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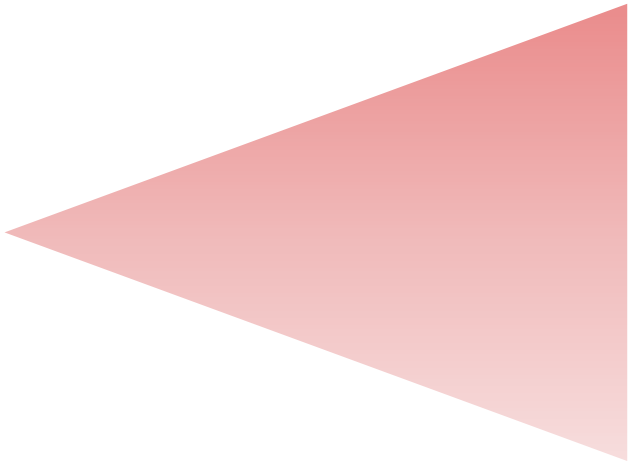
How to earn more and reduce risk by exploiting transaction data

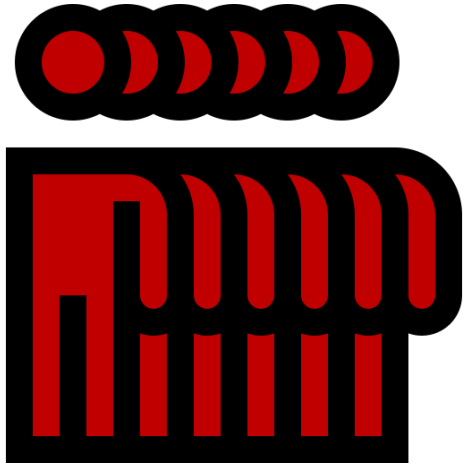
Transaction Data Meetup

Frankfurt, February 15th, 2024

Today’s banking

1 advisor





600 retail customers

300 SMEs

Banks poke around in the fog

Generic customer understanding

Next best offers, Schufa score, some customer segmentation

Maverick sales

Driven by products instead of (hidden) demand

No up-to-date customer profile

Customer not tracked permanently

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Available data is endless, as is the buried potential

1 bn

bank accounts in Europe

300 bn €

revenue potential

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What to do with this customer? (Spoiler: He will leave)

What the bank knows

- 17 years old
- Has a free account
- Uses bank card
- No personal contact with bank advisor

What the bank could know

- Will start studying in Munich in fall, 6 months from now
- Is already looking for an apartment there actively
- Recently opened an account with a direct bank
- Will be lost to current bank with 97% probability
- Retention measures help but need to start instantly

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Would you grant a credit to this woman?

What the bank knows

- 25 years old
- Lives in Berlin-Moabit (doubtful neighborhood)
- Checking account, bank card
- No employment information
- No personal contact with bank advisor
- Earlier contract breaches with telephone companies, but no credit default so far

What the bank could know

- She has influencer business
- Receives ~€20k quarterly from media companies
- Owning two apartments in Berlin, total value ~€650k
- Rental income ~€2k monthly
- Has a Porsche Boxster and a BMW X5 (the latter leased)
- ETF savings plan of €2.5k monthly at Scalable Capital

