

# Fintech 2020

A Global Survey on the State  
of Financial Technology



**GOODWIN**



# Contents

- 02** Letter from Our Co-Chairs
- 04** Survey Demographics
- 08** Company Priorities + Fintech Adoption
- 24** Fintech Today
- 32** The Future of Fintech
- 44** Fintech in the U.S.
- 60** Fintech in the UK
- 76** Fintech in Europe
- 90** Get in Touch

# Letter from Our Co-Chairs

As the digital transformation of financial markets accelerates at breakneck speeds, fintech presents significant opportunities and challenges for both investors and innovators around the world.

When we began the research for Goodwin's inaugural survey on the financial technology industry, our goal was to shed light on the most critical issues facing this vibrant sector at the intersection of capital and innovation. Since that time, the COVID-19 pandemic has created a unique set of circumstances with the potential to dramatically increase the pace of innovation and significantly alter the corporate landscape. Because of these recent events, we believe it has become increasingly important to not only understand the current state of the financial technology market, but to also have insights and analysis into the many forces shaping its future.

Goodwin's *Fintech 2020: A Global Survey on the State of Financial Technology* reviews major fintech trends based on responses from more than 700 senior decision makers across the accounting, banking, financial services, investment and insurance industries in the United States, United Kingdom and continental Europe. The results demonstrate that while the fintech sector continues to grow at a steady pace, there is a great deal of disruption still to come. From data and analytics to cybersecurity and evolving regulatory frameworks, our global survey suggests there will be considerable opportunities and challenges for both investors and innovators around the world as the digital transformation of financial markets continues to accelerate.

We invite you to read through the following report and explore the key findings. For additional information and updates, visit Goodwin's Fintech [minisite](#). As always, please feel free to reach out to us with any comments or questions.



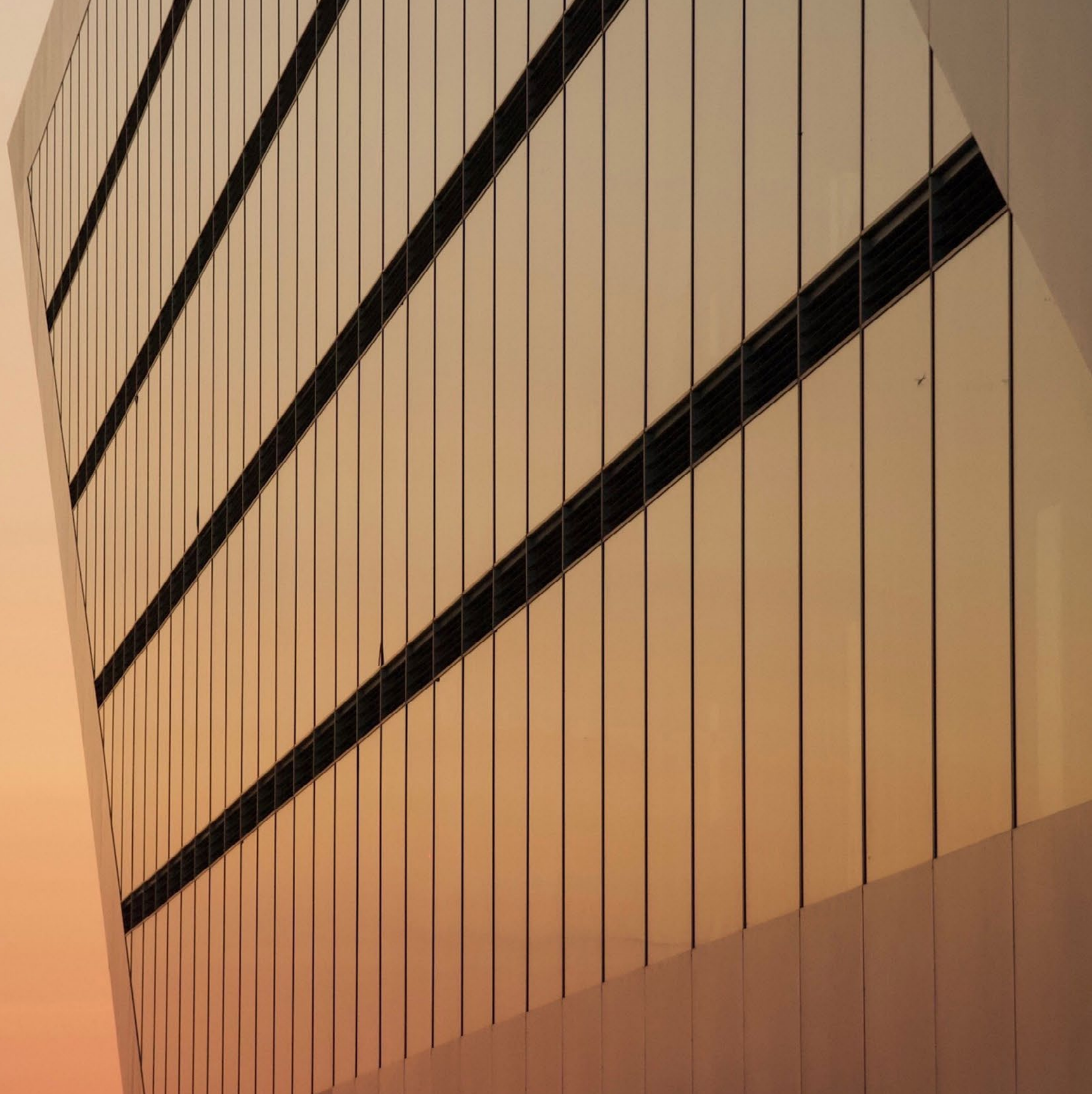
**Amber Dolman**  
Partner and Co-Chair, Fintech



