

# Banking and financial trends

Keys to stay ahead



# Contents

Introduction	3
Guiding statistics	4
Technology disruption	5
More contactless payments	5
Open banking	6
Automate, automate, automate	7
Understanding implementation challenges	8
Summary	9
Next steps	9

# Consumer financial applications have dramatically changed the banking, finance services and insurance (BSFI) industry over the past five years.

Seventy-three percent of smartphone users have signed up for financial services and are using them regularly.<sup>1</sup> Meanwhile, 92.3 million US consumers used proximity-based mobile payments at least once during a six-month period in 2020<sup>2</sup>—a figure expected to grow.

These numbers show how much consumers rely on financial applications. They expect them to work securely and flawlessly, necessitating extensive software testing. As a leader in financial services, you must prioritize high application quality while avoiding testing bottlenecks in the development process.

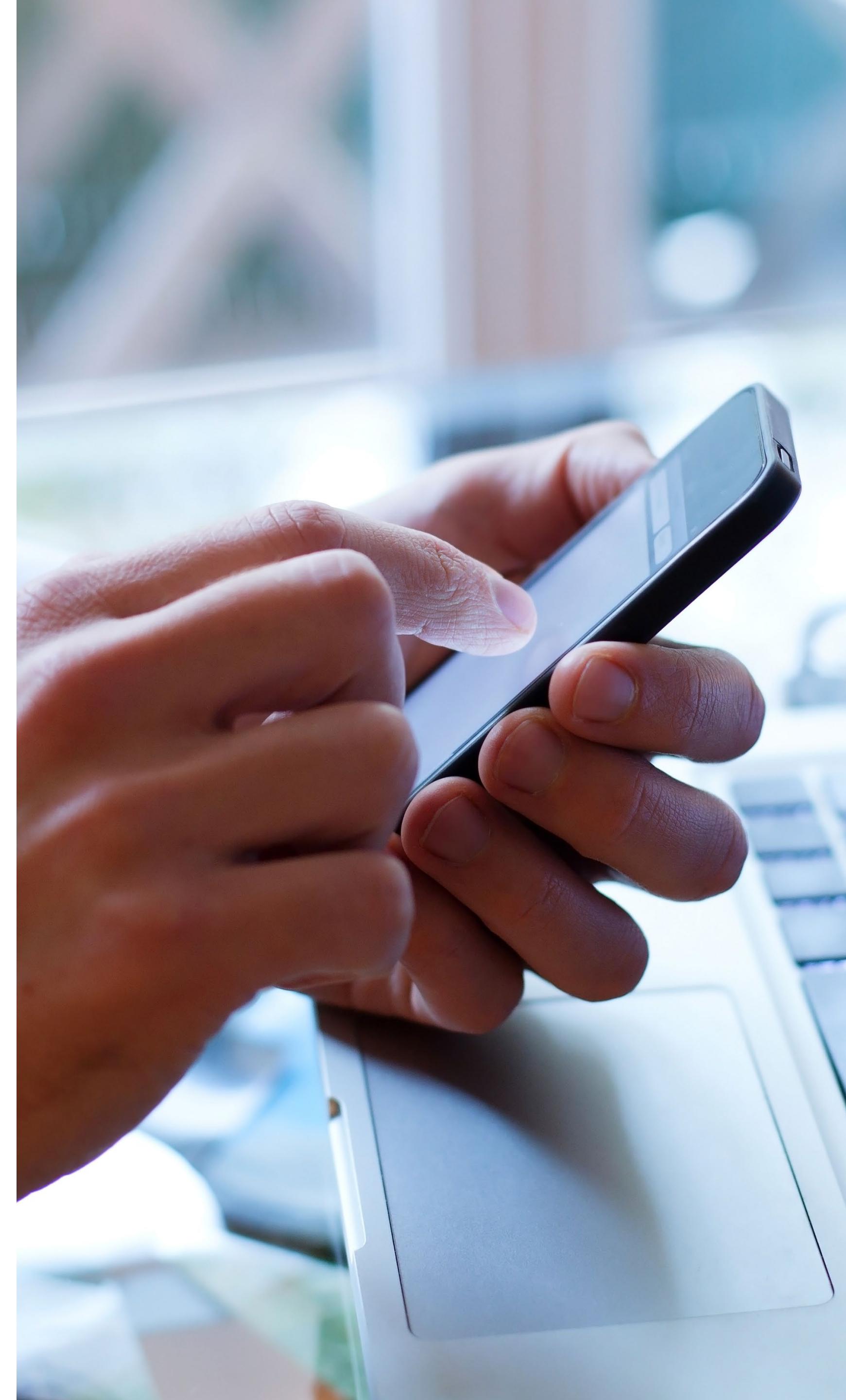
This guide explores technology trends in the financial services industry:

1. Contactless payments
2. Open banking
3. Automation
4. Implementation challenges

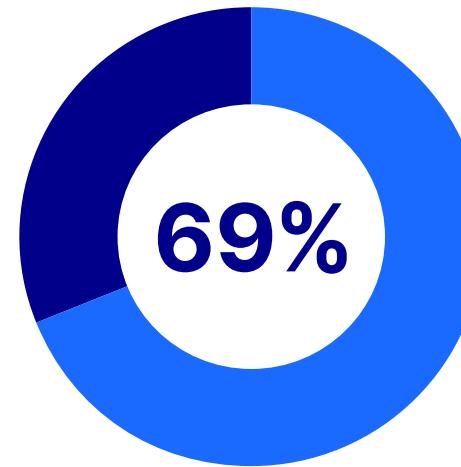
**[Read on to learn more and discover the keys to producing high-quality financial applications—fast.](#)**

1 Mobile App Daily, *An Insight into Best Mobile Banking Trends of 2023*. (2023)

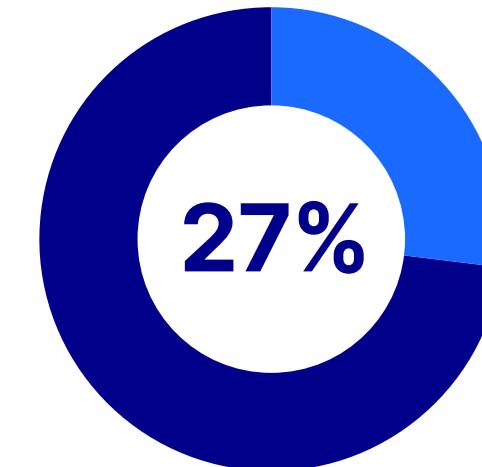
2 Forbes, *How The Pandemic Changed Mobile Payments*. (2021)



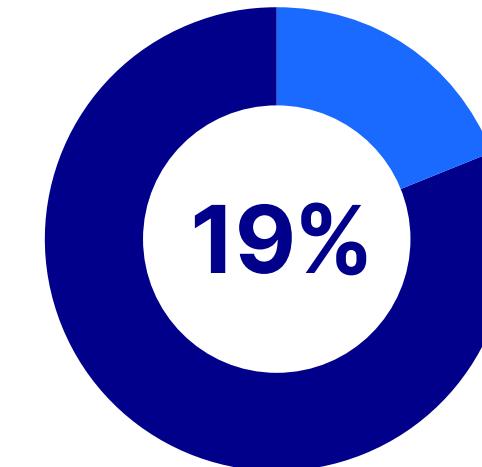
# Guiding statistics



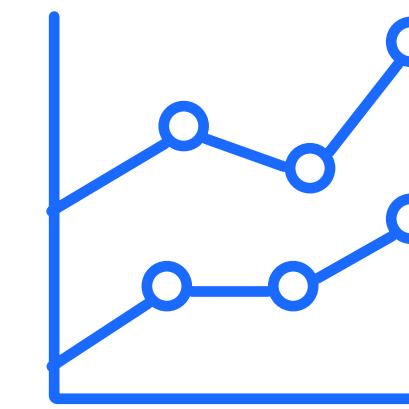
69 percent of American consumers said fintech was a '[financial lifeline](#)' during the pandemic.<sup>3</sup>



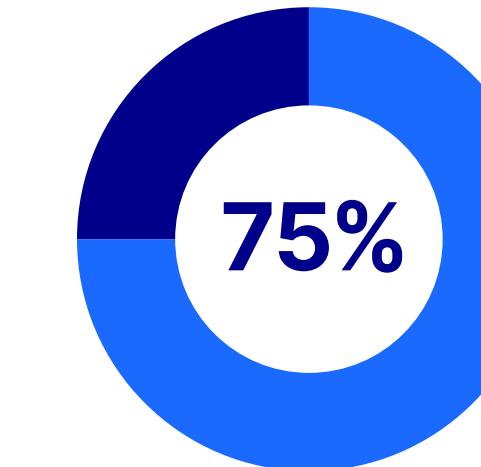
About 27 percent of Americans use an online-only bank, and of those at [online-only banks](#), 88 percent reported they are satisfied with the bank's services.<sup>4</sup>