We monetize banking & payment data

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We create

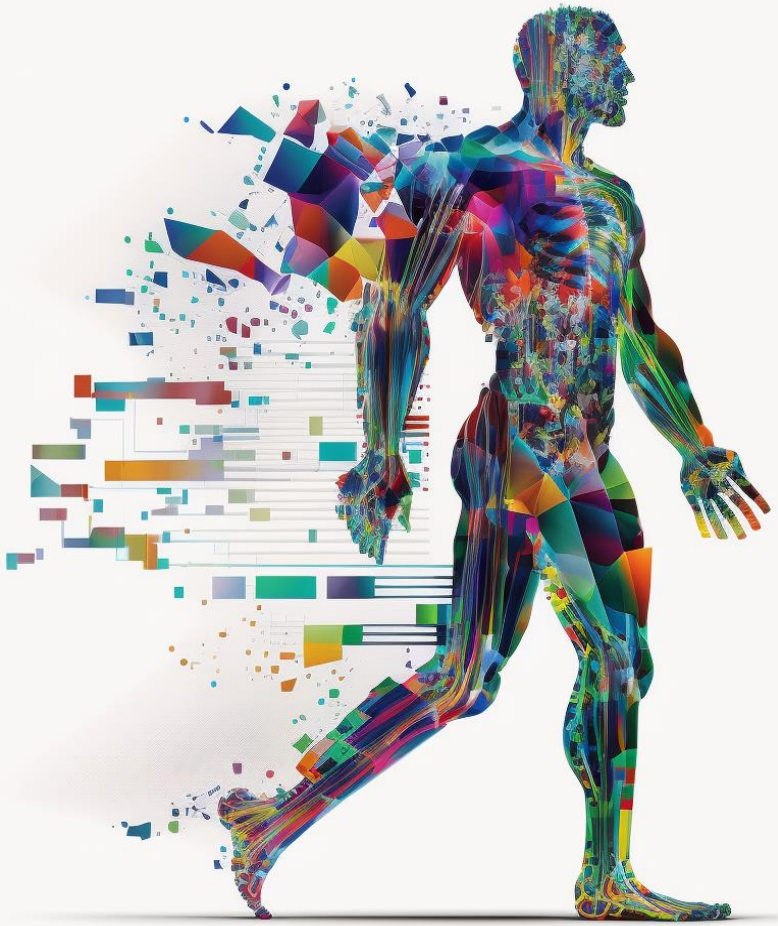
instant business opportunities and signals

relying on

in-depth customer x-rays

based solely on

customers' banking & payment data



Finanzmining engine: From raw data to monetization

Banking and payment data

Per PSD2 API

From banking system

Via import

FINANZMINING platform

Extraction of information

Generation of insights and signals

End-to-end process support

Business opportunities

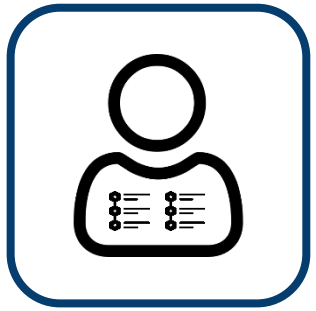
Per API

Into customer applications

Via reports

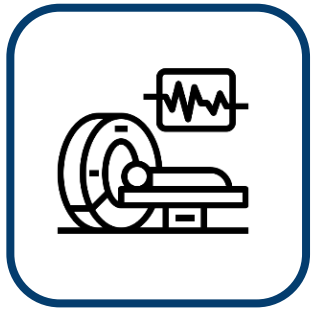
Finanzmining engine: Process steps of the engine

Banking data



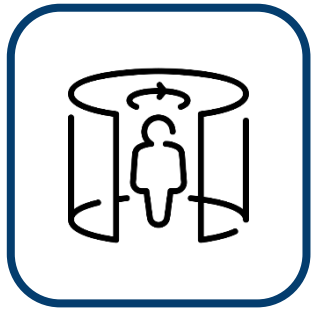
- Use of PSD2 data
- Or direct use of banking or payment system data
- Cloud engine or on-premise setup for banks

Detailed x-ray



- Detailed transaction semantics retrieval
- Millions of categories to categorize a transaction
- Income types & sources
- Recurring interactions and purchasing schemes
- Contracts & obligations
- Hobbies and interests
- Other consumer habits

360° insights



- Current life situation
- Includes household details, job situation, and social environment
- Historic, current and forecasted life events
- Detailed household P&L and household dynamics
- Financial wellbeing analysis and forecast

Sales & risk signals

- Need of and interest in financial and non-financial products
- Affinities to brands and merchants, and specific purchase triggers
- Detailed risk analytics with 100 categories along affordability, behavior, household stability, and scenario robustness

