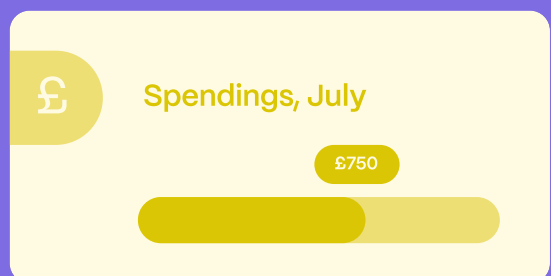
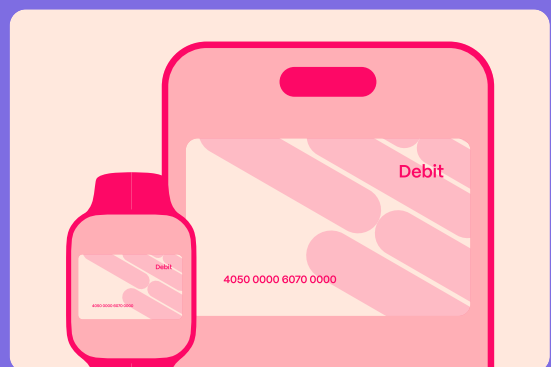




A guide to providing modern financial services

From the fundamental components of accounts, payments, and cards, to banking innovation opportunities



The digital banking sector has been at the forefront of innovation in financial services over recent years. It has revolutionised the customer experience, while improving the accessibility of everyday financial products, and more specialised features, such as multi-currency wallets and virtual accounts. Shifts in business expectations and tech advancements have fuelled the adoption and demand for embedded banking .

This guide highlights what it takes to build and operate digital banking products, the challenges and considerations for fintechs, and how Edenred Payment Solutions can help.

PAGE 3

What is driving banking innovation?



PAGE 4

What do fintechs need to build and operate a financial services platform?



PAGE 5

How Edenred Payment Solutions simplifies the delivery of financial services



PAGE 7

How an innovative fintech developed an all-in-one business account for SMEs



PAGE 8

Make Edenred Payment Solutions your strategic partner



PAGE 9

Summary



What is driving banking innovation?

In an era where digital-first experiences have become imperative, traditional banks find themselves on a challenging journey to modernise services, striving to align with the evolving needs of both consumers and businesses.

As people get accustomed to the hyper-personalisation of services in other aspects of their life, they have now come to expect the same from financial services. Individuals look beyond the traditional tools to track spending, but rather seek smart solutions for budgeting or to access earned wages, especially at a time of economic uncertainty.

Most banking executives, exactly 73%, admit they struggle to identify useful insights to tailor their product offering to customers, despite collecting vast amounts of data.

Traditional banks run on legacy infrastructures, which are hardly flexible and require time and resources to modernise, making it complex for banks to innovate and keep up with users' needs and expectations.

In addition, traditional banks often favour large corporations, overlooking the needs of small and medium enterprises (SMEs). SMEs in the UK spend 56.4 million hours a year chasing payments, making the case for more innovative software platforms to embed payment functionalities to help businesses manage day-to-day financial operations more efficiently. In fact, research by RFI Global highlights that half of UK SMEs now use fintechs for their banking needs, up from a third five years ago.



The need for more personalised, modern, and efficient products and services has given rise to promising opportunities within the financial services sector. Fintech companies, characterised by their agility and technology prowess, are at the forefront of banking innovation. However, venturing into the regulated space requires substantial investments in process, personnel, and technology, emphasising the delicate balance between innovation and resource requirements in the financial landscape.

