**Improving Financial Literacy of Children through Fintech Technology: A case study of Revolut Mobile Bank App**

Name: Guy-Erne Assika

Institution: Griffith College Dublin

**Abstract**

*Financial service providers are increasingly adopting innovations in improving their services. Fintech is among the innovations, which is a digital technology that has a disruptive effect on the financial service industry (Chen et al., 2019). The paper is aiming at investigating the ways through which financial literacy of children can be improved through the use of technology. A case study of Revolut mobile bank app will be used to understand the importance of the app in the financial service industry and how it will impact the lives of consumers in smoothening the service delivery. Although the adoption of fintech is considered a disruptive technology, it will be preferable to face the future disruption because the technology will create value for ecosystem partners while at the same time speeding up innovation (Lee and Shin, 2018). Revolut is considering developing a mobile banking app that will be used by children over the age of seven and another version made for teenagers around sixteen years to enable them access the bank accounts of their parents using the app (Anderson, 2016). Currently, Revolut is working on developing the app to enable parents to add their kids as secondary users to their account to enable children gain the trust to have greater financial freedom, and this will lead to financial literacy (Sironi, 2016). It has been concluded that Revolute should continue conducting research to make adjustments and adding features to their apps to ensure they provide superior services to their customers.*

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# I. Introduction

Fintech financial services providers have digitalized technology through revolutionization of the ways the financial services are carried out. This has greatly improved and increased convenience in the financial industry as well as lowering the costs of operation, and this makes the services different offered by fintech technology different and unique (Oshodin et al., 2017). Various innovations have been made by fintech in today's world of financial business, among them being cryptocurrencies and blockchain, new digital advisory and systems for trading, artificial intelligence and machine learning, crowdfunding equity, peer to peer lending and other systems for mobile payment. In its evolution, fintech has been experiencing a third era where there are new startups companies have come up with technologies and have begun offering financial products and services directly to the public, and this has brought confusion in the minds of consumers in determining who has the legitimacy and resources to deliver financial services (Gomber et al., 2018: Zavolokina et al., 2017: Heeks, 2010).). Improving the financial literacy of children has been a topic under discussion where arguments about financial control have been raised. Revolute has taken keen interest in developing a mobile app that will allow children over the age of seven years and another version made for teenagers around sixteen years to enable them access the bank accounts of their parents using the app. In my perspective, I think the mobile app will be very useful not only in promoting financial literacy among children but also in enabling children to earn trust to gain more financial freedom. This paper will present the history of fintech and Revolut mobile app technology, the way through which the technology will impact the lives of the customers. The technology will be useful in enhancing the efficiency in the industries offering financial services.

# II. Historical Perspective on Revolut Mobile Bank App Technology

The online banking of Revolut was co-founded by Storonsky and CTO Vlad Yatsenko in the year 2015. Revolut is among the digital disruptors wave, which came up to shake the personal financial industry through the use of technology by developing banking products that are innovative and modernized (Gozman et al., 2018). Revolut launched an app which was based on the banking product of a person and it was aimed at making the financial life of users to become less complicated as well as earning plaudits for the exchange capabilities for currency to assist those people who regularly travel in spending their money in various regions without them being charged fees for currency exchange (Harris and Wonglimpiyarat, 2019).

Revolut began to add new features to its apps, such as loans and trading with cryptocurrency, and this has made Revolut grow quickly on a swell of enthusiasm for disruptive finance across Europe and in its headquarters in UK (Lindman et al., 2017). The founder of the online banking services Storonsky is a workaholic and has disregarded the notion of work-life balance when trying out a new project, and this has greatly played an important role in the rapid progress of the firm (Trautman, 2016). After the launch of Revolut, it had achieved unicorn status by 2018 where it became a member of an elite club of tech startups to be valued at $1bn (Schimpf, 2015). The Revolut application was accepted by the European Central Bank where it was officially announced as a bank and not just a technology firm providing financial products (Weaver, 2016). This boosted its image among the youth and tech-savvy users where they are now using the services of Revolut as alternative to the stuffy old world of finance.

