

Data intelligence can simplify compliance for financial institutions

By using data to their advantage, companies can keep track of the evolution of financial transactions and regulation.

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Can data provide a solution to complex financial compliance? That's the question posed by a new report from regtech [CUBE](#) and fintech research firm [Burnmark](#).

The findings are a testament to the many practical applications of data in the financial space. As startups and major players increase automation, the report highlights the implications clever information use can have for [security](#) and customer experience.

According to Ben Richmond, Founder and CEO of CUBE,

“2020 saw a seismic shift in how financial institutions conducted business, with data taking centre stage. Changes are continuing to happen in 2021 and the key is to stay smart and use the tools at our disposal.”

One of the primary changes was the rise in alternative data. From IoT devices like wearables, to personal data collected via non-traditional sources, this rise has had a major impact on fintech. Alternative data has, for example, enabled banks to increase the speed and accuracy of credit decisions – due to analysis of behavioural patterns as recorded digitally.

With innovation and adoption only accelerating, new rules are also

starting to emerge.

Luckily, data can also play a part in regulatory compliance and company security. As Richmond continues,

“Data has the ability to improve the company and customer relationship – using it intelligently will help us transform compliance and navigate change.”

Analytics can be harnessed to prevent financial crime. Biometrics (e.g. facial, fingerprint or voice recognition) can be used for identity verification and the combatting of fraud. Analysing customer behaviour and transaction data via machine learning can catch money launderers in the act.

Overall, the financial sector is moving towards tech tools that address risk alongside regulation and compliance – rather than separately.

Devie Mohan, Founder of Burnmark comments on the report,

“Good innovation and digital transformation is, in essence, a derivative of good data and data management. 2020 was a year where this has proven especially true, with data points, sources, analytics and tools evolving quickly to support much faster digital transformation than ever before.”

“Intelligent and efficient use of data will undoubtedly continue to be a theme for 2021 as well.”

The full report includes interviews with Jonathan Holman, Head of Digital Transformation at Santander; Rav Hayer, Digital and Data Analytics Partner at PwC; Sylvia Yarbough, financial industry and compliance industry expert; Linda Gibson, Director, Head of Regulatory Change, at BNY Mellon|Pershing.

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