**Scott Joachim**  
Partner and Co-Chair, Fintech

# Survey Demographics

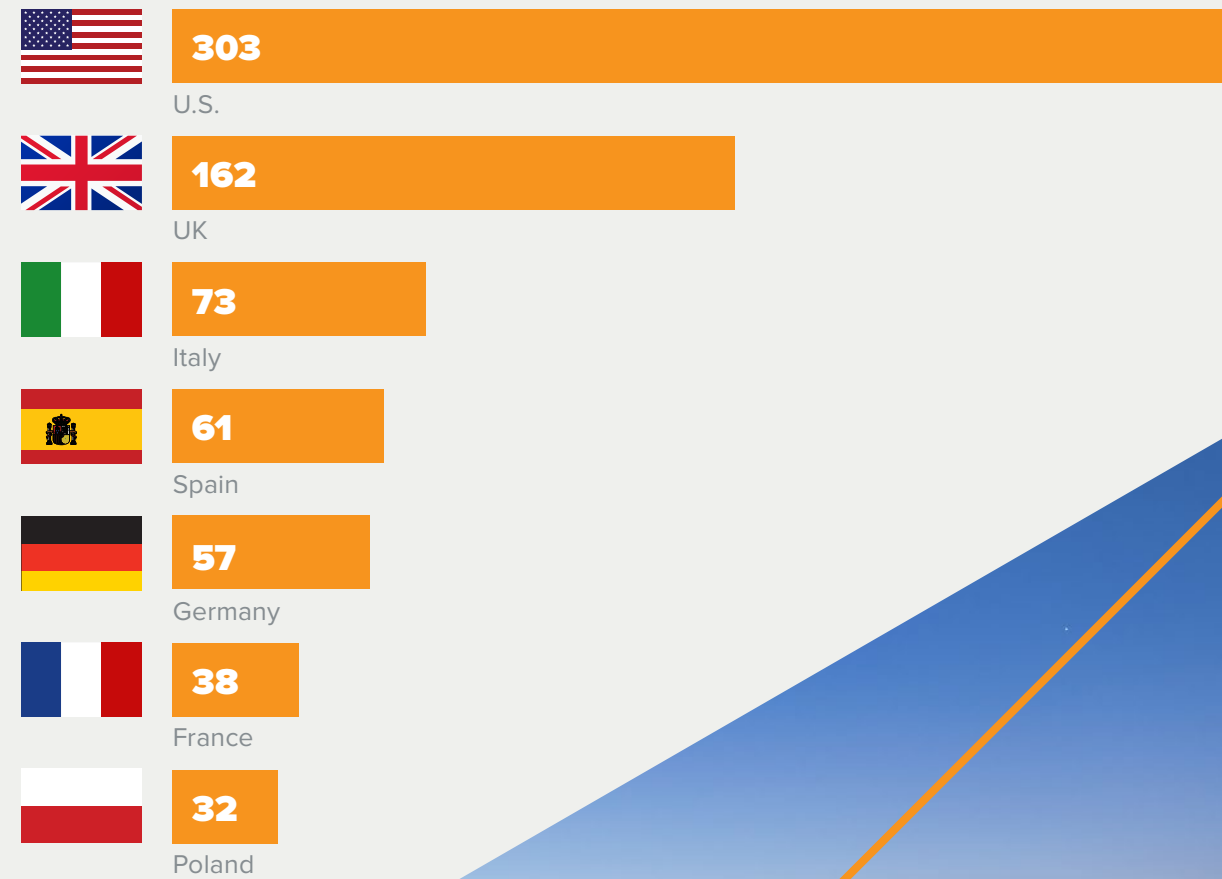
A total of **726 decision makers** working in accounting, banking, financial services/ investment and insurance responded to our survey. The following pages describe the makeup of our survey sample.





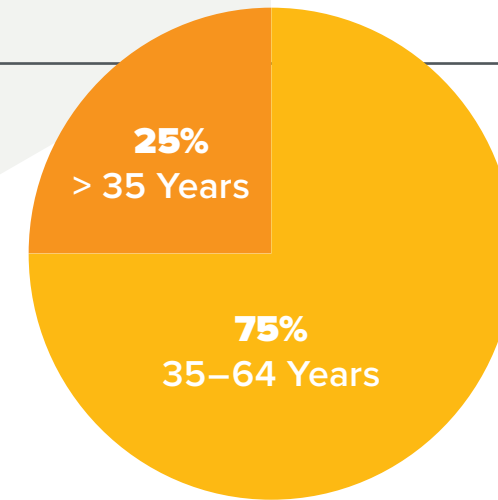
# Survey Demographics

## Respondents by Geography



## Age

% of respondents in the following age categories

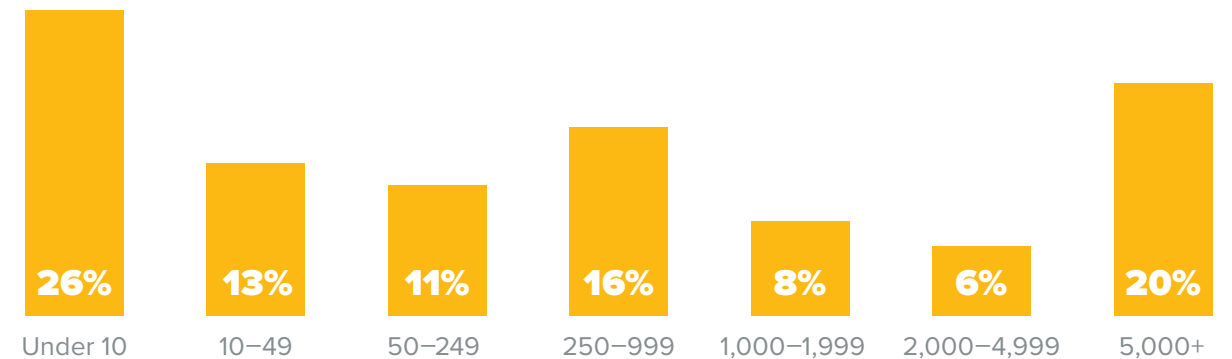


## Gender

Country	Male	Female
U.S.	66%	34%
UK	72%	28%
Italy	54%	46%
Spain	72%	28%
Germany	72%	28%
France	63%	37%
Poland	38%	62%

## Company Size

% of respondents working at companies with the following number of employees





A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are arranged in a circular pattern, creating a sense of height and architectural grandeur. The sky is a clear, bright blue. The text "Company Priorities + Fintech Adoption" is overlaid in white on the left side of the image.

