help you achieve a stable and profitable future in which you're meeting the needs of 21st century consumers and investors?**

We brought together three of our financial sector experts to talk the issues through and offer some advice about how to begin the process of preparing your organization for the future.

**But before they got started, we offered them some Science Fiction; a vision of an ordinary day in November 2026.**

## Our Experts



**Elenice Macedo**  
Head of Financial Services Sector



**Ian Bradbury**  
Chief Technology Officer - Financial Services



**Glen Koskela**  
Chief Technology Officer - Financial Services



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# Science Fiction: November 12<sup>th</sup> 2026

“What seems strange to our, early 21st century eyes (and ears), is the complete trust that George and Elise place in their AI companion. It runs their communications, their home, and their social lives. It also manages their money.”



# Science Fiction: November 12<sup>th</sup> 2026

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George and Elise live in the city. Their apartment on the 19th floor of a newly built block boasts 'graphene features' which make it sturdy, but almost strangely weightless. Everything is controlled by the new There, an artificial intelligence hub that's just... there (as the advertising puts it). Its ancestors are Amazon's Echo and Google's Home, but the evolutionary cycle has been in over-drive, and There – most people just say, 'Tee' – seems to understand what you want before you even know you want it.

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**What seems strange to our, early 21st century eyes (and ears), is the complete trust that George and Elise place in their AI companion. It runs their communications, their home, and their social lives. It also manages their money.**

Banks still exist, but they work in the background, running processes that move 'cash' around. It's not actual cash – though it still exists (plastic notes and coins with in-built intelligence which knows it's whereabouts, can recognize a fraudulent transaction, and shuts itself down so it can't be used). George likes to invest money – and Elise likes to save it. Both are careful spenders. Their Tee offers them choices each morning...

"George, there's a new crowd-funding initiative that might interest you from India; want to check it out?" says Tee in its warm, but business-like tones.

"Sure, 3D it for me while I shave," replies George. As he carefully runs his ultra-safe IoT connected razor across his chin, a 3D info-pack appears strategically in his mirror.

Elise is wondering if they should travel to Patagonia this year... and immediately a range of choices of travel insurance, as well as flight costs and hotel options appear within their dining room table. It also serves as their Wi-Fi hub.

On the radio (yes, there's still radio!) George is amused to hear that the first ever Drive-In Bank opened on 'this day' in 1946 at the Exchange National Bank of Chicago. "The last time we spoke to anyone from a bank," he says to Elise over their nano-coffee (genetically modified to grow anywhere, including Finland!), "It was when we got our mortgage through PayPal." Elise remembers. They'd almost argued. "I still say the Facebook mortgage was better. We'd have got money off every time someone liked our new home!"

» "The last time we spoke to anyone from a bank... It was when we got our mortgage through PayPal."

