

FinTech Insights

April 2024



PwC insights of the month

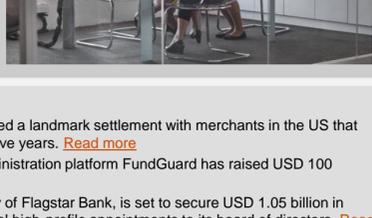
Impact of digital payments on greenhouse gas (GHG) emissions in India

The payments landscape in India has evolved significantly in the last few years due to the rapid adoption of digital payments. As digital payments become more prevalent, it becomes crucial to analyse the possible effects of digital transactions on the environment and the resultant GHG emissions.

Due to the reduction in cash- and cheque-based payments in India, carbon emissions due to fuel, energy and paper consumption have declined from a conceptual standpoint. Over the last five years, there have been substantial savings of about 10 million tCO2 GHG emissions after the rise of digital payments in India. To know more about the overall impact of digital payments on carbon emissions, [click here](#).

From around the web

February & March 2024 witnessed significant developments in the global FinTech ecosystem. A few of these developments are outlined below.



Americas

- Visa, along with another major payment gateway, has reached a landmark settlement with merchants in the US that will reduce and cap credit interchange charges for the next five years. [Read more](#)
- New York-headquartered investment management and administration platform FundGuard has raised USD 100 million in a Series C funding round. [Read more](#)
- New York Community Bancorp (NYCB), the parent company of Flagstar Bank, is set to secure USD 1.05 billion in equity capital from a group of investors and has made several high-profile appointments to its board of directors. [Read more](#)
- Baubap, a consumer microlending platform in Mexico, has landed USD 120 million in debt financing in a pre-Series A round led by US-based FinTech capital partner SixPoint Capital Management. [Read more](#)
- Digital investment platform Webull is set to go public in the US via a merger with special purpose acquisition company (SPAC) SK Growth Opportunities in a deal valuing the combined company at USD 7.3 billion. [Read more](#)
- Chicago-headquartered wealth management firm Northern Trust has partnered with UK-based data solutions vendor FINBOURNE Technology to modernise its valuation and reporting capabilities. [Read more](#)
- US-based Quaint Oak Bank has tasked banking and payments FinTech Finzly with overhauling its payments infrastructure and cultivating growth within its embedded banking operations. [Read more](#)
- Canadian payroll software firm Dayforce, formerly known as Ceridian, has selected US-based digital bank and FinTech Green Dot as its banking-as-a-service (BaaS) partner for its new on-demand pay offering. [Read more](#)
- Teachers Federal Credit Union has partnered with Corridor Platforms, a software start-up based in New Jersey, USA, to enhance its decision management and credit risk capabilities. [Read more](#)
- US financial services giant Capital One is set to acquire Discover Financial Services in an all-stock transaction valued at USD 35.3 billion. [Read more](#)
- LPL Financial has announced its acquisition of Atria Wealth Solutions, a wealth management solutions holding company for USD 805 million. [Read more](#)