Revolut has faced criticism from the public when various allegations revealed by a certain article where former employees claimed unpaid work, targets which are not achievable, and high level of staff turnover (Goldstein et al., 2019). Revolut has dealt with the mistakes where Storonsky admitted about the past failings where they began with conducting surveys and reviews with staff regularly and also developing new policies for recruitment. The company has made these changes to maintain the reputation of the firm and its competitive advantage (Finlayson, 2019).

# III. Current perspective on revolute mobile bank app for children to improve their financial literacy

Right now, the Revolut company has the objective of launching an app to improve the financial literacy of children. According to the latest move, the Revolut fintech firm wants its customers to be able to add their children to their account as a secondary user (Bower and Christensen, 2015). Through the application children can choose their card and begin using the firm’s current account money management platform. The firm has a good expansion plan (Xiao and O'Neill, 2016). The Hong Kong company wants to expand and set a new operation in Edinburgh. The company aims children over seven years and want to develop another version that will aim at teenagers around the age of 16 years (Beverly and Burkhalter, 2015). Through the app the parent will have an opportunity to retain control over the accounts of their children, which will help them to manage pocket money and view other transactions (Carpena et al., 2011: Truong, 2016).).

The company has a future forecast of this technology on meeting the united nation’s development standards for financial literacy. It is forecasted that the firm wants to capture a slice of Royal Bank of Scotland innovation fund to boost competition in the banking sector (Ranchber, 2018). A report from the company encourages financial literacy and emphasis on the importance of managing finances form a young age. This technology aims to meet the objectives of financial literacy of children (Yeoh, 2017). It also aims at ensuring that customers can transfer money abroad with the real exchange rate. It is also forecasted that this technology will be added more features for the application to be able to include the ability to purchase and sell exposure to cryptocurrencies, and a saving function will be termed as a vault (Chiu, 2016).

# IV. Conclusion

Fintech technological innovations have been greatly embraced by financial service providers as they attempt to improve their financial services. Among them include Revolut, which is attempting to develop mobile bank app to assist children in financial literacy. The mobile bank app to be developed will be very useful not only in promoting financial literacy among children but also in enabling children to earn trust to gain more financial freedom. With all the challenges and criticism Revolut has faced, it has always been dedicated to serving its customers through innovative technology for products, and this has earned the company a good reputation and competitive advantage in the banking industry. Revolute should continue conducting research to make adjustments and adding features to their apps to ensure they provide superior services to their customers.

**Reflective Statement on Disruptive Technologies**

How can disruptive technologies help financial service providers in service improvement? Financial service providers are in a position to adopt digitalized technology by revolutionizing how financial services are carried out. However, typical individuals have no access to such digitalized technology to enhance them to access their financial needs conveniently. Allowing individuals to have financial freedom is of great significance. The research I have conducted is aimed at trying to figure out how financial literacy of children can be improved with the use of technologies. My mission is to try and educate individuals about the importance brought about by Revolut mobile bank app. This will help individuals in making clear and informed decisions regarding the use of new technological advancement.

Improving the quality of services among the financial service providers by enabling individuals to have more options for monitoring and accessing their finances has been the driving force of my efforts towards conducting a research on how fintech technology can be used in enhancing the financial literacy of children ranging from seven years as well as teenagers around sixteen years. Additionally, the study will be useful not only in promoting financial literacy among children but also in enabling children to earn trust to gain more financial freedom, and this will have an impact on their future because it will shape the way of how they will be spending their money.

I feel more excited about the mobile banking application Revolut is intending to introduce to the financial sector considering its merits. I decided to carry out the research based on fintech technologies since we are in a world that is technologically evolving on every sunset. I like studying and exploring the innovations which are emerging to ensure that I am always updated. I considered the topic under study because I believe it will provide parents with an efficient way of monitoring how their children use their money through the use of the Revolut mobile bank app by viewing transactions made by their children. Similarly, children will have an opportunity to manage their pocket money.

During the research, I examined my situation as a parent using the mobile banking application. I was able to figure out the benefits that the Revolut app will bring forth. The app seems to make everything easy for financial service providers and their customers. Money transfer across the globe with real exchange rate will become easy and fast. However, I was concerned about saving habits because using this app means money is available every minute you need it, and this will, therefore, mean very little will be saved.

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