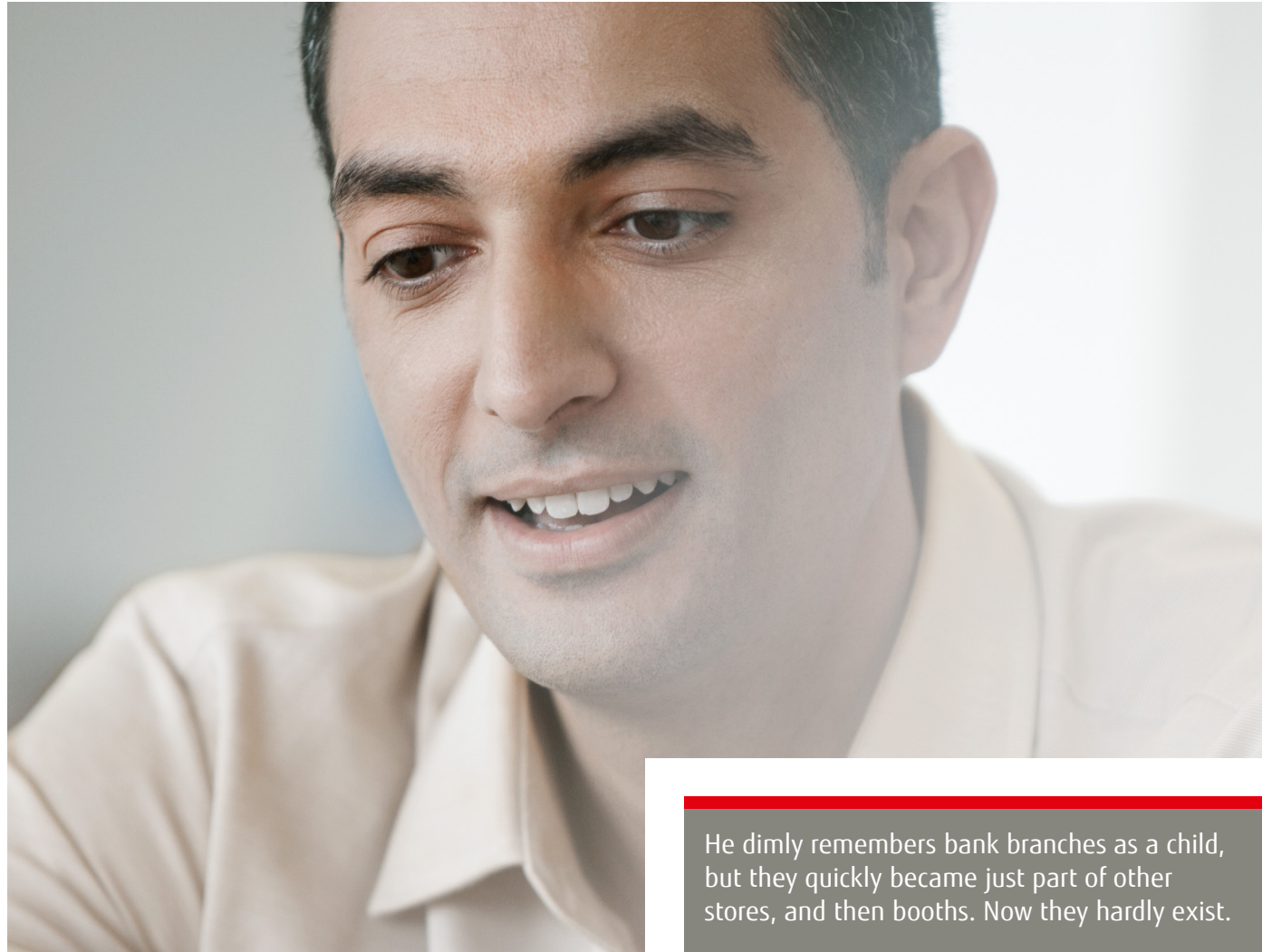
"Oh, Tee!" George remembers something. "Pay my brother Charlie for that meal we had at Sparky's Deli will you." There's a low ping, and Tee replies, "Paid, the sum of 1.2 ThereCoin (a new digital currency that's fast becoming the standard), the bill including tip." "Thanks Tee."



As George walks to work in his super comfortable business shoes (yet more graphene), he listens as Tee finds him new facts about banking. George loves to collect factoids which he can amuse his colleagues with (though sometimes they find it tiresome). Turns out that the first dial-in electronic funds transfer happened in 1973, and then the first banking done via a PC occurred in 1980, when the user had to pay \$6.50 a month for what were called 'one hundred units of computer time.' George can't even conceptualize what 'computer time' means. It just exists.

He dimly remembers bank branches as a child, but they quickly became just part of other stores, and then booths. Now they hardly exist. In the flesh. You can talk to one, but as a hologram. Which has created a new verb: 'to holo' for help. So, if you need face-to-face help, you holo an advisor. But that doesn't happen often. And the banks have turned data into a kind of currency. It's something they trade. And, after recent regulatory changes, ordinary people – who originate the data in the first place just by living! – get a data dividend.

**George gets to work and just before he can say, 'Guess when the first drive-in bank was...' his colleagues change the subject.**



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# Is It Fiction?

“The implementation of the European Union Payment Services Directive 2 (PSD2) is going to open up the main driver of change in the financial sector.”

Ian Bradbury



# Is It Fiction?

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“There’s one big thing wrong with that,” says Glen Koskela, “I don’t think Facebook will be the same as it is now. It’s going to be very, very different.” That statement causes some surprise.