19 percent of people made their first [contactless payment](#) in May 2020— 57 percent predicted they would continue after the pandemic.<sup>5</sup>



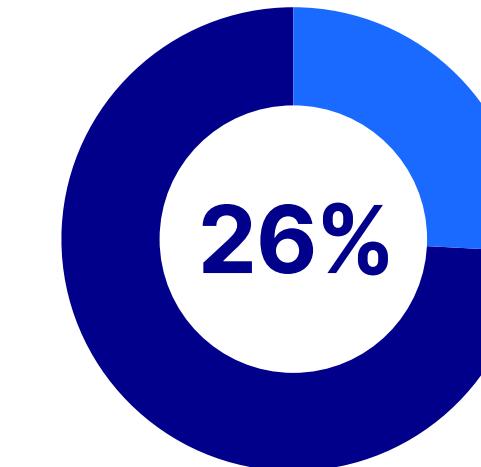
In Deloitte surveys, [financial services](#) professionals have identified tech and team performance as the biggest priority trends for the industry, surpassing other industries such as consumer, life sciences, and tech.<sup>6</sup>



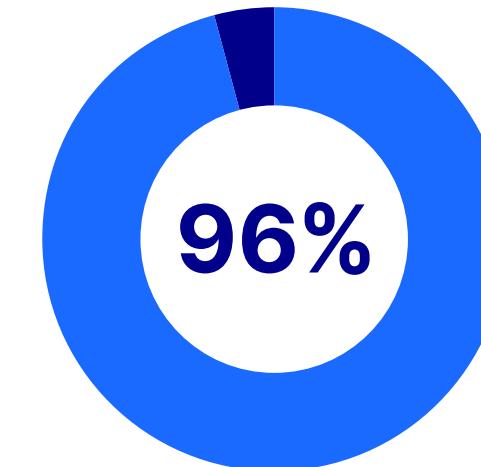
75 percent of surveyed banking executives claim COVID-19 increased urgency [to modernize payment systems](#).<sup>7</sup>

**420 billion**

420 billion transactions will switch from cash to [digital payments](#) by 2023.<sup>8</sup>



26 percent of banking executives and 43 percent of fintech executives say they have the right partner for open banking.<sup>9</sup>



96% of organizations say generative AI is on their boardroom agenda.<sup>10</sup>

3 Plaid Blog, *Survey finds that fintech has been a lifeline during COVID-19; consumers say it's the "new normal".* (2020)

4 Bankrate, *Digital banking trends in 2023.* (2023)

5 National Retail Federation, *Coronavirus leads to more use of contactless credit cards and mobile payments despite cost and security concerns.* (2020)

6 Deloitte, *A Financial Services Industry Perspective: New fundamentals for a boundaryless world.* (2023)

7 Accenture, *COVID-19 Increases Urgency for Banks to Transform Payment Systems as Digital Payments Soar, Finds Research from Accenture.* (2020)

8 Ibid.

9 Capgemini, *World Fintech Report 2019.* (2019)

10 Capgemini, *Generative AI in Organizations*

# Technology disruption

Emerging technologies like AI, blockchain, and cloud computing are disrupting the financial services industry. Firms are being forced to adapt to a rapidly changing landscape and are shifting to a data-driven economy, where data is a key enabler of value creation.

## OpenText solution

### OpenText™ Core Software Delivery Functional Testing

Create resilient tests quickly and test anything, anywhere, on any platform. OpenText Core Software Delivery Functional Testing is a [comprehensive, AI-powered cloud-based](#) platform add-on for functional testing, offering business-centric model-based testing, codeless test authoring, and a testing lab for execution on any host, mobile device, or browser.

Learn more about [OpenText performance engineering solutions](#) today.

# More contactless payments

According to HES FinTech,<sup>11</sup> the size of the digital payments market transaction value in 2023 was \$9.46 trillion. Over the next five years, the CAGR of digital payments market transaction value is estimated at around 11 percent, equaling a total growth to \$14.78 trillion by 2027.

At the forefront of contactless payments are ‘in-app’ transactions. According to Digipay, In-app payments are becoming increasingly popular, with more businesses adopting this payment method.<sup>12</sup> This has led to increased competition and [innovations in digital payment](#), resulting in improved user experience and more convenient payment options.