Europe

- Vilja and Mast have entered into a partnership to transform the mortgage market for Building Societies in the UK. Vilja, a Swedish cloud core banking platform provider, is accelerating its expansion into the UK market and announcing a partnership with mortgage origination partner Mast. [Read more](#)
- Bulgaria-based embedded finance firm Paynetics has acquired Novus, a B-Corp certified digital bank in the UK. [Read more](#)
- Fintel, a FinTech and support services provider to the UK retail financial services industry, has acquired ifaDASH, a practice digitization solution supplier. [Read more](#)
- Financial infrastructure firm Integrated Finance has partnered with risk monitoring and data intelligence platform KYP to strengthen its onboarding and cybersecurity capabilities. [Read more](#)
- Lloyds Banking Group has partnered with ApTap to help Halifax and Lloyds Bank mortgage customers better manage their household bills. [Read more](#)
- UK FinTech start-up Atlantic Money is planning to pursue an expansion of its fixed-fee money transfer services in the US, Canada and Australia, after having received the necessary regulatory approvals. [Read more](#)
- UK-based FinTech company Demica has partnered with a European bank to introduce a new receivables and supply chain finance platform aimed at meeting the growing demand for supply chain finance in the APAC region. [Read more](#)
- UK-based WealthOS, which is backed by Barclays, has been selected by Quai Digital, a leading provider of B2B wealth management white-label outsourcing services, as their strategic technology partner, to drive growth by offering new scalable, digital financial capabilities to its clients. [Read more](#)
- The Nottingham Building Society (also called The Nottingham) has partnered with MQube – a software vendor – to help streamline their mortgage lending process by using MQube's AI-driven mortgage origination platform Origo. This partnership is expected to provide faster lending services, mitigate risks and reduce costs. [Read more](#)
- The European Parliament has adopted a new set of regulations to enable faster Euro money transfers. These regulations are expected to ensure that money transfers arrive within 10 seconds of initiation. This can help retail clients, and businesses, especially micro, small and medium enterprises (MSMEs) to receive money instantaneously. [Read more](#)
- Barclays is all set to acquire the retail banking business unit of Tesco, UK supermarket group, for USD 757 million and enter into a long-term partnership to offer Tesco branded credit cards, personal loans and deposits. [Read more](#)
- ID Finance, a Barcelona-based company, has secured USD 150 million in debt financing with 180 group. The company will use this financing to scale its FinTech app Plazo's (which provides credit, transactional and savings solutions) lending capability. [Read more](#)

Middle East and Northern Africa (MENA)

- Valu, a financial technology company in the MENA region, has partnered with Visa, a global leader in digital payments, to introduce a Valu prepaid card. This initiative is set to transform the landscape of payment convenience throughout Egypt. [Read more](#)
- Moove, a global mobility FinTech that democratizes access to vehicle ownership for mobility entrepreneurs, announced that it has raised USD 100 million in a Series B funding round. [Read more](#)
- Contact Pay, a premier provider of payment solutions and a subsidiary of Contact Financial Holding, has entered into a strategic cooperation agreement with OPay, a frontrunner in FinTech solutions and electronic payments. The partnership is designed to bolster collaboration, offering a suite of digital payment options that meet the varied needs of customers and significantly improve their overall experience. [Read more](#)
- American Express Middle East signed a partnership with FinTech Ottu to expand its online merchant acceptance network. [Read more](#)
- Sudan-based Africa and Gulf Bank (AGB) has tasked Orion Innovation, a digital transformation and product development services firm, to provide innovative digital-first financial products and services. [Read more](#)
- Bahrain-based EazyPay, a financial institute specialized in point-of-sale (POS) and online payment gateway acquiring services, has joined forces with Visa to enable Visa Direct for EazyPay's customer base. [Read more](#)
- MoneyHash, a US-based Egyptian FinTech start-up, has secured USD 4.5 million to support its growth in the Middle East and Africa (MEA) region. [Read more](#)
- PayTabs Egypt, a payments company in MEASA, has announced a strategic partnership with Souhoola, a buy now, pay later (BNPL) platform in Egypt. This collaboration aims to offer a new BNPL payment method for PayTabs Egypt merchants, increasing the range of payment options offered online. [Read more](#)
- Zain FinTech, the financial services part of Zain Group, has launched Bede, a new FinTech brand. Zain Group specializes in innovative technologies and digital lifestyle communications. Bede is a Shariah-compliant FinTech mobile app that provides easy and convenient consumer microfinance services with a few clicks. [Read more](#)
- The Ministry of Communications and Information Technology (MCIT) Qatar, in collaboration with a National Bank, has announced the launch of the initial stage of the Unified E-Payment Gateway Project. The new gateway enables individuals and organizations to pay the fees for the e-services offered by various government agencies of the country. [Read more](#)
- Magnati, a payments solutions provider in the Middle East region, has announced a partnership with Al Eitihad Payments (AEP), a subsidiary of the Central Bank of the UAE. It leverages AEP's Aani platform, to deliver seamless, secure and instant payment experiences for individuals, businesses and government entities nationwide. [Read more](#)

Asia Pacific (APAC)