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**“Who can predict, but Facebook spoke at a recent conference I attended,” says Ian Bradbury. “And they seemed full of ideas about how they could create a future like that. They are looking to offer a portfolio of services to exploit the fact that users rely on them for their social world.”**

“It could be PayPal – you might get a PayPal mortgage – or it could be Amazon,” says Elenice Macedo. “But what will be real is that seamless movement between devices, using voice recognition and AI, to make payments. There won’t be any cash in many countries. It’ll all be crypto currencies maybe. But the Blockchain revolution will enable that all to be done securely.”

“The implementation of the European Union Payment Services Directive 2 (PSD2) is going to open up the main driver of change in the financial sector,” says Ian. “That will mean that data will become very important, and it’ll almost become a currency in itself.”

“Yes, the entire financial profile of consumers will be open for authorized companies to work with,” says Elenice. “It will have to be shared, which will make it easier for all your accounts and financial products to be integrated.”

“You will also need to have a secure ID that can be used across every product,” says Glen. “An ID you can trust and one you can use everywhere. So why not use your social media ID – like in WhatsApp or even Facebook.”

“Or Amazon. They’re very good at knowing what you’re doing and making recommendations based on your purchases, they could also extend that into the banking or insurance spaces,” says Ian.

“But Amazon won’t be a bank or insurance company of a traditional kind,” says Glen.

“No, they’ll be an aggregator, at least initially anyway – but with a large and growing financial services customer base they may choose to become later” replies Ian.

“That’s the model that’s happening in the insurance business already,” says Elenice. “The big insurance companies have lost the front-end sales connection with the consumer and that’s gone to the online comparison sites.”

“Which is the model I predict for the future for the retail banking sector,” says Ian. “And not in 2026, but much sooner than that.”

“Many new financial services products will become available where traditional institutions’ role as an intermediary bank has been diminished,” says Glen.



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# The Future Has Already Begun

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# The Future Has Already Begun

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"We're already on the verge of the future described in the story," says Ian. "The consumer will get all their banking and insurance through a single aggregator, which could be Facebook or Amazon, Apple or Google. My choice will be based on the brand I like. And, how accessible the services are – from simple payments to much more complex products. Naturally, I'll use my mobile device, but also there'll be virtual reality and wearables, as well as technologies we can't even imagine yet. The future has already begun."

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**"Sure, and it's in a place like Finland, where I work, that it's already working," says Glen. "Most Finns like their banks; they trust them. But that doesn't mean they're wedded to them. If someone comes from overseas with a good idea and a great service, then the average Finn will switch quickly. We love great new technologies and ways of doing things. That's why, right now, the take-up of mobile banking in Finland is way ahead of the European average. Internet banking made banks virtual, they became access "log in" on a screen – they're no longer places with big doors and you should ask permission to come in and talk to someone. Now, the bank must come and ask me for permission to talk about my finances or sell new products! Although branch networks will still offer sales power and advisory models, mobile apps already have the services power and thus 'own' the 24/7 consumers."**

"Behind the scenes it's Blockchain that's changing the landscape," says Elenice. "Every institution is looking for ways to make the most of that technology. It's changing the inter-bank environment and that's making all kinds of organizations look for ways to make the most of the opportunity. For me, it's a good chance to restore trust in banks – the trust that was hit so hard in 2007-08. People want faster transactions in a safer environment, and Blockchain is delivering that."

"It's a digital realm," adds Glen, "And put decentralization, disintermediation and distributed ledgers together with smart contracts and you're starting to get a picture of how radically different the back-end of the industry will be, and how that's going to open up new opportunities for challenger models of lending, payments, investment management, insurance, and market provisioning, or, as we've already said, other players to come in

and take away the services that traditional institutions used to believe only they could do."

In the UK alone there are new banks like Monzo and Secco which will soon be competing in a digital form. As the CEO of Mondo put it, "The opportunity to build a bank from scratch is within our grasp."<sup>1</sup> Secco's CEO emphasizes the fact that the financial sector model is moving away from selling products to making the most of data. The bank of the future will "monetise and license customers' data."<sup>2</sup>

<sup>1</sup> <https://blog.kurtosys.com/data-biometrics-and-virtual-reality-what-will-banks-look-like-in-2020/>

<sup>2</sup> ibid





“That’s the point: data,” says Ian. “The coming of PSD2 means that data will be able to be used much more freely. It will also mean that organizations will be able to build a far more complete picture of a customer’s needs.”