Our use cases: Typical areas and examples

Cross- & up-selling

- Product coverage check and demand
- Tailored financial advisory and sales
- Affiliate product sales
- Product pricing optimization

Customer value added

- Liquidity & finance management tools
- Digital business companion (for SMEs)
- Customer certificates, e.g. tenant check and other services

Risk detection

- Instant credit application check
- Credit engagement monitoring
- Customer termination forecast, especially for Gen-Z customers

Customer retention

- Tailored digital cashback programs
- Zero fees on financial product use
- Advisory based on forecasted life and/or business situations

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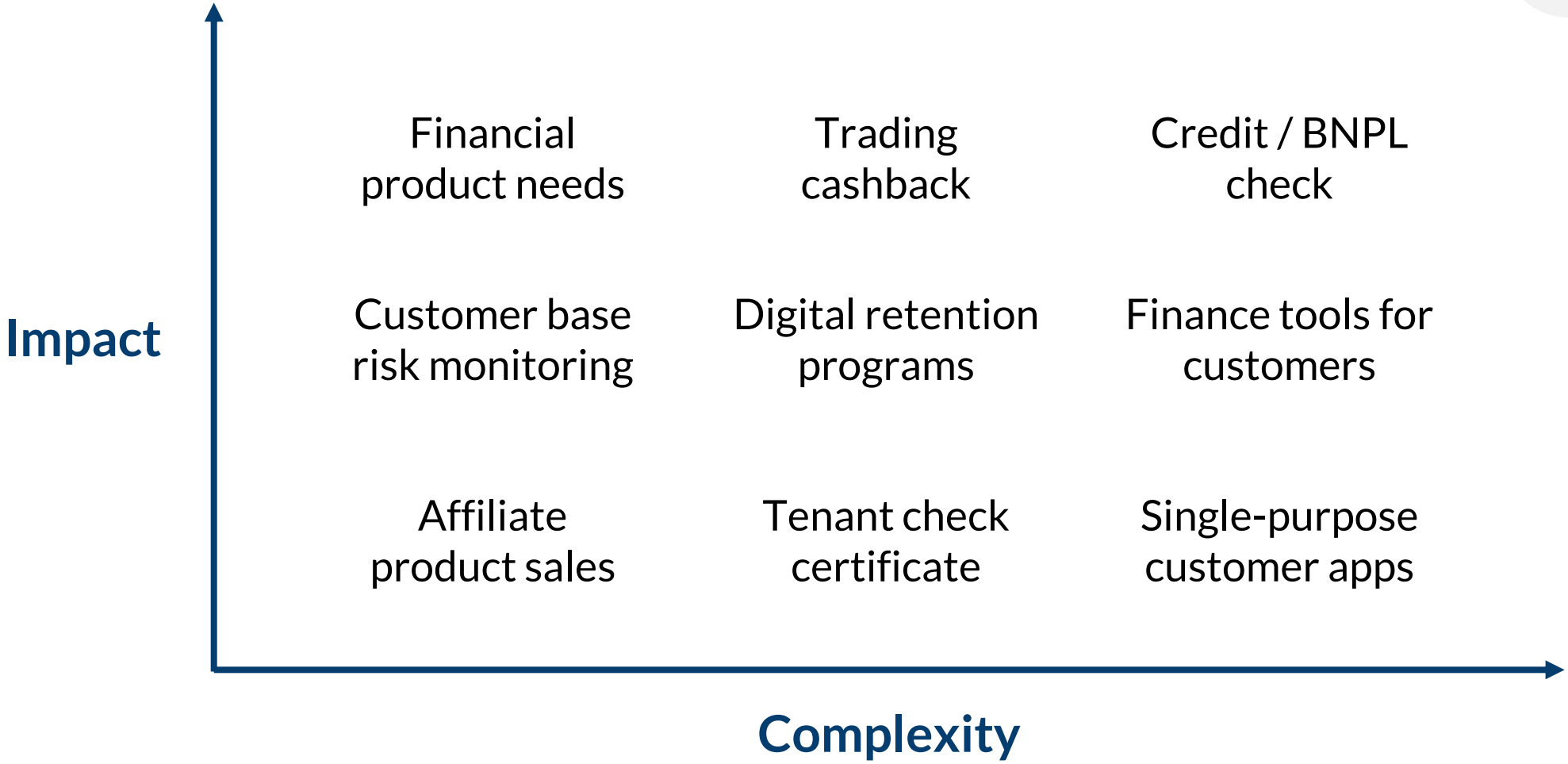
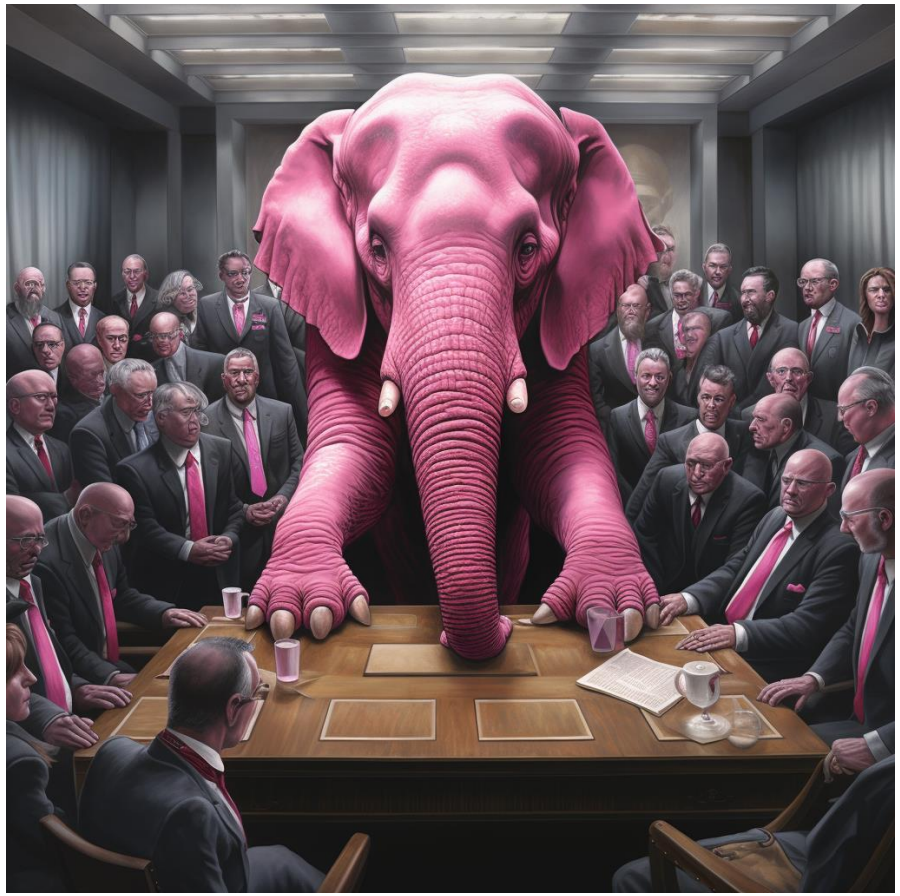
Our use cases: Complexity (for a bank) vs. impact

Simplified



The elephant in the room – especially in Germany



- User consent
- GDPR
- Other legal/compliance issues
- Fear for reputation
- Poor examples in market

Fear of debunking the myths

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Getting the consent: Four dimensions

Awesome stuff

TikTok

YouTube

floribus

User demand

Credit application

User certificates, e.g. tenant check

Cashback schemes

Cashbuzz

Describe clearly

Single-purpose apps & tools

Finance applications

Reward user

€ 5–10

For each use case, we advise how to get consent and to optimize conversion

Contact us for advice and solutions

- monetization potential of your users
- quick-win use cases
- getting and optimizing consent
- using our engine to the max
- getting live rapidly with minimum setup

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