- Country Builders Bank, Inc. (CBB), a rural bank in the Philippines, formed a strategic partnership with Kiya.ai, a FinTech firm based in India, to advance its banking infrastructure. [Read more](#)
- Indonesia's Wagely raised USD 23 million in equity and debt financing round to expand earner wage access (EWA) service in Indonesia and Bangladesh. [Read more](#)
- Stables, an Australian digital wallet provider and payments FinTech, launched international remittances focusing on the Australia-Philippines Corridor. [Read more](#)
- Currencycloud, a forex solution by VISA, obtained In-Principle Approval (IPA) for a major payment institution (MPI) licence from the Monetary Authority of Singapore (MAS). This will enable Currencycloud to provide a full suite of intra-regional and international services to Singaporean businesses. [Read more](#)
- ScotPac, Australia's non-bank business lender, launched a new funding solution for SMEs that provides flexible access to cash-on-call with no minimum repayments and no collateral. [Read more](#)
- Thailand opened applications for virtual banks to support people with no or limited access to financial services. [Read more](#)
- GMO Financial Gate has announced a capital alliance with Soft Space, the FinTech-as-a-service (FaaS) company to promote the adoption of contactless and cashless payments in Japan. [Read more](#)
- STICPAY, the global e-wallet service provider and payment gateway announced partnerships with local payments providers across 7+ countries in APAC. [Read more](#)
- Gaming technology company Razer has announced that its FinTech arm, Razer Fintech, along with its B2B payments unit Razer Merchant Services, will be rebranded as Fiuu and will now operate as an independent subsidiary serving businesses in Southeast Asia. [Read more](#)
- Philippines-based Security Bank has entered into a partnership with Avaloq to digitise its wealth management business. [Read more](#)
- Singapore-based FinTech Xalts acquires digital trade platform Contour Network. [Read more](#)
- ANZ, along with another bank, has partnered with FinTech Australia for Reverse Pitch Event – a platform for major banks to pitch their issues with global FinTechs and emerging start-ups. [Read more](#)
- ProCredit, a Philippines-based SME lender, closed a USD 4.1 million pre-seed round, led by Integra Partners. [Read more](#)

India

- Paytm has applied for a third-party application provider (TPAP) licence before the National Payment Corporation of India (NPCI) in partnership with Yes Bank and Axis Bank. The approval will enable its existing partners Axis Bank and Yes Bank to become the payment service providers (PSPs) for Paytm for its unified payments interface (UPI) channel. [Read more](#)
- PolicyBazaar Insurance Brokers, a wholly owned subsidiary of PB Fintech, has gained preliminary approval from the insurance authority to upgrade its license. The company claimed that by implementing more technology, operational control, and data analytics-based innovation into reinsurance capacity, the approval would enable it to the penetration of insurance in the nation. [Read more](#)
- InCred Group's alternative investment platform InCred Alternatives Investments has launched its maiden Category II alternative investment fund (AIF) in the private equity space. The InCred Growth Partners Fund-I (IGPF-I) aims to invest in startups in consumer, financial, technology, and enterprise services, with a target corpus of INR 500 crore (USD 60 million+). [Read more](#)
- PhonePe has launched its Android app marketplace Indus Appstore with the platform hosting more than 2 lakh apps across 45 categories. [Read more](#)
- Slice has launched a UPI-first prepaid app for its entire customer base. The integration of UPI will include autofill functionality for transactions and automation of recurring payments on the Slice app. [Read more](#)
- India successfully launched UPI services in Sri Lanka and Mauritius, with the first UPI transaction carried out by an Indian in Sri Lanka. RuPay card services have also been introduced in Mauritius. This move strengthens digital connectivity and financial collaboration between nations, benefiting travellers and enhancing financial integration. [Read more](#)
- PhonePe announced that its users can make digital payments in the UAE after signing a partnership with a major bank in the region. [Read more](#)
- IPO-bound MobiKwik has raised INR 50 crore debt from BlackSoil. The start-up will allot about 800 non-convertible debentures to BlackSoil to raise funds at a 15% annual interest rate. [Read more](#)
- Lending start-up Aye Finance has raised debt funding of INR 137 crore from German impact investment and portfolio management firm Invest in Visions. [Read more](#)
- The Indian Government and the Asian Development Bank (ADB) have inked a USD 23 million loan agreement to spur research and innovation in the FinTech space at the Gujarat International Finance Tec-City (GIFT City). [Read more](#)
- Small Industries Development Bank of India (SIDBI) has secured USD 24.5 million from Green Climate Fund (GCF) for its maiden anchored sustainability and climate-focused fund Aavaana Sustainability Fund (ASF). [Read more](#)
- The Competition Commission of India (CCI) has provided its approval to the merger of FinTech unicorn Slice with North East Small Finance Bank. [Read more](#)
- FinTech platform Cashfree Payments has rolled out a new payment solution for software platforms to facilitate a seamless payment experience for businesses. The payment solution allows software platforms to facilitate direct payments between their businesses and their end users. [Read more](#)
- Juspay Technologies has launched a new ride-hailing app Mana Yatri in Hyderabad. The app is part of the Open Network for Digital Commerce (ONDC) and will allow users to book autos as well as cabs. The app has been launched with the support from the Telangana government and incubator T-Hub. [Read more](#)

