



Connectivity + Data + Experience = **Growth**



# Modern Connectivity

is the Future of Fintech





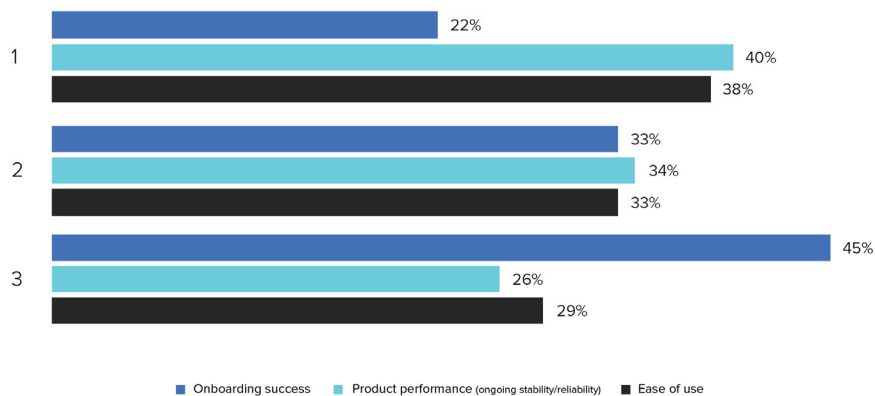
As the financial industry evolves, it will continue to move away from legacy screen scraping-based aggregation in favor of safer, faster, more reliable direct connections. With emerging technologies and non-traditional competitors entering the space, financial companies are being pushed to innovate quickly and optimize user experiences while ensuring their customers' financial data remains safe.

Simply put, your products are only as good as the connections that fuel them. If your connections aren't reliable, fast, and secure, your products will suffer, leaving your customers with a lack-luster experience. Today, people expect seamless digital experiences across all their apps and devices. Not surprisingly, fintechs have been the first to recognize the importance of creating seamless, connected digital experiences and they're making it their focus as they grow and scale. In a recent survey of 250+ employees at fintech companies, we found that 40% of respondents said product performance (ongoing reliability) had the greatest impact to their user retention, followed by 33% who said onboarding success was the second most impactful factor.

### Which has the greatest impact on your user retention?

Please rank the following areas from most important to least important.

#### Top 3 areas with greatest impact:



# 29%

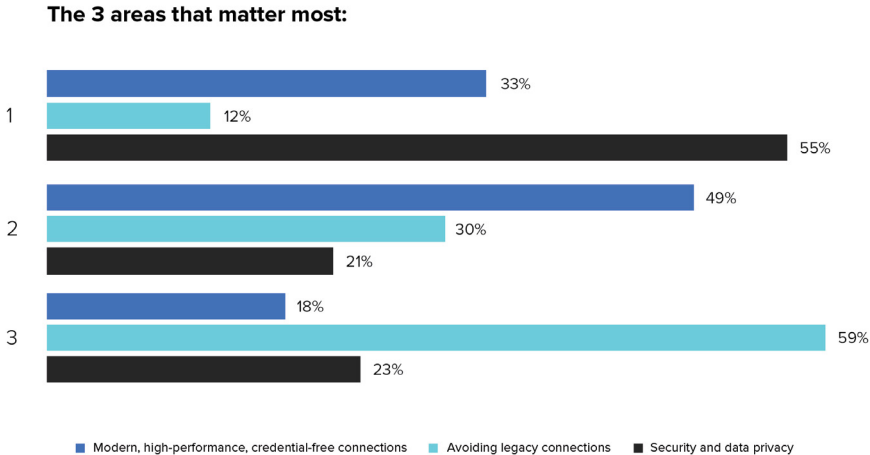
of respondents said access to data would be their biggest focus area in the next 1-5 years.





**What matters to you the most when it comes to connecting financial data?**

Please rank the following areas from most important to least important.



when asked which aspects of data connections are most important,

**30%** said accuracy of data

**28%** said connection coverage.

When it comes to data connectivity, 29% of respondents said access to data would be their biggest focus area in the next 1-5 years. Furthermore, when asked what matters most in connecting financial data, 55% said security and data privacy were the most important, followed closely by 49% of respondents who believe modern, high-performance, credential-free connections were the second biggest priority. Finally, when asked which aspects of data connections are most important, 30% said accuracy of data and 28% said connection coverage.



