The fintech industry has evolved greatly in the past few years and is continuously developing over time. This form of technology has put behind traditional banking methods and has introduced new and improved methods of banking which have completely revolutionized the financial arena in 2020.

Our article today highlights some of the most significant innovations in the fintech industry this year.

1. **Digital Banking is Future**

The advancement in digital technology has paved the way for digital-only banking. The common use of smartphones has further made digital banking a convenient and accessible solution for people. Amidst the coronavirus pandemic digital banking has become widely popular as one can fulfill their banking needs without having to physically go to the bank. It also allows people to pay their bills without having to step outside their house.

Moreover, one can monitor their expenses, transfer funds from one account to another, and be able to manage their finances more efficiently through different mobile applications. People are no longer forced to take a ticket and stand in long queues. They can simply log in to their account and get the task done in a matter of a few seconds.

1. **Cryptocurrencies on the Rise**

Cryptocurrencies are a comparatively new technology which has completely shaken the financial sector all over the world. A cryptocurrency is a digital form of a financial asset or a digital currency that is encrypted through special codes. Breaking these codes is close to impossible which makes cryptocurrencies a secure way to substitute money especially for virtual transactions.

Bitcoin is one of the most popular forms of cryptocurrency which has been a market leader for over a decade now. Some of the biggest market players in the tech industry such as Microsoft have now started to accept Bitcoins. Cryptocurrencies have indeed made transactions across the globe easier but a lot of cryptocurrency providers are worried about the illegal activities surrounding digital currency such as money laundering and cybersecurity attacks. It would be beneficial on the part of cryptocurrency providers to provide access to relevant [security certification](http://www.cardzgroup.com/ScratchCard.html) training to their employees to make cryptocurrencies a safe option.

1. **Digital Insurance Gaining Popularity**

The latest digital insurance trends are steadily making their way into the insurance industry. Consumers are now demanding a fully digitalized experience when it comes to insurance-based interactions. Digital Insurance companies are taking on a more customer-centric approach to help them implement new technologies and provide solutions to their customer that would fulfill their insurance needs.

Insurance companies are struggling to bring a completely digitalized experience to their customers. It should be understood that digitalizing insurance is a process and will require time. Having the right tools and cooperative staff can help in bringing consumers the experience they have been longing for.

1. **Big Data Technology**

One can simply not underestimate the role of big data in bringing a financial revolution to the fintech industry. Big data has changed the way the financial sector generates value for its customers. There is a massive emphasis on meeting customer demands and improving user experience in today's world. Moreover, companies are continuously looking out for innovations and tools that could help improve their services and enhance the customer experience.

Big data along with machine learning provides the financial sector with promising results. Fintech companies can perform lengthy tasks of credit scoring and assessing their customers for creditworthiness at a much faster pace. Previously, it would take finance providers days to assess credit scores as it would need to be done manually. Things are different now, with technological advancements the process is much smoother and customers don't have to wait for long periods.

1. **Alternate Methods of Payment**

As conventional form of payments is becoming history, there is a huge stress on alternate forms of payments. E-wallets have been on the forefront of this. An e-wallet is a pre-paid electronic card that can be used to make online transactions through a smartphone, tablet, or any other electronic device.

Your e-wallet will most likely be secured by a password. To activate the e-wallet, the user will be required to install the software on the device underuse and enter the information required. Once you have shopped online your e-wallet will automatically fill in the information on the payment form and the transaction will be complete.

E-wallets are not just used for online shopping they are becoming increasingly famous in more mature markets and are being accepted by the merchants in the US and the UK. According to [Statista](https://www.statista.com/), the mobile e-wallet market has reached transactions worth the US $1 trillion in 2020 alone.

1. **Multiple Payment Gateways**

The online shopping sector is booming in all parts of the world. With the surge in online shoppers, there has been an increase in the payment gateways that companies provide their users. The key to providing your customers with a great purchase experience is to provide them with a payment option that they are comfortable with. Payment gateways solve this issue as they provide the customers with several payment modes.

These payment modes can include credit cards, debit cards, digital wallets (discussed above), and different forms of cryptocurrencies. With the flexibility to make payments, customers are more likely to make purchases. Payment gateways not only provide customers with convenience they also make payments more secure for the customers.

1. **Small Ticket Loans**

Fintech technology has made small-ticket loans possible. Something which was out of the question for mainstream banks and lenders. They were reluctant to give loans to small companies due to the low margin for the outcome and the high cost of setting the loan up and recovering it. Fintech companies are giving their consumers the flexibility to buy now and pay later. The loans come with a 0% interest rate which makes repaying them easy through installments. You must be thinking that how is money made then? This is done through sharing the customer data with the manufacturers. Reaching out to other customers who have the same demographics can skyrocket sales immensely!

**Future Thoughts**

There are several other innovations in the fintech industry such as biometric authentication, peer-to-peer transactions, and so many more that have also been popular among consumers this year. The rate at which fintech technology is being embraced by consumers is incredible. With the current stats, it is safe to predict that digital financial technologies will be adopted more readily by people in the future. With the growing popularity in the fintech industry, traditional banking systems are going to be a talk of the past unless they decide to adopt the technological aspects of the financial sector. Only then will they be able to prevail in the years to come.