Incumbent FinTech initiatives

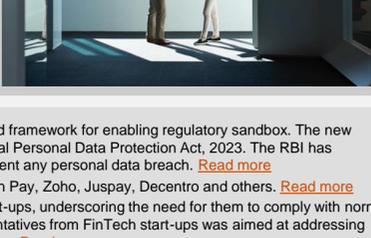
Here are a few incumbent FinTech initiatives launched by Indian financial institutions in February and March 2024:



- Federal Bank has launched a RuPay smart key chain called 'Flash Pay' for contactless National Common Mobility Card (NCMC) payments at enabled metro stations and PoS terminals. [Read more](#)
- LeRemitt, in partnership with Yes Bank, has developed a platform that enables MSME players to easily conduct international transactions in key currencies such as USD, EURO, GBP and CAD. This solution aims to simplify cross-border payments, making global business more accessible for SMEs. [Read more](#)
- The Indian Embassy has set up a digital fee collection kiosk at its premises in the Kingdom of Bahrain in collaboration with ICICI Bank and SADAD Electronic Payment System BSC. About 340,000 Indian residents in Bahrain and other service seekers can conveniently make payments with debit and credit cards for a variety of services, including passport renewal, attestation, marriage registration, and birth registration, thanks to the self-service touch-screen kiosk. [Read more](#)
- Bihar Startup Fund Trust and SIDBI have signed an agreement to manage the Bihar Startup Scale-up Financing Fund (BSSFF) of INR 50 crore to transform the state into a start-up hub. [Read more](#)
- IndusInd Bank has partnered with Canadian PayTech Tappy Technologies and a French IT firm to launch India's first tokenisation solution for wearable payments. [Read more](#)
- The AIIMS-SBI smart payment card was launched, paving the way for cashless payments at the hospital. The card allows a patient to deposit some amount of money in this card, and recharge it at various points in different blocks at AIIMS and avoid cash payments at AIIMS Delhi for any patient services, including the canteen. [Read more](#)
- The Central Economic Intelligence Bureau and SBI launched a digital platform for intelligence clearance on high-value banking loans, reducing delays and providing due diligence. [Read more](#)
- SBI has launched its self-subscribing journey for enrolment under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) schemes for its customers. [Read more](#)
- Federal Bank launched its 'Stellar Savings Account', aiming to transform the banking sector by delivering useful benefits and innovative features. [Read more](#)
- The Life Insurance Corporation of India (LIC) announced the launch of a non-participating product – 'Amritbaal'. The product, designed for children, is a non-linked, non-participating, individual, savings, life insurance plan designed to meet the higher education and other needs of children. [Read more](#)

Regulatory developments

Given below are a few important regulatory developments in the Indian FinTech sector.