## Modern Connectivity: From antiquated to advanced

The survey makes it clear that secure and reliable direct connections along with onboarding success are critical for fintechs. As data sharing and open finance continue to push the industry forward, screen scraping will no longer be a preferable connection method as it's too risky, forcing customers to share sensitive information that can be compromised, such as their credentials, in order to access apps. To address the need for higher security standards and safer connections, we've created modern connectivity — offering a first line of connections that are tokenized, credential-free connections that give users the ability to approve, manage, and revoke access to their financial data without ever sharing their personal or financial information.

Modern connectivity is a concept that we developed to solve for the limiting and antiquated methods of legacy aggregation processes in the financial industry. It not only provides a fast, secure, and reliable way of connecting accounts, it also has the highest coverage, and redundancy in the market, meaning your customers can connect their accounts quickly and experience uninterrupted service when interacting with your app or products.

### The Benefits of Modern Connectivity

- *Tokenized, credential-free API connections*
- *Long-lasting connections*
- *Significantly faster connection speeds and success rates*
- *Intelligent routing to a host of connectivity methods for complete coverage and around deficient connections for high connection success*
- *Suggest connections to known accounts for easier account linking*

## Fintech use cases for **modern connectivity**

From lending and payments to digital banking and financial wellness — there are countless use cases for how fintechs can use modern connectivity. Below, we've outlined 4 main areas where modern connectivity applies to specific use cases.

### Connectivity in Lending

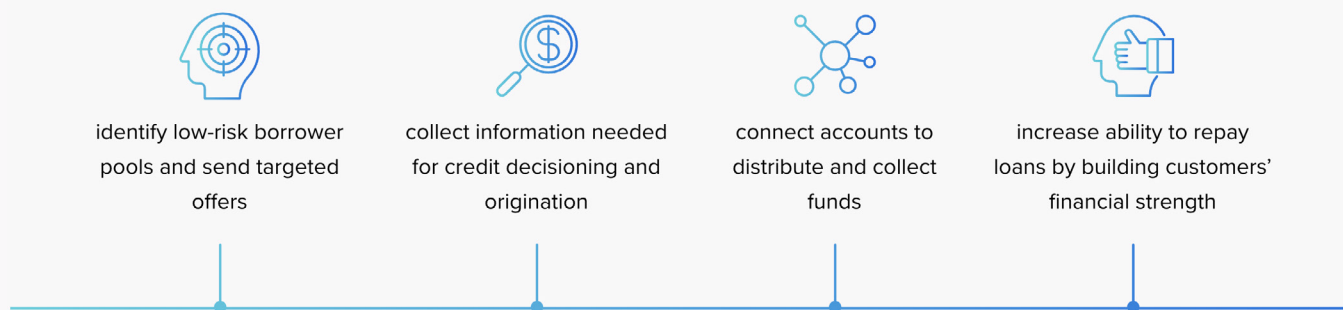
If you're in lending, you know how critical accurate and real-time insights are in making informed decisions. You want to ensure that you have the most up to date information when assessing a borrower's credit risk, so you're confident in their ability to repay a loan. Additional financial behavior data may even open up new borrower pools and allow you to reach underserved communities, depending on your loan type.

At MX we can help you quickly gain a holistic picture of your borrowers' finances. The truth is, the credit score is oftentimes only part of the story. With modern connectivity, your applicants will be able to quickly connect their accounts to your products so you can focus on real-time financial behavior based targeting with loan offers that are informed by competitive insights into other lenders

borrowers are using. With more data, you minimize risk of default on a loan and also increase the likelihood of loan applications.

However, getting more borrower data is only part of the picture. If you're in the lending space, you're also likely concerned with creating a quick and easy loan application process. Consumers now expect a frictionless, reliable, and fast digital end-to-end loan application process. Our Instant Account Verification helps you streamline the loan experience, lowering application abandonment while giving borrowers access to the funds they need instantly. We can help you securely connect borrowers to their financial data, from infrastructure to the end customer experience, so you can easily make accurate, low-risk decisions, while creating a quick and easy customer experience.

### MX in the lending journey





## Connectivity in Payments

The payments space is growing rapidly. A recent report from Business Insider states that “surging e-commerce will continue to eat away at in-store payments’ share of overall retail. Online retail sales surged to \$794.50 billion, a record-breaking 14.4% of total US retail in 2020, thanks to increased spending on smartphones in particular.”<sup>1</sup>

As the payments industry grows, so does the competition. Relying on credit card solutions to initiate or receive payments is costly, but the alternative process of getting customers to connect accounts for direct transfer options is high-friction. To compete successfully, you need to create a quick and easy way for consumers to make payments without risk, fees, or hassle.