## OpenText solution

### OpenText performance engineering solutions

Contactless payments require high-performing apps that surpass customer expectations. To make this happen, every team member must be responsible for application quality. OpenText performance engineering solutions allow users to:

- Confidently test app performance
- Script with precision
- Detect anomalies

<sup>11</sup> HES FinTech, *Digital Payments Trends to Watch Out For in 2023 and Beyond*. (2023)

<sup>12</sup> Digipay.guru, *Top 7 Contactless Payments Trends to Keep an Eye on in 2023*. (2023)

# Open banking

Today people are more likely to invest their money rather than keep it in the bank, so third-party financial institutions are giving traditional banks a run for their money.

Third parties offer flexible high income-generating investments. Consumers are keying into them via open banking, where they allow third-party service providers to access their data for investment purposes via application programming interfaces (APIs).

Although there are security concerns about data exposure in open banking, the trend is likely to continue. If you provide open banking services, or plan to, you can mitigate threats through collaboration and the right security software.

Learn more about [OpenText application security solutions](#) today.

## OpenText solution

### OpenText application security solutions

Customers of open banking demand security. OpenText application security solutions automate testing throughout the CI/DC pipeline so developers can quickly resolve issues. With OpenText application security solutions, users can:

- Build secure software—fast
- Attain actionable results with machine learning
- Automate and scale security testing



# Automate, automate, automate

Automation has greatly affected mobile finance development. Up-to-date balance statements, financial application status updates, and other automatic conveniences are now commonplace.

You can use automation to speed up processes and reduce employees' workload so that they have more time for critical projects. Automation can also provide a better user experience for consumers. In short, your organization can't afford to rely on manual testing.

Learn how [AI-powered automation](#) reduces test creation time and maintenance while boosting coverage and resiliency.

## OpenText solution

### OpenText functional testing solutions

Accelerate test automation with our intelligent functional testing tools for web, mobile, API, and enterprise apps.

Simplify and improve test creation, execution, and maintenance through [AI-powered intelligent automation](#). AI-based machine learning and advanced OCR provide advanced object recognition. When combined with AI-based mockup identification, AI-based recording, AI-based text matching, and image based automation, teams can reduce test creation time and test maintenance efforts while boosting test coverage and resiliency of testing assets.

- Test more than 200 technologies, including SAP, mainframes, Salesforce, and more.
- Gain fast, continuous testing feedback with source control and CI/CD integrations.
- Run tests at scale with cross-browser and cross-device [mobile testing](#).

# Understanding implementation challenges

Despite the enthusiasm for new technologies, [Dilip Krishna](#), head of innovation for Deloitte and Touche LLP's financial services businesses, explains that implementing them with minimal impact is difficult.

"Financial executives now have to figure out how to incorporate and apply new technologies, as well as the short- and long-term impacts on existing processes and systems," Krishna says. "It's always harder than you think, but with strategically taken risks can come significant rewards."<sup>13</sup>

More people are using mobile technologies for their finances. Despite challenges associated with introducing new software and processes, ensuring that your applications delight customers is worth it.

Learn how to optimize the [flow of work](#) for high-quality software delivery.

## OpenText solution

### OpenText Software Delivery Management

When adopting new technologies, monitoring and optimizing value streams are musts. With OpenText Software Delivery Management, you can:

- Accelerate transformations from iterative approaches to agile and DevOps practices.
- Align work from ideation to release—regardless of the number of teams, projects, and locations.
- Unify testing efforts across unit, integration, acceptance, security, and performance.
- Prioritize quality and ensure it at every stage with release management.
- Use dashboards and metrics for a visual, customizable display of progress and quality.

13 Deloitte, *Five fintech trends: What's happening now, and the promise ahead.* (2017)



# Summary

The rapid acceleration of technology is pushing financial services and banking to rely on fast acting applications to keep up with consumer and business demands.

Here are a few takeaways to immediately focus on:

- Contactless payment methods and automation tools will help you thrive.
- Facilitating and protecting open banking data will position you well in the future.
- OpenText has an array of software to help your financial institution prepare and succeed for what lies ahead.

# Next steps

[Explore](#) all the powerful solutions OpenText has to offer the banking industry that improve engagement, security, compliance and visibility.

Visit [OpenText banking solutions](#) today ›

## About OpenText

OpenText, The Information Company, enables organizations to gain insight through market leading information management solutions, on premises or in the cloud. For more information about OpenText (NASDAQ: OTEX, TSX: OTEX) visit [opentext.com](https://www.opentext.com).

[opentext.com](https://www.opentext.com) | [X \(formerly Twitter\)](#) | [LinkedIn](#) | [CEO Blog](#)