

Aitë



# FintechOS: Low-Code Innovation for Financial Services

## BACKGROUND INFORMATION

London-headquartered FintechOS offers a low-code banking and financial services platform that enables banks, financial institutions (FIs), and insurance providers to rapidly build and deploy modern, personalized, and data-driven financial service products with improved customer journeys regardless of their existing legacy infrastructure. Founded in 2017, FintechOS has since then expanded to a global presence with regional locations across Europe, including the U.K., the Netherlands, and Romania, and is now growing into the North America and Asia-Pacific markets. FintechOS is privately owned with venture capital funding. A summary of FintechOS is provided in Table A.

**Table A: FintechOS Summary**

Category	Description
Founded	2017
Number of employees	More than 300
HQ location	London
Geographic coverage	Global
Key product/service offerings	Low-code banking and insurance platform
Ownership and key investors	Privately owned with venture capital investors
Website	<a href="http://www.fintechos.com">http://www.fintechos.com</a>

Source: Aite Group, FintechOS

## ABOUT FINTECHOS

FintechOS offers its bank, FI, and insurance customers a digital overlay platform that sits on top of their existing legacy infrastructure to enable them to design, build, and manage next-generation end-to-end capabilities. The FintechOS platform enables users to aggregate data across internal and external sources, automate basic functionality, and deliver an environment for product and customer journey development in a low-code environment. This means that product and business teams can be significantly less reliant on technology teams to deliver innovation. The capabilities made possible by FintechOS notably include a strong emphasis on personalized customer journeys and product offerings that leverage artificial intelligence (AI) and machine learning for onboarding and loan origination, among other areas.

The FintechOS platform is made of three primary offerings: banking platform Lighthouse, insurance platform NorthStar, and the Innovation Studio, a low-code environment for designing new services. Rather than purely a point solution for any single product area, FintechOS enables end-to-end capabilities for product development and design that can include front-, middle-, or back-office services. This includes the ability to wrap around and even replace legacy core

banking infrastructure over time. This in turn enables a modular approach to modernization that means existing work won't be made superfluous by later updates to underlying architecture.

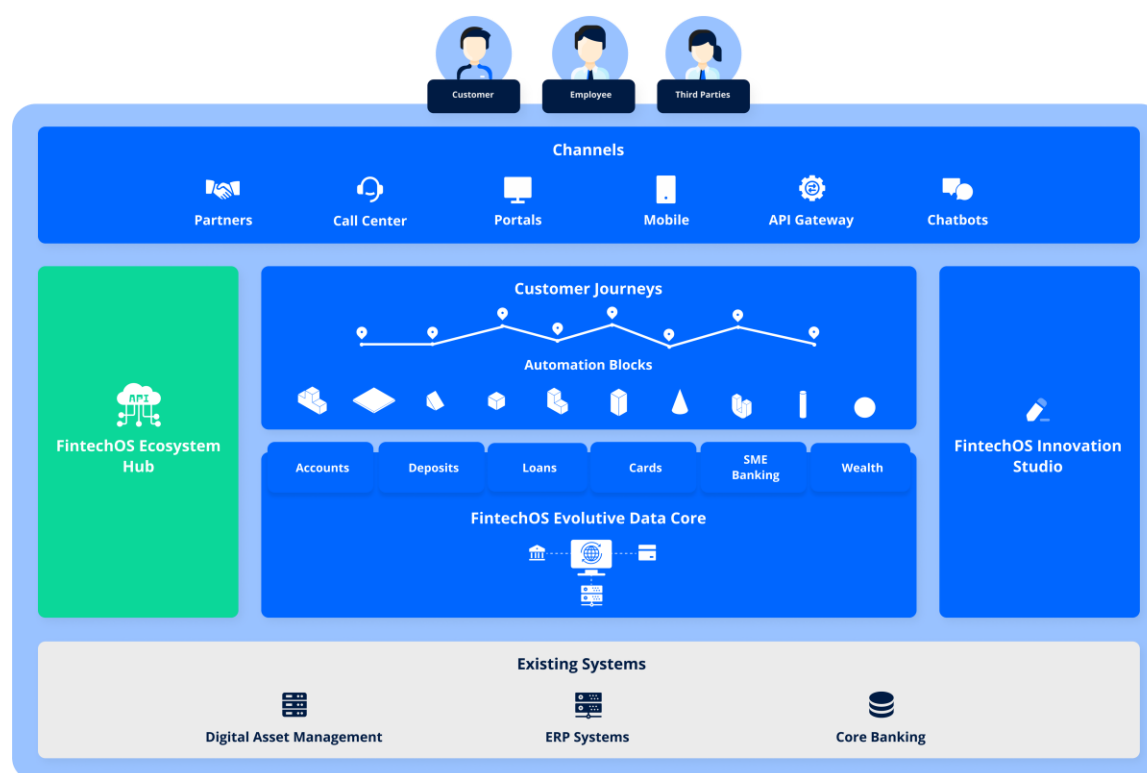
The platform itself is made of several key technology components as shown in Figure 1. The Evolutive Data Core is an API-driven metadata aggregation layer that allows companies to bring in siloed financial data and services, customer data, and ecosystem data and services together in one place. It is based on an extensible data model, which means that companies can keep adding data and services to the Evolutive Data Core as they grow their business or change the type and volume of data they collect.