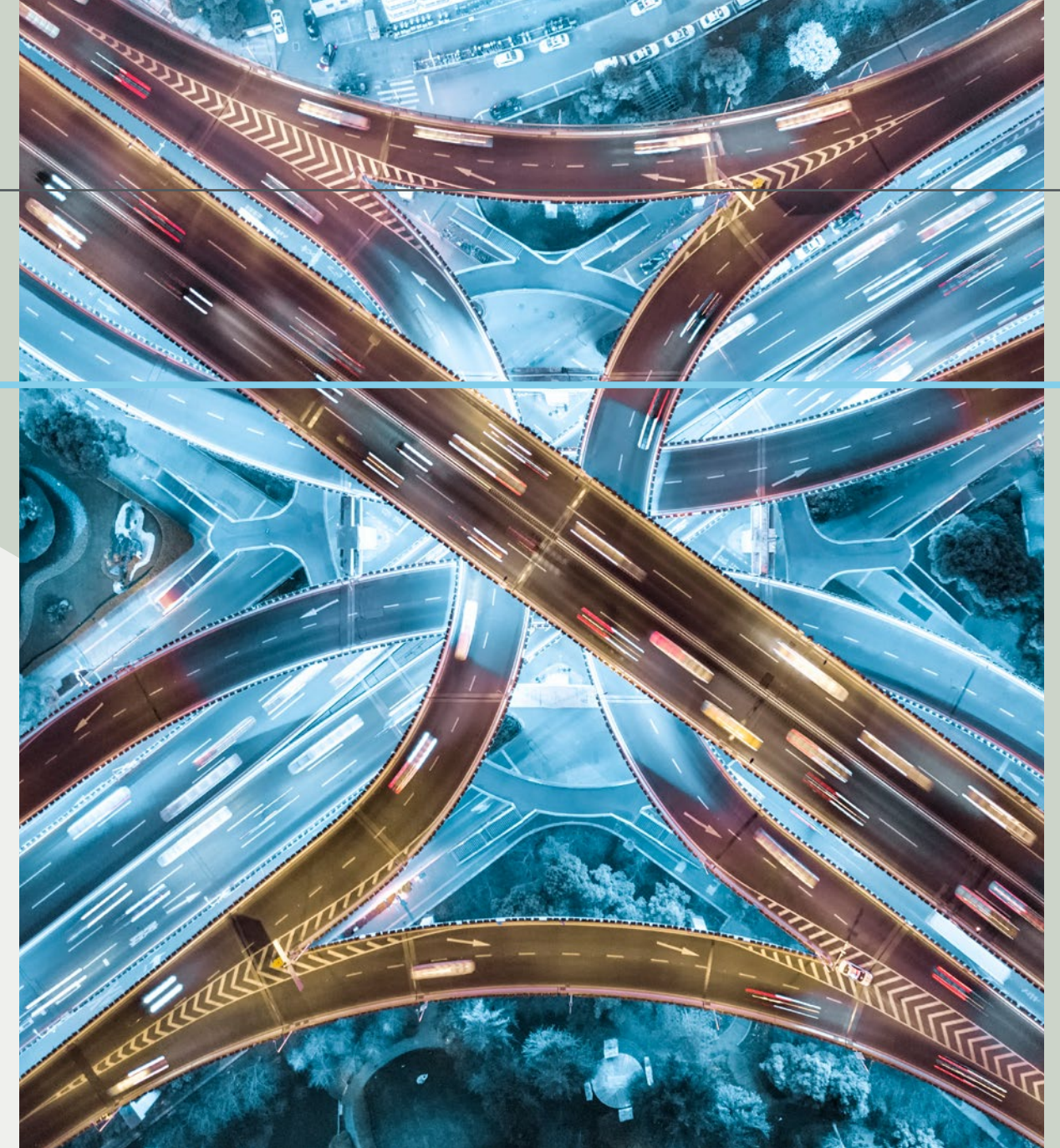
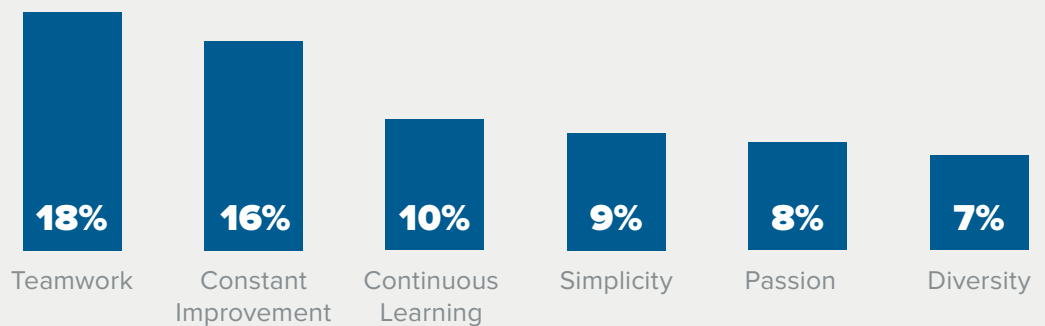
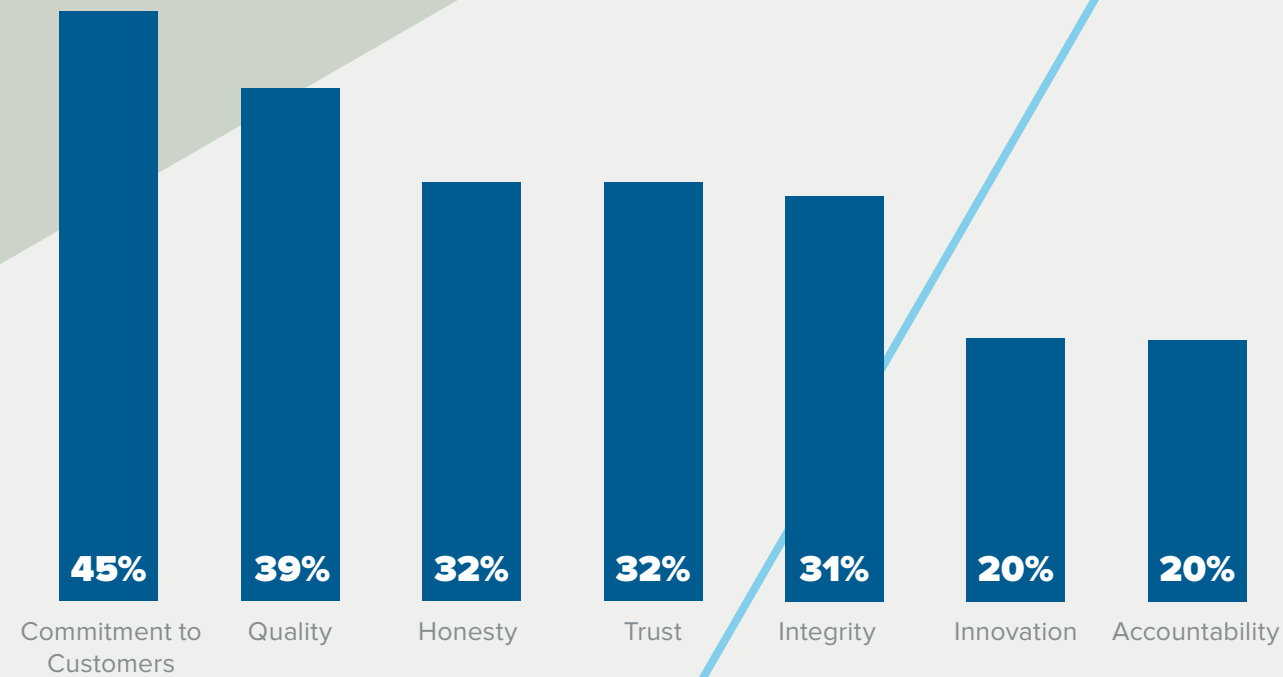
# Company Priorities + Fintech Adoption