MX’s modern connectivity solution gives your customers a quick and easy way to connect a wide variety of accounts from almost any financial institution. Our solution instantly connects to 90% of domestic bank accounts, auto-routing to micro-deposits for the 10% of the industry where instant verification isn’t yet available. With the ability to verify balances before initiating a transfer and receive payments with direct bank transfers, you’ll be able to reduce NSF fees, leading to higher cost savings.

With our Instant Account Verification solution, your customers can quickly authenticate the account information needed to initiate an RTP or ACH payment in a matter of seconds. This means MX can power your payments solutions in the time your customers expect.

Furthermore, our partnership with many of the top financial institutions in the US means that we can provide you with fast, reliable, and secure direct banking API connections so you can securely and reliably collect information needed to initiate payments in seconds.

## MX in the payments journey



Connect payment info for  
direct ACH



Decrease risk, increase  
security



Reduce costs and overdraft  
fees





## Connectivity in Financial Wellness

The financial industry has seen an influx of financial wellness tools and technologies that help people understand and manage their finances more effectively. However, many of these financial tools still require too much time and effort for most people to proactively stay on top of it all. What's more, oftentimes these tools are built on incomplete or inaccurate data, requiring a heavy lift from customers to make them useful. If your customers aren't able to connect their accounts for a full financial picture, their experience becomes fragmented and leads to frustration.

With modern connectivity, MX can help you power your products with more complete, accurate, and reliable data. Your customers can instantly connect a large number of financial institutions to your apps and products through tokenized, credential-free connections, meaning they never have to share personal information, and their data will continue to flow uninterrupted for years. The more accounts they're able to connect, and the longer those accounts stay connected, the more holistic view your customers will have

into their financial lives, and the more insights you'll have into how you can market to them more effectively. After all, it's hard to make accurate predictions if you're missing critical information about certain accounts.

Another way you can use modern connectivity to help your customers stay on top of their finances is with relevant and timely insights. The truth is, a lot of times people miss things by accident. To alleviate this frustration, we've built a feed-style UI that serves up real-time and proactive insights customized to each users' financial situation. With the highest coverage of direct connections to the largest financial institutions, your customers will be able to connect all of their financial accounts in one place in a matter of seconds. This will give you a clear and reliable picture of their financial lives, enabling you to quickly alert them about things such as overdrafts, subscription changes, duplicate charges, and much more. This will help your customers build good financial habits that can ultimately help you grow your share of wallet.

## MX in the financial wellness journey



Help customers organize, simplify, and interact with their finances



Protect, guide, and inform customers with AI-driven insights



Empower, nurture, and strengthen customers' financial lives



Increase speed-to-market





## Connectivity in Digital Banking

Digital banking is here to stay — and in many cases is replacing the traditional banking structure. With more tech-savvy alternatives for customers and less friction to switch financial providers, offering a seamless online and mobile experience is critical for neo banks and digital banking providers.

There's no "faking digital." The truth is, simply taking the in-branch or in-person experience and adding a few digital components isn't enough. To succeed in the digital space, your ability to connect accounts is foundational to creating digital-first experiences. With modern connectivity, you can give your customers a simple, fast, and secure way to connect to nearly any financial institutions in the country. Essentially, enabling your customers to quickly connect accounts can streamline the account opening process and decrease dropoff. Not only that, but the more external accounts your customers connect to your products, the more complete picture you'll have of their financial lives, so you can see where else they bank and what types of accounts they have with your competitors. These insights can help you discover new opportunities to grow market share and expand your offers. Lastly, with quick and reliable connectivity, you'll be able to power truly intelligent financial wellness tools that can quickly alert your customers of any updates to their accounts, so they can proactively manage their finances.

With modern connectivity, MX can help you create a simple yet comprehensive digital banking experience — from frictionless onboarding and tools that make financial management effortless to new technologies that keep you ahead of the competition.

### MX in the digital banking journey



## Staying connected in a digital world



In a digital-first world, technological advancements and emerging innovations will continue to redefine the financial industry. As new entrants and tech companies push beyond boundaries and the status quo, modern connectivity will lay the foundation for the future.



**Sources:**

1 <https://www.businessinsider.com/payments-ecosystem-report>