The automation layer takes modules of pre-built functionality called "Automation Blocks" and combines these into customer journeys. This makes sure that banks and insurers can build out customer journeys quickly and efficiently, especially for expected functionalities that aren't unique to their offering, such as password reminders or certain onboarding data requirements. Automating these standard design components frees up development resources.

The Innovation Studio is a low-code capability platform that allows business teams to design and launch products and services. It enables creation throughout the stack and can be used to build data models in the Evolutive Data Core, make customer journeys, design forms and screens for the engagement layers, and make customer rules for loan origination or underwriting. Innovation Studio also allows users to leverage the customer 360 data made available by the Evolutive Data Core, and in turn personalize products and services using AI and machine learning.

The Ecosystem Hub brings integrations with more than 150 ecosystem services into the Evolutive Data Core and the Innovation Studio. Because these services are pre-integrated, companies can use these services in the same low-code environment without complex integrations upfront, and bank and insurance services can quickly connect to third-party platforms ranging from collaboration and e-commerce tools to ERP and CRM platforms, among others.

FintechOS is typically deployed either directly by the vendor or in conjunction with a third party, including major systems integrator partners, such as Capgemini, Deloitte, KPMG, and Microsoft. Due to the low-code design of FintechOS, the platform is built to be managed by bank or FI business teams and requires little direct vendor or integrator involvement long term.

**Figure 1: FintechOS Components**

Source: FintechOS

## PRIMARY TARGET MARKET AND CLIENTS

FintechOS serves a variety of banks, financial institutions, and insurance providers worldwide, including several major Tier-1 organizations, but also serves smaller banks, FIs, and insurance providers as well. Clients include Societe Generale, Howden Group, IdeaBank, TBI Bank, and UNIQA. With a strong presence in Europe, FintechOS is now further expanding into North America and the Asia-Pacific.

## KEY VALUE PROPOSITION AND MARKET CHALLENGES ADDRESSED

The need for digital transformation is by now well understood by financial service providers in all service categories. Achieving this, however, remains easier said than done. With growing expectations from end users in both the commercial and consumer space, there is growing need among banks and insurance providers to offer more customer-centric and data-driven products and experiences. This shift in expectations has only been accelerated by the impact of the COVID-19 pandemic, with banking and insurance customers demanding a rapid increase in digitalization across their products and services, which in turn has led to a renewed focus by banks, FIs, and insurance providers to improve their capabilities. This means there is both a raised competitive bar as various financial services providers race to adapt and an increased

demand for developer and technology talent. Many FIs now need to move beyond being “good enough” to stay competitive in this rapidly evolving landscape.