- The Reserve Bank of India (RBI) has released an updated framework for enabling regulatory sandbox. The new rules mandate compliance with the provisions of the Digital Personal Data Protection Act, 2023. The RBI has mandated entities to ensure adequate safeguards to prevent any personal data breach. [Read more](#)
- RBI has granted a payment aggregator licence to Amazon Pay, Zoho, Juspay, Decento and others. [Read more](#)
- FM Nirmala Sitharaman held a meeting with FinTech start-ups, underscoring the need for them to comply with norms and protect consumer interest. The meeting with representatives from FinTech start-ups was aimed at addressing various bottlenecks and discussing issues facing the sector. [Read more](#)
- The RBI has allowed banks and non-banks to issue prepaid payment instruments (PPIs) for public transit services such as metro, buses, rail, waterways, tolls and parking. [Read more](#)
- The Union government has earmarked incentives worth INR 1,441 crore for the promotion of digital payments during the fiscal year 2023-24 (FY24). Announced in the Interim Budget 2024, the allocation will go towards the promotion of RuPay debit cards and low-value BHIM-UPI transactions (person-to-merchant). [Read more](#)
- The RBI is clamping down on peer-to-peer (P2P) credit card payments made via third-party service providers, stating that it goes against the regulations. [Read more](#)
- Reserve Bank Governor Shaktikanta Das announced the launch of an interoperable payment system for internet banking will likely be launched 2024 to facilitate quicker settlement of funds for merchants. [Read more](#)

Top FinTech deals and partnership news – India

Investments

The key funding details for the Indian FinTech ecosystem in the month of February and March 2024 have been highlighted below:

Start-up	Sector	Amount raised	Lead investors	Source
Perfios	SaaS	USD 80 million	A Canada-based venture fund	Read more
IDfy	Identity, document storage and verification services	USD 27 million	Elev8 Venture Partners, Tenacity Ventures, KB Investment	Read more
OTO Capital	Lending – vehicle loans	USD 10 million	GMO Venture Partners, Prime Venture Partners, Matrix Partners India, others	Read more
Vidyut	Lending – electric vehicle (EV) loans	USD 10 million	Alsteria Capital, 3ONE4 Capital, Zephyr Peacock, others	Read more
OPTIMO Loans	Lending	USD 10 million	Omnivore Partners, Blume Ventures	Read more
Freed.care	Debt settlement	USD 8 million	Piper Serica, Sorin Investments, Multiply Ventures, others	Read more
Ascend Capital	NBFC (EV)	USD 6 million	InfoEdge, others	Read more
TapFin	Lending – EV loans	USD 4 million	Elevar Equity	Read more

Partnerships

The FinTech ecosystem saw a diversified set of partnerships and acquisitions built across different sectors. A few of them which developed in the Indian FinTech space in February and March 2024 have been given below:

Financial firm	Partnered with	Sector	Purpose	Source
Yes Bank	Indian Olympics Association	Banking	To be the official banking partner for Team India at the Paris Olympics 2024	Read more
Federal Bank	WaveBL	Banking	To streamline trade finance processes	Read more
IndusInd Bank	Wise	Remittance	To offer online inward remittance to India	Read more

Acquisitions

Financial firm	Partnered with	Sector	Purpose	Source
JusPay	LotusPay	Payments	To boost its banking, financial services and insurance (BFSI) vertical	Read more
Signzy	Difenz	Verification	To provide AI-led KYC compliance solutions to financial institutions	Read more
PAI Platform Private Limited	Innobits Solutions Private Limited	e-commerce	To grow seller availability on the ONDC network	Read more
CREED	Kuvera	WealthTech	To enter the wealth management space	Read more

Disclaimer: This is not an exhaustive list; only a few key highlights are mentioned.

Contact us

<p>Gayathri Parthasarathy Partner, Financial Services Leader PwC India gai.partha@pwc.com</p>	<p>Joydeep K Roy Partner, India Financial Services Advisory Leader, and Global Health Insurance Practice Leader joydeep.k.roy@pwc.com</p>	<p>Vivek Belgavi Partner, Financial Services Technology Consulting, and India FinTech Leader PwC India vivek.belgavi@pwc.com</p>
<p>Asim Parashar Partner, Financial Services Technology Consulting PwC India asim.parashar@pwc.com</p>	<p>Mihir Gandhi Partner and Leader, Payments Transformation PwC India mihir.gandhi@pwc.com</p>	<p>Amit Nawka Partner, Deals PwC India amit.nawka@pwc.com</p>
<p>Rajdeep Saha Partner, Financial Services Advisory PwC India rajdeep.p.saha@pwc.com</p>	<p>Avneesh Singh Narang Director, FinTech and Innovation Strategy PwC India avneesh.narang@pwc.com</p>	<p>Raghav Aggarwal Associate Director, FinTech and Innovation Strategy PwC India raghav.aggarwal@pwc.com</p>