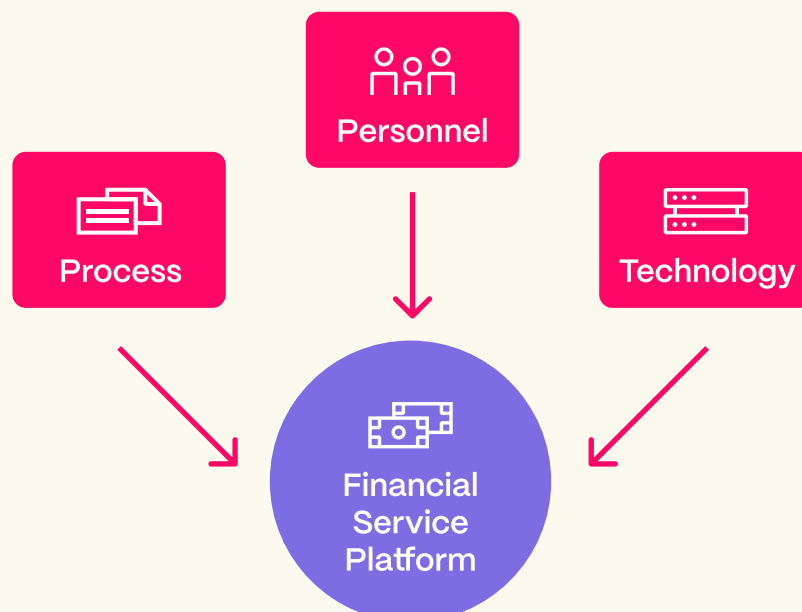
What do fintechs need to build and operate a financial services platform?

Businesses that want to provide such services to customers need to navigate a multifaceted journey encompassing process, personnel, and technology. Compliance with local regulations is mandatory and to offer banking-like services, such as e-money accounts, capable of holding a balance and managing payment flows, businesses need to obtain an Electronic Money Institution (EMI) license. This can be a lengthy two-year endeavour and it requires businesses to hold a substantial initial capital of €350,000. To support card transactions, organisations need to become a certified processor with one or more card schemes, which also calls for significant capital expenditure.

To comply with regulations and combat financial crime, companies are required to have an in-house compliance team and a Money Laundering Risk Officer (MLRO).

Beyond compliance, the tech front is equally demanding, so an expert technical team is indispensable to manage the infrastructure and connections with schemes, like Faster Payments and/or SEPA. The orchestration of multiple vendors involved in the delivery of financial services, including issuers, processors, acquirers, card manufacturers, KYC providers, and more, underscores the complex management of resources needed to bring innovative financial services to fruition.

Businesses looking to expand and provide banking-like services must navigate the interplay of processes, personnel, and technology to create robust and compliant products and services that meet the demands of today's digital-savvy customers.



How Edenred Payment Solutions simplifies the delivery of financial services

At the heart of Edenred Payment Solutions' mission there is the drive to power innovation and help businesses unleash their full potential. For this reason, we have long been supporting high-growth fintechs to overcome the challenges associated with tech and compliance to break into the regulated financial domain, helping them push the boundaries of the banking sector as we know it today. With tech and licensing capabilities, Edenred Payment Solutions enables fintechs to bring digital banking products to market faster and with minimal effort.

Here's how we can help B2B SaaS companies like yours:

1. Become an e-money agent

As you start planning the launch of your digital banking products and services – becoming our e-money agent is your fast-track to market. This means you don't have to wait up to two years to acquire an e-money license from local regulators. In simple words, we will be responsible for the safeguarding of funds, and we will face the regulators on your behalf, providing you guidance to always stay compliant. It's a win-win: You get to market faster and easier, and save precious time to focus on building the perfect product for your users.

2. Configure your ideal program with our APIs

While your application is underway with the regulators, you can start to configure your product. Our APIs are robust but flexible, allowing you to design the payments flow exactly how you envision it. For example, a single API request allows you to retrieve the transaction history associated with an account. Your developers can build additional logic to enhance the product experience for your users. For products focused on spend management, you can control spending limits through merchant category code (MCC) filtering.

3. Enable accounts and payments functionality

Our e-money accounts work just like any traditional bank account, so your users are already familiar with the functionalities. They can make instant payments between accounts, receive their salary, or make payments to suppliers with ease. To ensure users are sending payments to the intended recipient, our platform, supports the Confirmation of Payee (CoP) and Verification of Payee (VoP) features, also complying with regulatory mandates. We can issue UK e-money accounts, complete with Sort Code and Account Number, or EU IBANs. E-money accounts can be configured with account payment channels like Faster Payments, BACS, Direct Debit, and CHAPS, or SEPA.



