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FinTech in 2024

The Year of the Connected Customer

One meta-trend will underpin all developments in the FinTech space in 2024 — the rise of the connected customer. Here's what you should know

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2024 will be defined by one key meta-trend: the rise of the connected consumer whose pains, needs, and demands will drive product development and shape the overall vector of the financial industry.

Connected customers want financial products that are:

- Simple and intuitive
- Able to solve one pressing money matter
- Frictionless
- Personalized to their needs
- Engaging and interactive
- Built around a omnichannel experience

Intellias Insights for FinTech Trends 2024

1. The "let's do money better" trend — financial literacy

In 2024, we should address the problem that most of our customers are bad with money.

$4.727 is what people of 34 and younger with no children save on average

66% of Millennials state they have little or only partial confidence in planning for and achieving their financial goals.

33% of Millennial mobile payment users say they occasionally overdraw their checking accounts, compared to 19% of those who don't use mobile payments.

Investing in customers' financial literacy is the key to winning them for the long term.

2. Autonomous finance — "Doing better money" on autopilot

Having computer code decide how we should save, spend, or invest our money isn't a futuristic idea. AI-driven personal finance and wealth management are already here. In 2024, we expect to see a surge in the growth of AI in:

Investing.
Ready to meet Robo Advisor 4.0 who uses self-learning AI to balance your portfolio in real time based on market conditions, your stated goals, and your financial behavior?

Personal finance and budgeting.
Perhaps you'd like a financial assistant that suggests when to pay a bill, which savings account to use, or where to find cash for that dream vacation?

Lending.
Get approved for a loan in seconds, automate the growth of your credit score, and receive personalized credit offers with lower fees — these are just a few things autonomous lending apps promise.

Stay Financially Fit in 2024

3. Voice and virtual cards: A rising payment method duo

Such conversations are inevitable in 2024, as Alexa now knows how to track utility bills, send reminders, and compare month-to-month payments.

Of course, voice will also remain an avenue for shopping:

44,4% of voice assistant users in the US say they use voice shopping to browse for new products.

77,8% of American consumers are making product inquiries using their smart speakers

32% of Millennials use voice-activated speakers to shop online

4. Open Banking: Almost there

Over the past years, the Open Banking ecosystem has improved and enlarged.

90% of financial leaders believe that Open Banking can boost organic growth by **10%**.

The EU Open Banking leaders are expected to bring in up to **20%** of total lending revenue and **21%** of current account revenue, process **17%** of payments, and handle 12% of retail investments.

Banks were given an 18-month extension on Strong Customer Authentication (SCA) implementation, and we're yet to see how that goes.

But connected consumers are very much up for Open Banking:

85% of those aged 18–24 would trust a third party to aggregate their banking data.

Over 50% of customers with 4+ accounts in different banks will try an aggregation service.

5. A serious trend: New regulations and recommendations

PSD2 and SCA are the top-of-mind compliance hurdles for FinTechs in the EU.

The EU and the UK are heavily exploring innovative guidelines that would support and promote FinTech innovations. PSD2, SCA, and GDPR may be daunting, but ultimately they aim to increase market-wide security standards and promote secure exchanges of data between all participants.

The US financial regulatory landscape is yet to catch up. Most FinTech operations are governed by outdated legislation such as the Gramm–Leach–Bliley Act (1999), the Fair Credit Reporting Act (1970), and the Electronic Fund Transfer Act (1978), among others. Clearly, these are hardly suitable for today's reality. In 2024, it's unlikely that any major changes will happen unless prompted by a joint industry effort.