

Canopy's evolution creates opportunities for FinTech

Tanmai Sharma, CEO, Canopy shares his thoughts on the changes and challenges facing the wealth management industry and how FinTech is solving them.



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S SHARMA NOTES THAT FINTECH HAS A ROLE to play in the wealth management industry. There are three types of relevant fintech companies he views should thrive - data companies, KYC companies and Robo advisors. Canopy, as a data company, is making steady progress with the private banks, but he is yet to see a credible shared KYC solution in the HNW space, despite the demand. Similarly, in the Robo advice space, while clients appear to want it, he has not seen a solution on offer yet.

One of the greatest challenges for the wealth management industry is the fact that investors are very cautious of counterparty risk, and as a result they spread their assets over 5 to 6 banks. This is further complicated by a highly regulated industry and legacy software and hardware resulting in inefficiencies. These challenges combined make it impossible to provide advice borne from a holistic view.

Sharma further notes that the latest challenge is that clients have become more aware of the market and the industry and in fact, the new generation of client appears to be more knowledgeable than many of the new wave of RMs.

The data mining of past behaviour to predict future behaviour, which Sharma states is easy to do, is mostly absent in private banking in Asia. "Data is a very powerful weapon, you need to get it right, you have to get the complete set of data, it has to be clean, and then you have to utilise it" says Sharma. ■