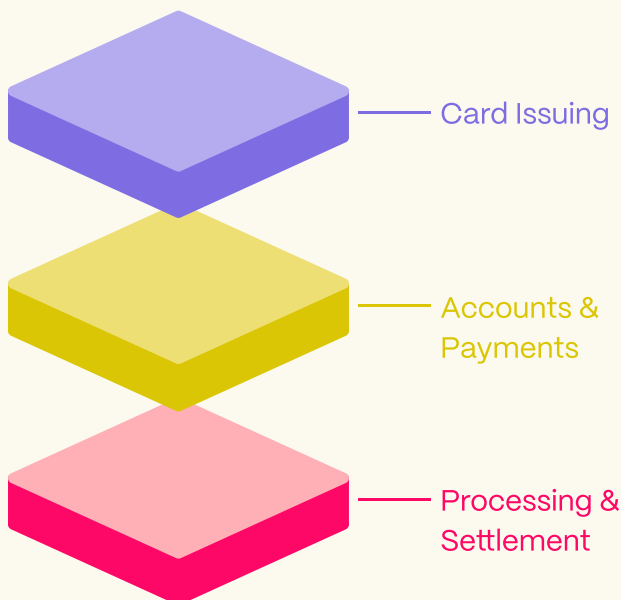
More on our accounts and payments offering.

4. Embed payment cards

In 2023, [debit cards accounted for 51% of all payments made in the UK](#), so if you're thinking of complementing your e-money account offering with a physical or virtual payment card, now it may just be the right time. With access to global card schemes (Mastercard® and Visa), we offer the full end-to-end issuer service and BIN sponsorship, including the responsibility and management of full settlement and reconciliation. As more than [44% of Europeans are using mobile wallets](#), we enable card tokenisation and support for Apple Pay and Google Pay, for checkout in-store and online, so your users always have the flexibility to choose the payment method that works best for them.



Learn more about card issuing.



We have developed a modular product stack enabling you to choose the capabilities you need to power your program.

5. Onboard your first customer

As you get ready to onboard your first customer, it's crucial to remain compliant by having valid "Know Your Customer" or "Know Your Business" checks in place. With us, you can pick your preferred identity verification provider or integrate with one of our trusted partners.

6. Benefit from a robust in-house payment platform

Now that your program is live and users start interacting with it, it's important to ensure that payments and transactions work smoothly with no disruptions or data loss. We have built our own in-house card and bank transaction processing capabilities, enabling users to make payments globally and in multiple currencies. Our platform is resilient with regular disaster recovery exercises to guarantee a stable and consistent experience for users.



Want to know more about our processing capabilities? Have a look here.

7. Reduce the risk of fraud with transaction monitoring

The rate of payment fraud continues to rise with [£1.17 billion stolen by criminals through banking fraud and scams in 2024](#). Fighting fraud requires stringent controls and processes to monitor suspicious activity. Our Featurespace-powered monitoring and Refinitiv screening enable us to identify potential threats and help implement appropriate mitigation.



Ready to work with us? Drop us a line.

