

# Walmart-backed fintech is building a super-app, complete with a neobank

## Article

**The news:** Walmart [revealed](#) the fintech it invested in has emerged from stealth mode and is making two key acquisitions that will help it become a neobank.

- The fintech, called Hazel, is adding US neobank ONE and will assume its name. The deal's completion is slated for H1 2022.

- Meanwhile, Hazel agreed to a **tie-up with Even, a financial benefits platform**, also expected to be finished in H1 2022.

**Walmart's plans, at a glance:** The paired-up combinations give Hazel features found at other US neobanks.

- ONE will bring savings, borrowing, and spending products into the fold. It also partners with **Coastal Community Bank**.
- Even will contribute on-demand wage access. It already works with Walmart as a customer, as well as with other big companies like **PayPal** and **Humana**.

Walmart has outlined its plans for ONE:

- **The future neobank will roll out a single app**, which the retailer said will gradually be integrated with both its physical and digital channels.
- Walmart noted that its **1.6 million US employees will have access to it, as will over 100 million weekly shoppers**.
- ONE will also be available on a standalone basis and via partnerships with outside companies.

**Walmart's super-app ambitions:** Omer Ismail, a **Marcus by Goldman Sachs alum** who will be CEO of the combined company, told The Wall Street Journal that “[t]he strategy is to build a **financial services super app, a single place for consumers to manage their money.**”

ONE is Walmart's latest addition its financial-services lineup, which now includes:

- A US demand deposit account (DDA) **launched in June 2021**, in partnership with Green Dot.
- A buy now, pay later (BNPL) offering in Canada, which was **unveiled** in November 2021 and is in collaboration with Duo Bank of Canada.

Walmart's two stated goals for serving financial services customers are to **improve banking accessibility** and **cut product fragmentation**:

- The retail giant said that **close to one-quarter of adults in the US are either unbanked or underbanked**.
- Meanwhile, it added, millions of Americans lack credit access, are unable to build savings, or have to use several apps that aren't connected.

- It said that around 80% of fintech users rely on more than one account for their financial management.

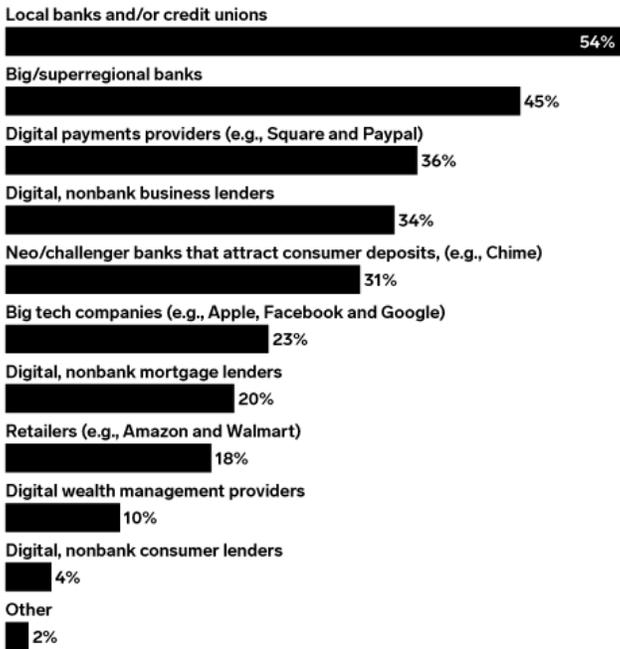
**Why ONE could succeed:** By our [definition](#), a super-app entails a digital ecosystem of services and products located within a single ecosystem and user experience. The super-app space is a promising one for Walmart. It's logical that a superstore offering all kinds of goods might also offer a super-app. The demand is there: A recent PYMNTS US survey [found](#) that 67% of respondents would like to have two or more of their activities located in one place, while 11% said they want to use one app for managing all of their digital lives.

A Walmart-backed neobank also has a significant competitive advantage due to the size of the retailer's footprint and customer base.

- A Walmart-run omnichannel strategy will help ONE add customers digitally and across the US.
- If the retailer leverages its stores, its footprint could unsettle banks in rural communities: [As of 2019](#), **90% of Americans resided within 10 miles of one of its locations.**
- Walmart's backing poses a big threat to US challengers like **Chime**, **Revolut**, and **Varo** that lack their own big investor.
- Walmart's scale, branding, and level of brand trust also make ONE a formidable foe to big incumbents like **Bank of America** and **JPMorgan Chase**.

## Competitive Threats to Their Bank According to US Financial Executives, July 2021

% of respondents



Note: respondents were asked to select no more than three  
Source: Bank Director, "2021 Technology Survey" sponsored by CDW, Aug 31, 2021

269200

[InsiderIntelligence.com](https://www.insiderintelligence.com)