Achieving this modern data-driven, customer-centric environment, however, remains a significant challenge for most institutions, and potentially an expensive and resource-intensive effort. While in some rare instances, providers are launching greenfield operations and digital-first brands, most institutions rely on their legacy infrastructure and data sets. This has led to a scramble as FIs tinker with their capabilities and cobble together partnerships with third parties as best they can, but in most instances they are still relying on a fragmented, product-by-product modernization strategy.

Despite the growing use of Software-as-a-Service, this focus on point solutions and products cobbled together from a variety of vendors while still relying on legacy architecture, particularly in the back office, requires significant customization and vendor involvement. As data needs grow and demand for more innovation continues, these new solutions are in many instances only recreating the spaghetti architecture they were meant to replace and, in turn, are limiting the ability to innovate rapidly.

FintechOS aims to solve these challenges by providing a low-code, vertically focused platform that can orchestrate data and services across the back, middle, and front of client institutions, thus enabling FIs to deliver new capabilities on their own more easily over time. Rather than make a big-bang, major technology replacement, banks and FIs can develop and automate data-driven products, services, and customer journeys efficiently and make better use of their resources. Furthermore, the extensibility of the platform means FIs can start small in one product or service area and extend it over time into other areas. This provides a scalable means to transformation that can be done on the FI’s own terms with significantly less disruption.

Central to this approach is both the Evolutive Data Dore, which as an extensible aggregation layer is capable of drawing in disparate and often siloed bank data to help drive automation and personalization, and the low-code development environment. This means that business staff, not technology staff within banks, have the capacity to undertake significant product design and development on a much faster and efficient basis and, because of that, are better able to meet ever-changing customer expectations.

## **AITE GROUP’S PERSPECTIVE**

Most banks and financial services providers agree with the idea that their products and services should be data-driven and customer-centric across all their product lines. They know that customers want products and services that are personalized to their needs, with minimal friction and significant automation that can focus on the context of each customer. More than just changing the front-end look and feel of banking and insurance, a more personalized and data-centric approach to both product design and customer journeys has real potential to generate significant revenue for FIs. Contextual relevance can lead to increases in revenue through better product targeting and removing many of the roadblocks to customer acquisition. Making the customer journey easy has real world ramifications on a bank’s and FI’s bottom line.

Easy, however, can be very hard. For most banks and FIs, developing these capabilities means deploying major AI capabilities while also navigating their existing infrastructure, product silos, and range of existing vendors. Even where new platforms are being used, particularly on things like digital banking front-end services, banks and FIs still need to connect this to their core infrastructure or a growing array of third-party partners and ecosystem players. While the variety of vendors and platforms available on the market continues to expand, managing and developing for these various platforms is becoming a major and increasingly expensive challenge for most institutions. Furthermore, most FIs face a number of competing priorities vying for funding and technology resources. This can make selecting where to invest in digital transformation its own challenge, considering inevitably limited resources.

Aite Group notes that many of the banks and FIs it speaks to about digital transformation recognize the need to make better use of AI and the data they already have, but a number of FIs report they remain unsure of where to start or how to go about delivering these capabilities. Many are still wondering if they need to undertake major back-office infrastructure modernization projects before they can begin to see front-end improvements that impact their customers.

FintechOS' goal is to solve these challenges by offering its modular platform on a low-code basis to make the back end of financial services as easy as the front end. By providing the building blocks to deliver new products and services, while also undertaking the not-insignificant task of managing and orchestrating extensive bank and FI data sets, this provides banks and FIs with a way to develop new capabilities much faster and with less internal resources than has historically been required. Rather than piling new solution on top of new solution within the technology stack, FintechOS can simplify these challenges and provide a longer-term transformation strategy instead of adding yet another tactical solution.

## ABOUT AITE GROUP

Aite Group is a global research and advisory firm delivering comprehensive, actionable advice on business, technology, and regulatory issues and their impact on the financial services industry. With expertise in banking, payments, insurance, wealth management, and the capital markets, we guide financial institutions, technology providers, and consulting firms worldwide. We partner with our clients, revealing their blind spots and delivering insights to make their businesses smarter and stronger. Visit us on the [web](#) and connect with us on [Twitter](#) and [LinkedIn](#).

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