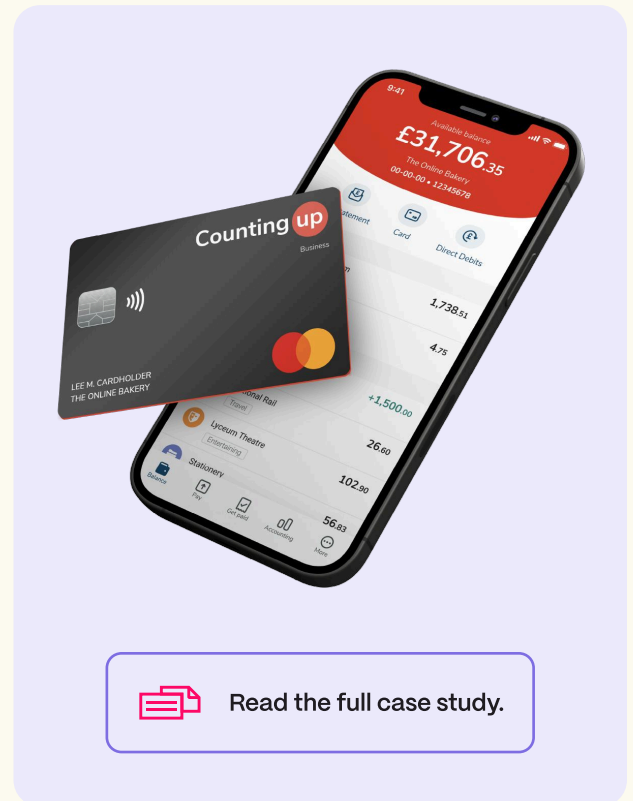
How an innovative fintech developed an all-in-one business account for SMEs

Countingup set out on a mission to make running a business easier with a software that includes accounting, invoicing, and banking features. With an ambitious goal in mind, the team at Countingup knew they needed expert support to develop and operate the right infrastructure for their modern business bank account.

To speed up time to market and reduce regulatory complexities, Countingup relied on our EMI licence and became our agent.

Since its inception, more than 50,000 small and medium businesses signing up to Countingup benefit from the modern services powered by Edenred Payment Solutions, including UK accounts, access to payment schemes, and contactless Mastercard cards.

The success Countingup experienced shows the heights innovation can reach in the financial services industry when working with a partner that is established, trustworthy, and committed to supporting companies in their evolution.



Make Edenred Payment Solutions your strategic partner

Edenred Payment Solutions has now become the go-to choice for fintech companies seeking the easiest and most flexible way to develop and embed scalable digital banking products. With robust tech functionalities and licensing, we empower businesses to effortlessly expand and enhance their offerings to quickly respond to users' needs.

Here's why companies like [Tide](#), [thinkmoney](#), [Countingup](#), [Hnry](#) and [Qileo](#) have strategically chosen Edenred Payment Solutions as their financial services partner:



All you need under one roof

Getting every component you need to launch digital banking products can be expensive and time-consuming. By working with us, you access a wide range of product capabilities, from cards to e-money accounts, with a single integration, avoiding the need to orchestrate multiple teams, contracts, processes, and technology.



A service that works for you

We understand every business has different needs, so we offer a modern modular service capable of supporting you at every stage of your growth and no matter what your regulatory position is.



Expertise in payments

With over 20 years of experience in the market, we have a proven track-record in supporting innovative, yet complex, programs for fintechs that have become some of the most successful in the industry.



Established organisation

Stability and business continuity are now more important than ever due to the volatility of the market. We benefit from a strong financial foundation, as we are part of the wider Edenred ecosystem, enabling us to provide you with consistency of service to grow and evolve with confidence.



Rich partnership network

Access an ecosystem of best-in-class vendors that provide you with the tools you need to succeed. We have long-standing UK and EU banking partners, stable relations with card & payment schemes, cutting-edge tech vendors, flexible card manufacturers, and leaders in compliance and fraud prevention to ensure our services are top-notch, secure and always up-to-date.

Summary

As we navigate the digital innovation of the financial services sector, it becomes evident that fintechs encounter distinct challenges when launching digital banking products. The evolving regulatory environment, tech complexities, and shifting user expectations pose hurdles that demand strategic solutions.

Edenred Payment Solutions stands as a reliable ally for fintech companies, offering a comprehensive suite of services that address these challenges. With a commitment to advanced tech, compliance expertise, and a collaborative approach, we empower fintechs to overcome obstacles and pave the way for successful and secure digital banking projects.

Innovate and grow with Edenred Payment Solutions

Our experts are here to support you through your digital banking journey. Get in touch to explore how you can leverage our robust ecosystem to launch new products faster and meet the expectations of your users.

[Get in touch](#)



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