

Traditional banks will fall even further behind in market share and customer experience due to the global coronavirus pandemic, warns the CEO of one of the world's largest independent financial advisory organizations.

The comments from Nigel Green, founder and chief executive of deVere Group, follow research that the use of financial apps is up by 72 per cent since mid-March.

Mr Green observes: "The pandemic has accelerated those trends that were already shaping business. These include greater inclusion of tech into our every day lives.

"Coronavirus has ushered in a new world, with digitalization and new technologies fuelling the changes. This can be seen by demand soaring for video-calling platforms such as Google Hangouts, Skype, FaceTime and Zoom amongst others, as more people than ever work remotely.

"It's also underscored by the increasing use of fintech apps which allow users immediate, on-the-go, 24/7 access to, use, and management of their money."

He continues: "There's a historical precedent for what's happening now.

"Banks and other traditional financial services providers were, in most cases, spectacularly caught off guard by the 2008-2009 financial crash.

"As they found their way into a new world with a new regulatory landscape and new customer expectations, business and tech developments were way down their to-do list. They were in survival mode.

"This is when agile, tech-driven challenger banks and fintech firms swooped in to fill the void left between what traditional financial services companies, especially the traditional banks, were offering and what customers were expecting, especially in terms of customer experience."

Mr Green goes on to add: "The fintech firms, which offer mobile banking, savings and investment apps, and peer-to-peer lending, amongst other services, now have a decade of development, experience and expertise over many traditional banks.

"As even more people are now embracing fintech due to Covid-19-triggered social distancing, isolation and lockdowns, and as the apps are growing in popularity due to their convenience, increased security, and as people become ever-more tech-savvy, it's likely that 'bricks and mortar' banks will fall even further behind in market share and customer experience."

The deVere CEO concludes: "Coronavirus is going to further disrupt the wider banking sector. It will act as another catalyst for people to seek fintech alternatives to access, manage, use, save and invest their money across the world."

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