

Fintechs for good are clearly the best

Few people would disagree that 2022 has been a difficult year. In communities across the country, individuals have struggled to fight against the toxic combination of inflation, a weakening pound, as well as the continued fallout from Covid-19 and the Russo-Ukrainian War. Businesses are beginning to feel the pinch too, with the UK's economy now teetering on the edge of a recession.

Temps de lecture : minute

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Clearly, everyone is struggling right now, but this recent downturn has been particularly damaging to the world of fintech. Just last year, fintech stood out as one of the jewels in the UK economy's crown. Now, major businesses in the sector are struggling to keep their heads above water. Across the industry, capital investment levels are decreasing, valuations are being diminished and companies are being forced to let staff go.

Every cloud has a silver lining

Amidst this lingering darkness, it may seem that the sector has lost a little of its shine. However, this moment needn't be one overburdened with gloom. In fact, what's happening right now is offering the fintech community an opportunity to refocus its collective vision, and to once again prioritise solutions that uplift people and communities, providing services that make a positive difference in complicated times.

This idea, aka 'fintech for good' is certainly not new, but its importance

has never been greater. However, unlike in the past, it's clear that efforts to promote this concept must now be centred around solutions, which can help in the here and now, and not ones overly focused on forwarding broader, long-term political, or economic agendas. If the sector can manage this, it will go a long way in fixing some of the issues it faces.

Can fintech make a difference?

So, the question is whether any of this is possible? Is it realistic to believe fintech companies can really make a difference in people's lives during a moment of genuine crisis? Here at Collctiv, we have no doubts about the answer - it's a resounding yes!

In fact, I'd argue that there are few sectors better placed than fintech to help people and communities to overcome the issues they're facing right now. Whether it's alleviating pressure on the economy by assisting small-to-medium sized businesses with cash-flow concerns or helping to improve the purchasing power of community groups working on tight budgets, fintech is a field full of solutions that could really help.

Modern approaches to historic challenges

A relatively basic concept underpins many of these ideas, the notion of converging offline needs with an online solution. When applied to long-standing, real-world problems, digital and technological solutions can often deliver powerful results. Collctiv is working proof of this model in action. Our solution has helped to raise money for individuals undertaking cancer treatments and enabled the bulk buying of food in community groups.

We're just one example of a fintech with the power to bring a community together, and to do so in a way that benefits everyone involved. That might sound fanciful, and even somewhat utopian, but it's a totally

realistic goal for the sector and would simply represent a better usage of the technologies and solutions we already have today. However, collaboration across the field, and beyond will be required to ensure we get the most from the undertaking.

Understanding ESG

Fortunately, the key tenets of this idea are already apparent in fields aside from fintech. Notably, the concept has been apparent in the rise of environmental, social and governance (ESG) agendas within some of the world's biggest companies in recent times. While controversial to some, ESG agendas are making a big difference in the world's fight to tackle climate change, eliminate poverty and reduce preventable deaths.

In the past, some critics felt that ESG agendas were incompatible with other business value drivers, such as profitability. Now, a bulk of research shows that assumption was misguided. In fact, it increasingly looks like it's beneficial for a business to be 'good', with customers and investors regularly preferring to spend money with companies who they perceive as being a positive force in the communities and societies that they live in.

Making the shift with Collectiv

Therefore, a shift towards solutions that make a tangible, positive difference in people's everyday lives would serve the fintech sector in several ways. For one, this move would help the industry in going some way to restoring any credibility it may have lost over the past year. Additionally, the shift could help to further raise the profile of the fintech sector and could drive more investment from venture capital firms into the industry.

What's more, if the sector was able to approach the challenge collectively and work together to create a network of fintechs and beyond, dedicated

to supporting communities around the world then the benefits of the undertaking would further multiply. By leveraging a network effect among this fintechs for good movement, we could build a framework capable of serving communities long after this current moment of uncertainty has passed.

At Collctiv, we've been committed to these goals for some time. We're firm believers in the idea that fintech can help to change the world around us and will continue to work tirelessly to see this belief actualised. For the time being, we are currently urging all fintech businesses to take a moment to consider how they could further leverage their brand, or technologies to better serve the countless communities that need real help right now.

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