# Company Values







Commitment to customers is the top value among organizations in all regions of our survey sample, placing emphasis on quality, honesty and trust. Organizations in Europe are more inclined to focus on teamwork and constant improvement, suggesting that success starts with internal processes and relationships.

% of respondents whose organization prioritizes the following values

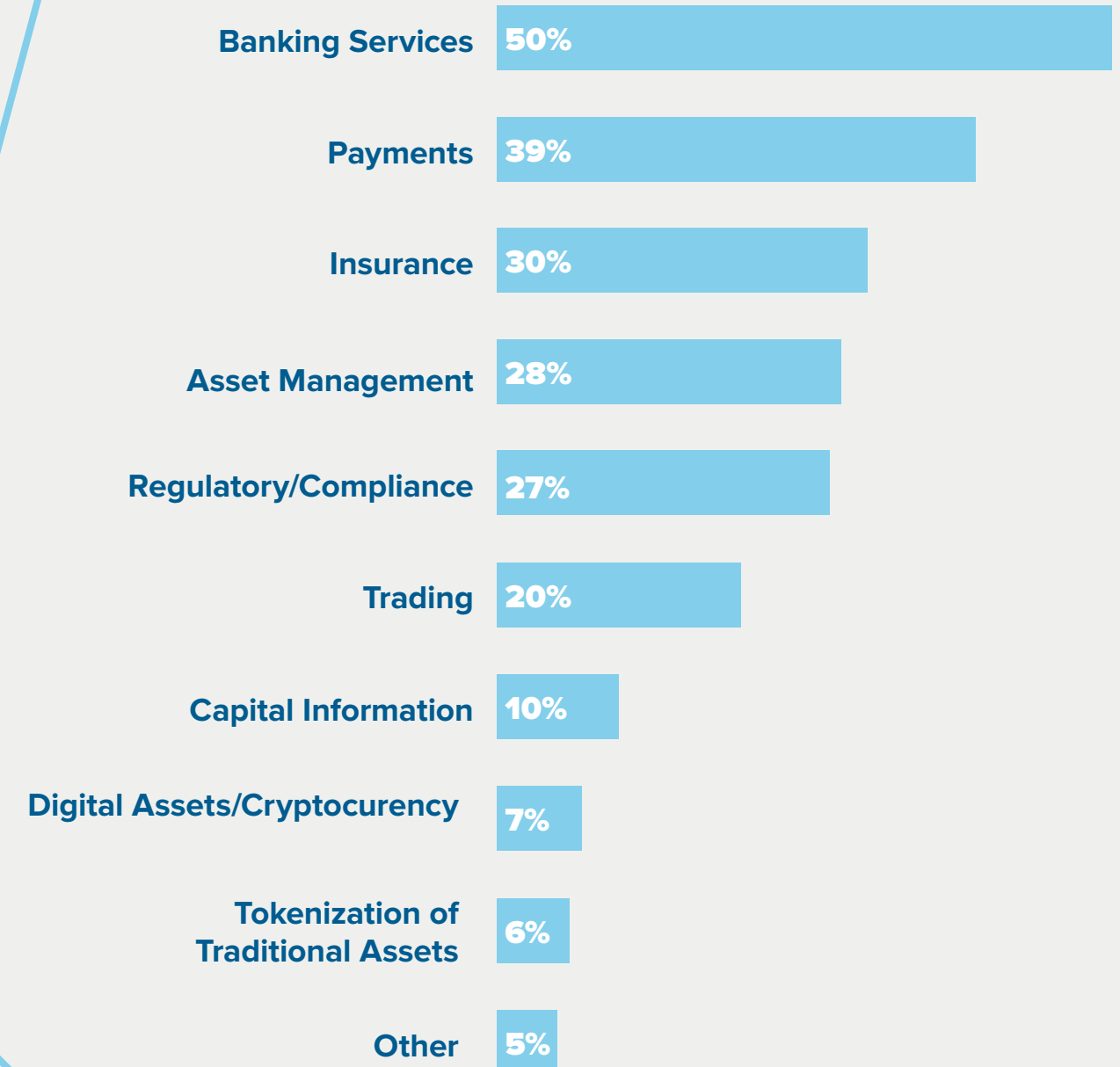


## Primary Uses of Fintech in the Workplace

Half of decision makers in the U.S., UK, and Europe say their organizations are primarily using banking services, which encompasses a wide array of fintech. The UK over-indexes for a number of uses, and are twice as likely to be using digital assets and cryptocurrency than the average internet user, implying digital banking and payments are on the rise. The U.S. is 20% more likely to be incorporating asset management services, highlighting the importance of investment and portfolio growth in this market.