“What it will mean is that consumers will be able to ‘trade’ their custom across financial institutions,” says Glen. “And they’ll be able to access many more lending or savings opportunities, like crowdfunding or peer-to-peer lending.”

“But, there will still be the need for a lot of security and, of course, to work within a very tough regulatory environment,” says Elenice. “It’s actually hard to be a bank or an insurance company. You

must comply with so many regulations, which is a good thing, of course. I don’t think that Apple or PayPal will want to get into that business. They want the front-end, the customer interaction, and the revenue they get from their brand presence in a consumer’s life.”

“That’s a fair point,” says Ian. “I, for instance, like to use my iPhone. I’ve bought into the Apple brand. So, I use Apple Pay and I trust that Apple will not only make my payment happen and keep it secure, but, in the future, I expect them to manage the cards I have in my wallet to my advantage. So, let’s say my current bank account rewards me for using my card to pay for travel, and I’m using Apple Pay to buy a train ticket, then Apple switches the payment

to my bank’s debit card. That works if you’re in the supermarket or buying electrical goods or anything you can think of. I’m buying into a brand that looks after me. I don’t really care what goes on in the back-end of the financial system.”

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Ian Bradbury



“And the back-end is where the more traditional banks might continue to be the key players,” says Glen. “Core banking systems will remain but their lines of code connect to external service channels. They will create the API’s that get things done, and they’ll automate processes and make their revenue from processing payments and movements of money, and so that means they need to really focus on the end-to-end processes, get them right and make them robust.”

“And make sure they’re secure,” says Elenice. “Cyber security is vital. The hackers are always ahead of the good-guys, so there must be constant vigilance and constant innovation in security. We mentioned a secure ID that could be used for all transactions, perhaps based on social media participation, well that would be good, but it must be secure from identity theft. I think that will mean much more use of biometrics. Voice recognition, like in the story, will be good. Ultimately, though, your body – more specifically your voice - has to be your PIN.”



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# The Future Will Be Driven by Data

“Just continuing with online banking and some mobile apps that are just about simple transactions won't cut it in the future. They need to understand that it's a model that was developed in the 1990s and it's hardly changed, really. It's very stagnant. It needs shaking up.”

Glen Koskela



# The Future Will Be Driven by Data

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“There will still be branches, but many less than now,” says Glen.

“There will always be the need to get specialist advice,” adds Elenice.

“And there’s always going to be a need for security,” says Ian.

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**But everything else will change, and even the three areas mentioned will be approached in radically different ways. Ian sees two possible paths that financial institutions could choose to take: “They can try and provide the back-end and act as an aggregator providing choice to the consumer across a wide spectrum of products. Or they can choose to be one or the other. I don’t think most traditional institutions will be able to do it all. They have to make a choice.”**

“The traditional financial and insurance institutions already have a very precious asset,” says Elenice. “And it’s their data.”

“That’s right,” says Ian. “Data is their ace card. They have huge piles of interesting data that they are only starting to do interesting things with. If they decide that they want to be the market provider for products – the aggregator that brings it all together for the consumer – then the data, they hold gives them the key to opening up that possibility.”

“We think that the challenger banks and insurance companies are the ones that can do this better,” says Glen. “And mostly they are. They have the clever algorithms and the shiny new apps. But the traditional players have that breadth of data. It’s an advantage. But they must think differently. They need to wake up and understand that just continuing with online banking and some mobile apps that are just about simple transactions won’t cut it in the future. They need to understand that it’s a model that was developed in the 1990s and it’s hardly changed, really. It’s very stagnant. It needs shaking up.”

“But many banks and insurance companies don’t want to hear that,” says Ian. “In truth, no bricks-and-mortar entity – in any industry really – has been able to think radically like Facebook or Amazon or Google. Some have tried, but it’s not really worked.”





