



## Finanzplatz Hamburg

### Theses on digitisation in the financial sector

Digitisation leads to a rapid change in the business models of the financial sector. As in many other industries, almost all of their services can be digitised. New customer expectations and technical possibilities are eradicating traditional business models but are also offering opportunities for new customer relationships.

In particular, the systematic evaluation of customer data opens up new possibilities for product design. While it is recognised that digitisation is progressing rapidly, the medium to long-term developments and consequences for the industry are unclear.

Since 2014, "digitisation" has been one of the focal points of the Finanzplatz Hamburg e.V. The aim of the association is to strengthen Hamburg as a financial centre so that the companies in the region have a wide range of financial services available. Successful designing of the digital revolution is of central importance to Hamburg as a financial centre.

With the following theses, Finanzplatz Hamburg e.V. would like to provide food for thought for this process:

**1. Financial intermediaries will continue to be needed in the future:** Digitisation does not make financial intermediaries superfluous. Although the forms of communication and the technical handling of processes will change, a functioning financial system cannot be left to programmers and algorithms. There is still a need for regulating parties who take risks and bear responsibility.

**2. Digitisation is not an end in itself:** In the enthusiasm for technical possibilities or the urge to "be in on the action", the most important factors are often neglected, i.e.: the benefit for people because it is still people who request financial services. The main motivation for new offers should therefore be to benefit customers and employees - whether through simpler and faster processes, new, individualised offers or lower costs.

**3. Digitisation needs to be well thought-out:** Digitisation of the financial sector is still in its infancy. Despite numerous new offers, digital solutions are often limited to customer-friendly front-ends, especially for end-user offers. However, the processes behind it are more important. Successful implementation often requires organisational changes in the company.

**4. Intelligently integrating online and offline:** The digital customer wants financial services at his fingertips, everywhere, comfortably and according to his needs. He is demanding and is becoming more independent through the use of digital resources without the need for advice. Basic loyalty to institutions is not something he thinks about. A central success factor for providers will therefore be to intelligently integrate online and offline offers as one user-friendly offer.

**5. Consultation renaissance:** The rapid changes in processes and the unclear effects of digitisation lead to fears among customers and employees of the financial sector. The opportunity for both lies in the renaissance of consultation, because in many aspects the personal expertise and advice of a "real" person will be required or desired in the future.



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**6. Together instead of “either – or”:** Fintechs and established institutes can benefit from each other - Fintechs are usually better at designing customer-oriented processes and interfaces, evaluating data and targeting customers; established institutes have advantages in dealing with regulatory requirements in data protection and in the diversity of their services. Fintechs and established institutes will converge through cooperative ventures. In the future, the difference will essentially be the range of products that are offered and the depth of added value.

**7. Regulating the same businesses in the same way:** The public regulatory framework must reflect the reality. It is therefore necessary to regularly review the regulations and carefully judge new measures. However, there is no need for special "Fintech regulations". Every company in the market place (be it an established supplier or a Fintech start-up) has to compete with the same offers and same regulations.

**8. Strengthening trust:** In the pressing challenges of digitisation, financial enterprises should not lose sight of other key aspects of their industry. Their acceptance is based on trust that has been damaged at societal level in recent years. Financial services should serve businesses and people.

Hamburg, July 2016

The theses have emerged from the 6th Capital Market Conference, which was held in 2016 under the motto "What does the digital future hold?" Companies from the financial world held workshops with representatives from IT, media and trade, as well as associations and institutions, to discuss how the financial sector will look in the future. The results of the conference have been used by Finanzplatz Hamburg e.V., together with its more than 110 members, to further enhance the above theses.

**Do you share our views? Have we forgotten something? Or do you have something to say?**

**We look forward to hearing from you at [info@finanzplatz-hamburg.com](mailto:info@finanzplatz-hamburg.com)**

*About Finanzplatz Hamburg e.V. Finanzplatz Hamburg e.V. is an association of more than 110 companies and institutions from the finance and insurance industry, as well as from the field of science and associations in the metropolitan region of Hamburg. The association is committed to strengthening the financial centre. The express goal is to strengthen networking within the financial sector, and with companies from other sectors as well as with education and science.*