Regional Highlights	Country	Percentage	Index*
Banking Services		62%	123
Payments		47%	122
Regulatory/Compliance		37%	136
Trading		23%	118
Digital Assets/ Cryptocurrency		16%	231
Asset Management		34%	120

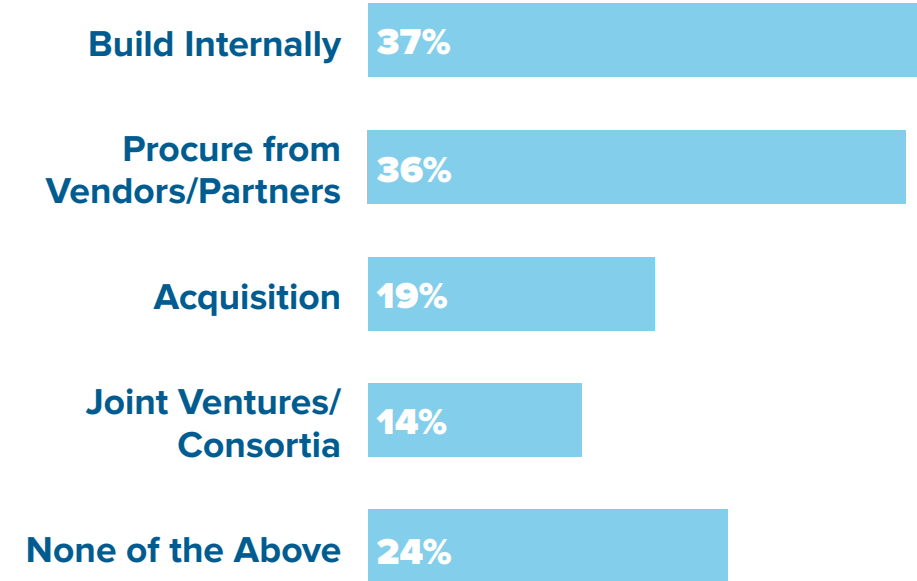
\*Indexes against the average internet user





# How Companies Are Developing Fintech

A third of U.S. respondents are not developing fintech at all at the moment, suggesting a general lack of need or awareness. The UK is heavily focused on developing internal strategies, with just under half of companies building internally to develop their capabilities in this arena.



Regional Highlights	Country	Percentage	Index*
Build Internally		47%	127
Acquisition		21%	112
Joint Ventures/Consortia		24%	179
None of the Above		29%	119

\*Indexes against the average internet user

# Expected Impact on Company/Firm

U.S. respondents tend to expect more positive impact (129 IDX) while Europe is more inclined to anticipate little to no impact on their company from developing financial technology (122 IDX).



USA

<b>High Positive Impact</b>	16%
<b>Positive Impact</b>	58%
<b>No Impact</b>	21%
<b>Negative Impact</b>	2%
<b>High Negative Impact</b>	3%



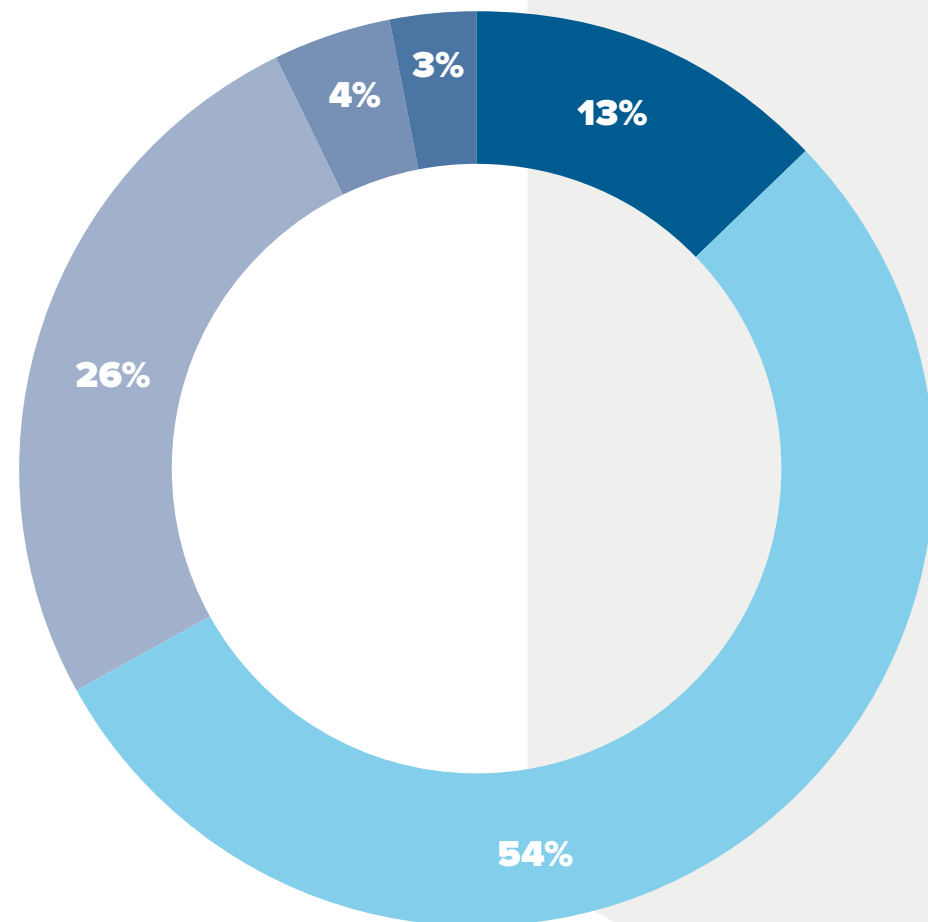
UK

<b>High Positive Impact</b>	7%
<b>Positive Impact</b>	51%
<b>No Impact</b>	34%
<b>Negative Impact</b>	6%
<b>High Negative Impact</b>	2%



EU

<b>High Positive Impact</b>	9%
<b>Positive Impact</b>	49%
<b>No Impact</b>	32%
<b>Negative Impact</b>	7%
<b>High Negative Impact</b>	3%



- High Positive Impact
- Positive Impact
- No Impact
- Negative Impact
- High Negative Impact



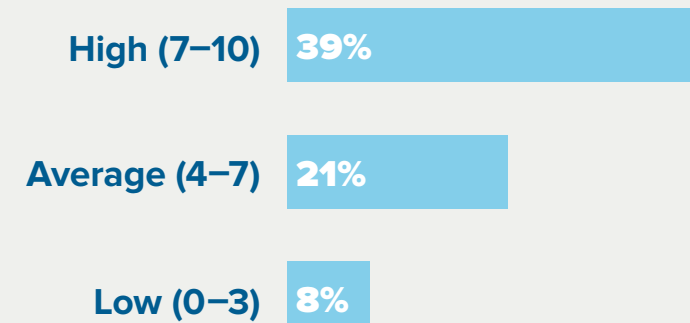
# Prioritization of Fintech Adoption and Investment

39% of companies responding to the survey are making fintech adoption a high priority (8–10 on a scale of 0–10), highlighting the global demand for a more advanced financial landscape. A slighter 21% of companies are adopting fintech on an ‘average’ level, suggesting there is a hesitation between company awareness/needs and where financial technologies can provide solutions. Overall, about a third of companies are only investing 10% or less of profits to develop fintech. However, Europe and the UK are dedicating higher percentages of profits to fintech, between 11–30%.