"And I don't think it's about legacy or branches or offices or anything like those things. It's a cultural point. It's a change in the way you think about what you do. That's what needs to happen inside these institutions," says Ian.

"So, that means they need to think like an Amazon and use the data in creative ways and then match it to the technology they deploy," says Elenice.

"That's exactly right," says Ian. "Amazon works because shopping is a fundamental part of our lives. Google works because we're constantly searching for information. Facebook works because we're social beings. But think about it: financial transactions and services are linked to every part of our lives, especially all three of those areas. That means there's a lot of data that banks hold which represents almost everything we do!"

"Which is why it's our job to wake them up to the opportunity and show them how to implement that cultural change right across their organizations," says Glen.

"They have to become truly digital to exploit the opportunity," says Elenice.

"Even if an organization decides to focus on the back end, the processing of all the transactions and the data analytics that the front-end players need, there needs to be a big culture change too," says Ian.

"What's happened in the general insurance business

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Glen Koskela

is instructive. There the aggregators – sites like [gocompare.com](http://gocompare.com) and [comparethemarket.com](http://comparethemarket.com) – have become the main point of contact with actual consumers, at least for the sale of the product. The big insurance companies provide the actual insurance, but they do it in an automated and cost-effective way. They then make their money on other elements within the products."

**"So, we're talking about choosing a direction and recognizing that data is at the heart of what you can do in the short- as well as the long-term," says Glen. "And that part of the story where we get a clear 'data dividend'; - I think that will come true. Eventually we will get something back from the data we generate as consumers as that opens doors to generate more cooperation."**



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# Look into the Future, but Act Now!

“My first task is to wake up the organization – and then help them match their vision of what their future needs to be with the technical requirements which will deliver it.”

Glen Koskela



# Look into the Future, but Act Now!

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“If you’re not digital, you won’t get to the future,” says Elenice. “That means that financial organizations have to speed up their transformations, or they’ll get left behind. That means they need help.”

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**“My first task is to wake up the organization – and then help them match their vision of what their future needs to be with the technical requirements which will deliver it,” says Glen.**

“That means working with a partner that has a broad view of the market as well as business enablement and, of course, the technology itself,” says Ian. “The Fintech sector is full of small companies with great ideas that either hope to be bought, or dream about turning into the new Facebook. And, of course, some financial institutions are partnering with Fintechs, and even buying them up. But that doesn’t help to change the culture... or to provide the end-to-end partnership that’s needed to truly move into the future.”

“We engage in a dialogue from multiple angles, and look at what’s being disrupted. Then examine which areas of an organization can leverage its current strengths to fight back. That could be automating back office processes, through to creating new API’s and on to making the most of Blockchain or AI,” says Glen.

“It’s important to prove concepts, run pilot schemes, and then learn from experience to ensure that an organization hits the ground running in the competitive marketplace,” says Ian. “Unlike the Fintechs, we share the same goals as the client, help generate new services and ensure that they work all the way down to the device level. We’re not niche, but broad. Our long track record as innovators in our own right across industries sets us apart. We can use what we’ve learned in everything from retail to manufacturing to help financial institutions make the most of the future.”

“Fujitsu is already working with financial companies that are determined to be quick,” says Elenice.

“We’re helping them leverage their legacy technology, bring in new systems and platforms, migrate to the cloud, and simplify their internal organizations.”

“A new culture is needed,” concludes Ian, “and Fujitsu is best placed to help achieve it so that it drives change and innovation. But the point is a simple one: you need to act now.”

Whatever the sector, at Fujitsu, we believe that digitalization had to be holistic. That’s how they can be agile enough to stay ahead of change. And, as we’ve seen, the financial sector is changing fast, as well becoming ever more regulated. Organizations across financial services, banking and insurance as tailored digital solutions that meet the needs of their specific markets and visions. We don’t believe those solutions can be bought off-the-shelf; they need to be co-created.

Co-creation is at the heart of Fujitsu’s approach to helping organizations meet the challenges they face. The change you implement needs to blend business strategy, your customer’s journey, technology, business culture, agile development and much more. It needs to ensure end-to-end digital transformation, across the business. It’s how you can embark on a rewarding digital journey.





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# Talk to us to find out how we can help you co-create a digital future, together.

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