

# Fraud, cryptos, regulation, and BNPL were the most prominent themes at Money20/20 this year

Article

**A look back at our Money20/20 takeaways:** From attending numerous panels, checking out live product demos, and connecting with many industry stakeholders, we've identified some of the major themes of Money20/20 this year.

### **Fintechs are paying even more attention to fraud.**

Several Money20/20 sessions referenced how **bad actors have become smarter**. Many are employing novel tactics to scam consumers—like using cryptocurrency platforms for investment or business opportunity scams. But there's also been a rise in fraudsters with sophisticated tech expertise who use their knowledge to target vulnerabilities in fintech systems.

Fraud often goes unchecked in the early stages of business in part because **fraud departments are usually the last to be staffed**—a vulnerability that bad actors exploit, noted Kathleen Peters, chief innovation officer, Fraud & Identity at **Experian**, during one [Money20/20 session](#). Aside from hurting financials, fraud and scams cause reputational harm to businesses and can attract regulatory scrutiny—which is why it's an important function for them to invest in early on.

Balancing risk and compliance with speed and innovation is “one of the hardest parts of the job,” Dani Sajed, head of financial crimes technology and insights for **Stripe** said during a one-to-one session with **PwC**. Another challenge is integrating fraud checks throughout the entire customer journey (instead of just during onboarding) without hurting customer experience. However, **as consumers become more educated around fraud, they may be willing to embrace fraud prevention as a part of their experience**, especially if that means protecting their data and preventing losses.

### **There was chatter around the evolving BNPL landscape.**

Just as it was last year, BNPL remained a hot topic at Money20/20. However, **many of the conversations at BNPL sessions centered around differentiation and innovation**. Gone are the days when incumbent players like **Afterpay** focused solely on their core BNPL product. Now, providers are branching out to offer customers a bevy of retail, banking, and financial wellness tools.

**The increasingly competitive nature of BNPL was a recurrent theme throughout these Money20/20 conversations:** An influx of BNPL upstarts focused on niche areas have emerged in the last few years—squeezing market share for incumbent players. One example is

**Future Family**, a series B startup present at the event, which offers flexible financing for people seeking fertility treatments.

Also heavily discussed at Money20/20 was **the impact of external factors like a shaky economic outlook, incoming regulation, and shifting customer demographics**—all topics that arose at **Insider Intelligence's executive dinner** on day two of the event. These factors are set to create industry-wide changes culminating in BNPL 2.0. In this next wave of BNPL, cross-selling and affiliate revenues will drive profitability and become the norm as regulation sets in and weeds out the players with unsustainable business models.

### **Enthusiasm for open banking was palpable.**

If crypto attracted the most hype last year, the center of attention at Money20/20 this year was open banking and open finance. Between sessions and the breaking news from the Consumer Financial Protection Bureau (CFPB), many speakers postulated that **open banking will usher in “the next wave of financial innovation,”** per **Fidel API's Salman Syed**.

- Open banking sessions like **Mastercard's** on Monday or the Tuesday panel with **Pinwheel**, **Fidel API**, and **Orum** were often filled to capacity—and then some.
- Perhaps the most headline-grabbing news came from CFPB director Rohit Chopra, who used his Money20/20 podium to debut the agency's “new approach to regulation.” Chopra argued that **open banking will break financial institutions' stranglehold over consumer data and will open the doors to more competition, better innovations, and cheaper services.**
- Stephany Kirkpatrick, CEO and co-founder of Orum, called Chopra's approach an opportunity for regulation to be “weaponized for good.”

While the fintech community widely embraced Chopra's remarks, some attendees expressed more tempered optimism. Pinwheel's Kurtis Lin cautioned that **Chopra's plan to issue regulation by 2024 (likely an attempt to get rules on the books before a potential transfer of executive power) risked skipping opportunities for industry input.**

### **Fintech recognized the need to engage with regulators**

Setting aside the usual aversion to heavy-handed regulation, several sessions this year embraced the ethos that engaging in a dialogue with regulators is critical to being a successful fintech. The consistent presence of regulators onstage was enough to drive home that theme.

- In addition to Chopra, the CFPB was also represented by senior advisor to the director Ashwin Vasani.
- And **Federal Reserve** Gov. Christopher Waller noted in a session that, particularly when it comes to cross-border payments, the industry still needs to innovate around rigid regulatory requirements related to money laundering and terrorist financing. He said it's up to fintechs to "[use] technology to address this and make payment faster, more efficient, and cheaper."

Even when federal representatives weren't onstage, a variety of regulatory discussions took place, ranging from the legal framework for cannabis banking to rulemaking for web3. And Stripe's regulatory head, Leila Perkins, encouraged fintechs to work not only with federal regulators, but also with state and local agencies, particularly if fintechs are operating in the payments sector.

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