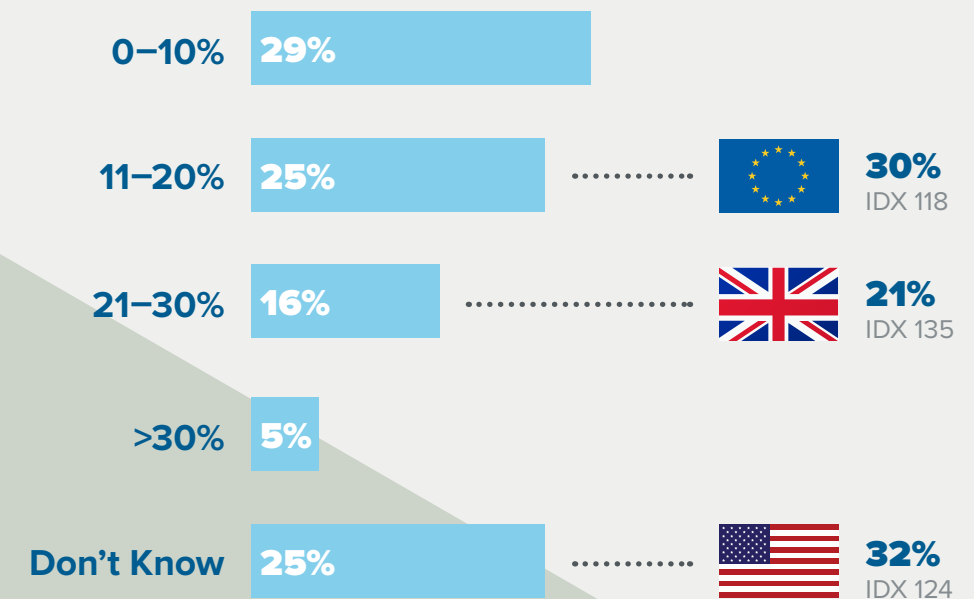
## Company Adoption of Fintech

% of respondents who prioritize their company’s adoption of fintech on a scale of 0–10



## Profits Dedicated to Fintech

% of profits respondent’s company dedicates to fintech

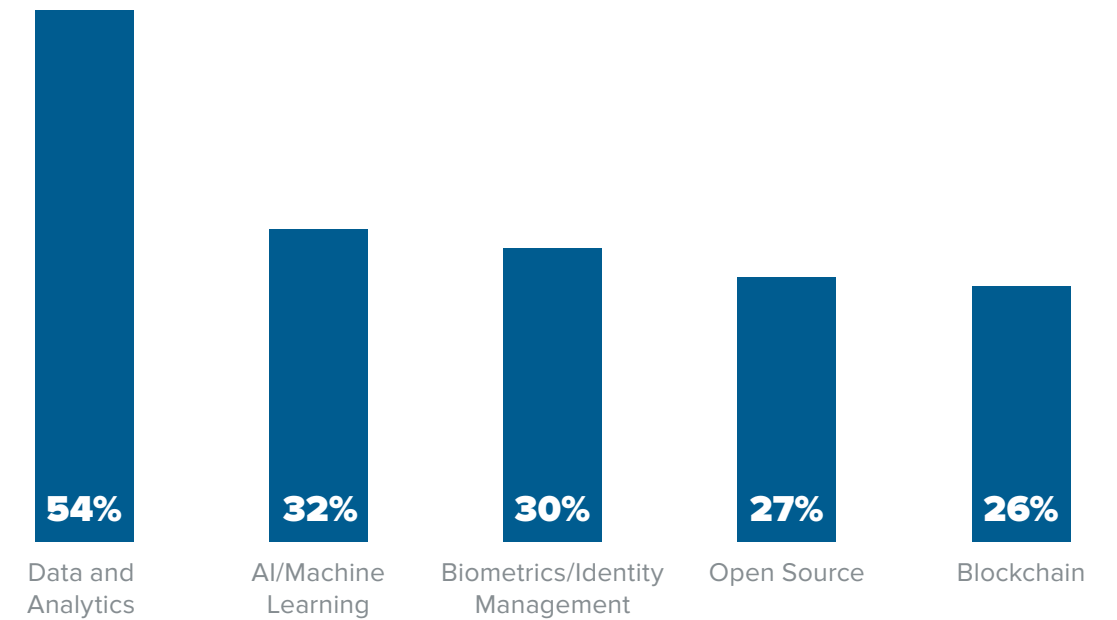


## Why Prioritize Fintech?

More than half of decision makers rank data and analytics as their top priority for adoption (8–10 on a scale of 0–10), highlighting the importance of analytical information around financial performance, trends and developments. About a third of respondents are adopting AI/machine learning and biometrics/identity management as a top priority, showcasing the need for process customization and digital identification of users' unique characteristics.

### High Priority for Adoption

% of respondents who ranked the following from 8–10 in terms of priority for adoption



Decision makers in **the UK** are far less likely (IDK 74) to adopt **blockchain** technology.

