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UNIVERSITY OF DELHI

DEPARTMENT OF COMMERCE "COMMBLAZE"

Fintech Report 2020

A webinar was organized on 16th September 2020 on "Introduction to Fintech". The Guest speaker prof. Prapti paul shared her views on Fintech with students and faculty .

She introduced that Fintech refers to software, algorithms and applications for both computer- and mobile-based tools. In some cases, it includes hardware too—like smart, connected piggy banks or virtual reality (VR) trading platforms. Fintech platforms enable run-of-the-mill tasks like depositing checks, moving money among accounts, paying bills or applying for financial aid. They also encompass technically intricate concepts like peer-to-peer lending or crypto exchanges.

Further, it was elaborated that the 2020 list included companies like Chime, a digital-only bank and Affirm, a resource for instant, fixed-rate, point-of-sale loans. Fintech branches off into a number of more granular industries: wealthtech (apps like Wealthsimple, an online investment management service), investtech (like Acorns, which lets users round purchases up to the nearest currency denomination, investing the change in a diversified portfolio) and insurtech (such as Next Insurance, a mobile-first carrier). It has use cases across nearly every industry, geographical market and business model.

Thereafter, regarding the utility, it was explained that Banks use fintech for both back-end processes—behind-the-scenes monitoring of account activity, for instance—and consumer-facing solutions, like the app you use for checking your balance. Individuals use fintech for everything from tax calculations to dabbling in the markets, with no prior investing experience necessary. Prof. also explained about the other uses of Fintech, viz. Businesses rely upon fintech for payments processing, e-commerce transactions, accounting and, more recently, seeking assistance with government assistance programs like the Payroll Protection Program (PPP). In the wake of the COVID-19 pandemic, more and more businesses are turning to fintech to enable features like contactless payments or other tech-fueled transactions. Fintech also

holds the potential to improve financial inclusion: In some parts of the world, fintech fills needs for the unbanked, where governmental or institutional support is lacking.

In recent years, fintech has morphed from being associated with scrappy startups to becoming a major facet of established and legacy financial institutions. Whereas the term once largely implied -Silicon Valley-based disruptors shaking up the big banks, today, many companies have teamed up with Fintech which has been proving its value in the face of the corona virus pandemic, even as some of its iterations suffer. For instance, even though the Capital One cafés are closed temporarily, banks and credit unions across the globe have been able to transact—and offer COVID-19 support and services—digitally. Longer-than-usual wait times for telephone service also can be avoided by going online or accessing a bank or credit union’s mobile app. 62 students from various courses of SLC participated in the event.