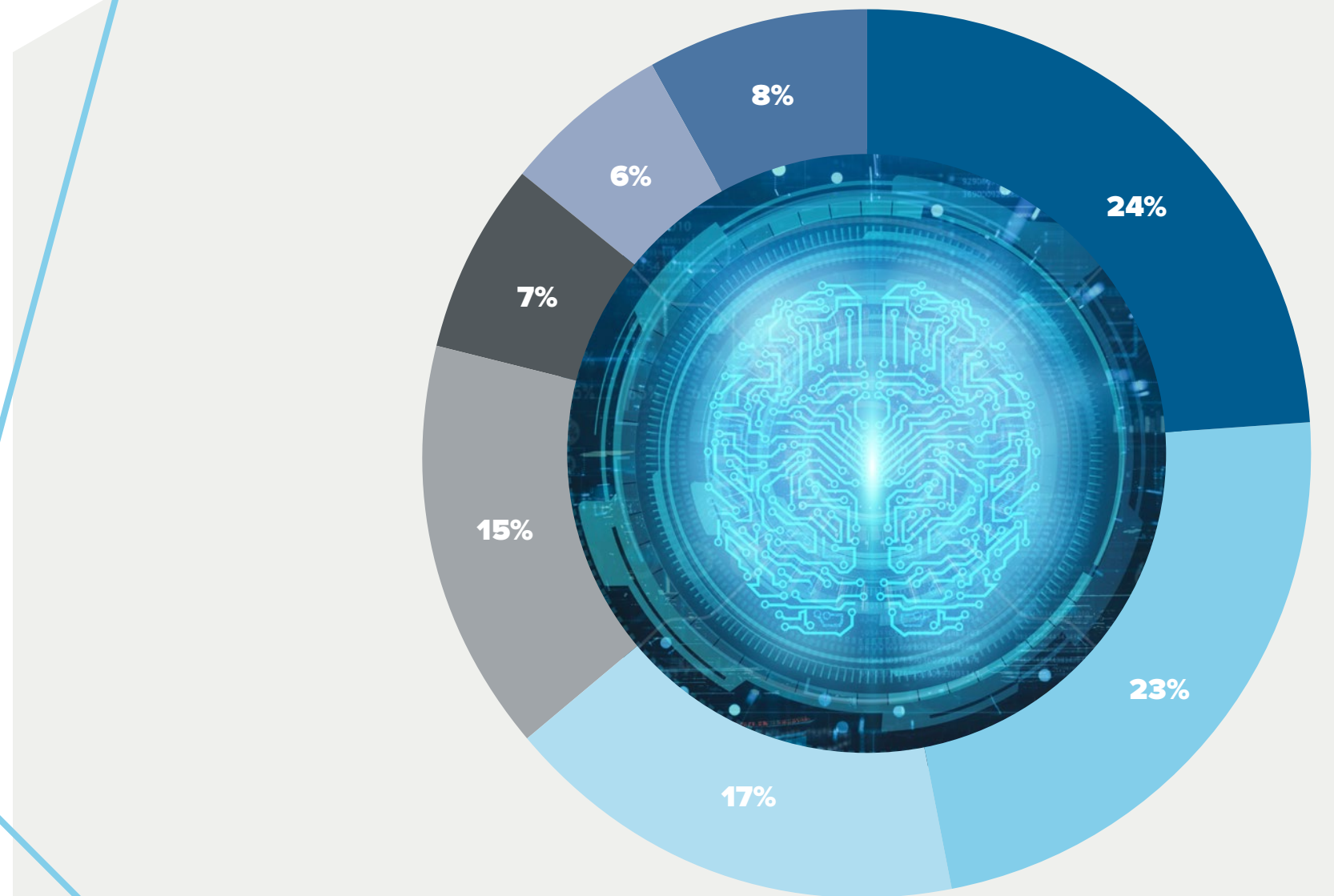
Base: UK: 162





# Artificial Intelligence and Machine Learning

In line with companies' adoption of data and analytics, predictive analytics and datamining are the primary applications of artificial intelligence. The U.S. and UK are more likely to leverage data to enhance business performance, while Europe over-indexes for asset management and quant trading. This suggests that streamlining and optimizing trading/transactional processes are more relevant in these European markets, whereas informational and analytical data is the driving factor for businesses in the U.S. and UK.



Regional Highlights	Country	Percentage	Index
Predictive Analytics		28%	119
Datamining/Analytics		28%	120
Asset Management/Robo Advisory		14%	123
Quant Trading		14%	197

\*Indexes against the average internet user

- Predictive Analytics
- Datamining/Analytics
- Lending/Credit
- Asset Management/Robo Advisory
- Quant Trading
- Biometrics/Identity Management
- Other



# Fintech Today





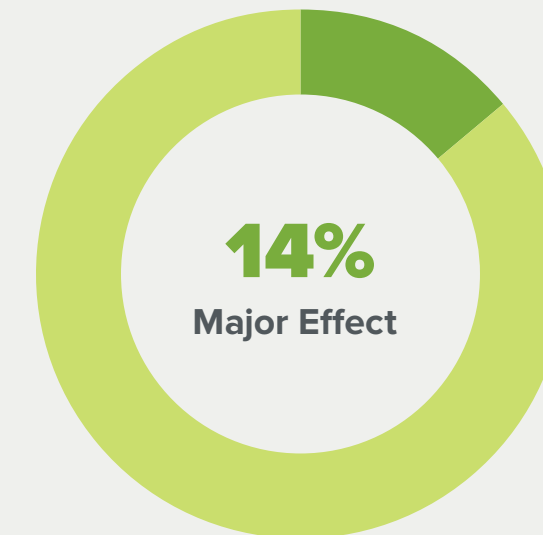
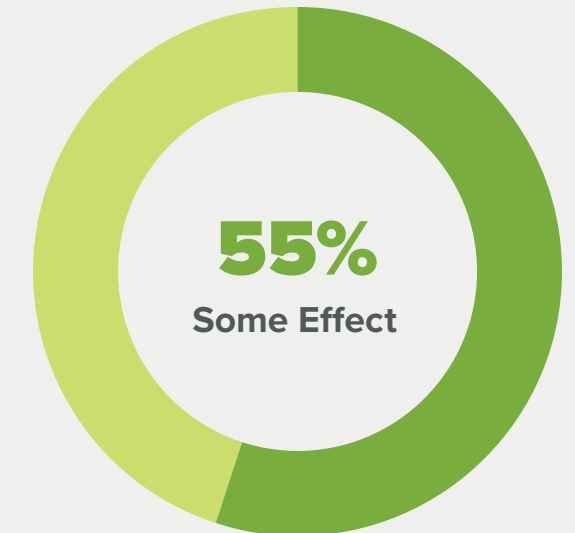
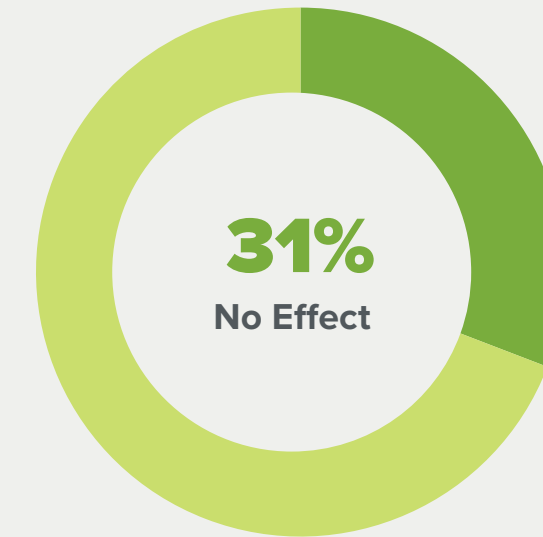
## Fintech's Impact on Job Role

The majority of decision makers (55%) believe their company's adoption of fintech will have some effect on their job role. Depending on their company's level of adoption, evolving financial advancements enable innovative opportunities to provide for customers and solve industry issues, however respondents may not foresee these developments as significantly affecting their day to day responsibilities within their organization.






### How Fintech Will Impact My Role

% of respondents who feel fintech will have the following effects on their role



## Potential for Disruption

Auditing and regulations have the most potential for digital disruption, while internal processes and workflows will be heavily impacted as well. These disruptions will carry over into client expectations in the UK as this region is more likely to see their customer relationship management processes undergo a shift. Organizations in Europe are more likely to plan for digital potential in their sales and marketing operations, suggesting that buying and selling will have different standards in the finance and banking arena.

Regional Highlights	Country	Index
Customer Relationship Management		139
Regulatory/Compliance		123
Sales and Marketing		127

\*Indexes against the average internet user

## Areas for Potential Digital Disruption

% of respondents who feel the following areas have the most potential for digital disruption





# Challenges Facing Fintech

While offering alternatives to conventional financial solutions, the use of fintech does introduce new challenges. Cybersecurity and data privacy are the greatest concerns, followed by rapid changes in technology and shifting regulations. In the UK, lack of capital is a larger concern than elsewhere.

## Potential Legal Ramifications

% of respondents who feel the following legal challenges threaten fintech adoption

Legal Challenge	Percentage
<b>Cybersecurity/Data and Identity Hacks</b>	<b>47%</b>
Cross-border Migration of Data and Analytics	13%
Retail Banking/Lending Products	13%
Standardizing e-Payments across Jurisdictions	8%
Application and End-user Use-case for Crypto and Stablecoins	8%
Intellectual Property (IP) Theft	7%
Other	4%

## Top Deterrents Facing Broader Adoption

% of respondents who feel the following are top deterrents of even broader adoption of fintech

Deterrent	Percentage
<b>Data Privacy Concerns</b>	<b>32%</b>
Rapid Changes in Technology	23%
Shifting Regulations/Legal Red-tape	18%
Lack of Ongoing Capital	11% (UK: IDX 142 ▲)
Market Oversaturation	8%
Trade Wars/Cross-border Impediments	6%
Other	2%



# The Future of Fintech





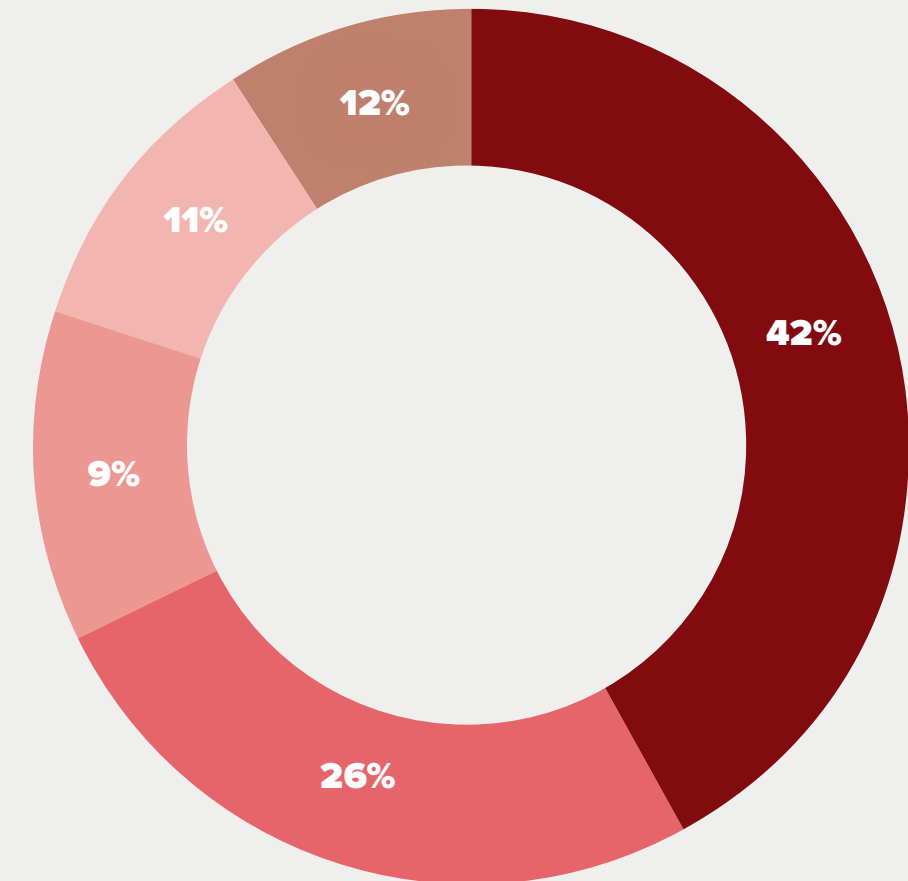
## Regions Expected to Lead Innovation in Fintech

Overall, North America is perceived as the most likely region to continue innovating in the fintech space during the next three years. In line with the perceived challenges facing fintech, a clear legal framework and understanding regulations and policies are crucial. Aside from legal obligations, access to capital is key in ensuring ongoing expansion and innovation.

### Key Drivers Enabling Fintech Innovation

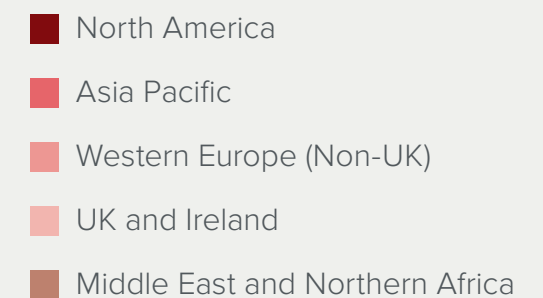
% of respondents who feel the following are key drivers in enabling fintech innovation in the next three years

<b>Clear Regulatory and Legal Frameworks</b>	22%
<b>Access to Capital</b>	20%
<b>Low Barriers to Entry/Cost of Doing Business</b>	17%
<b>Friendly Environment for Entrepreneurs/Start-ups</b>	15%
<b>Access to Talent</b>	12%
<b>Academic Infrastructure/Innovation</b>	12%
<b>Other</b>	2%



### Pursuit of Fintech Innovation by Region Ranked #1

% of respondents who feel the following regions will be the most aggressive in pursuing fintech innovation in the next three years

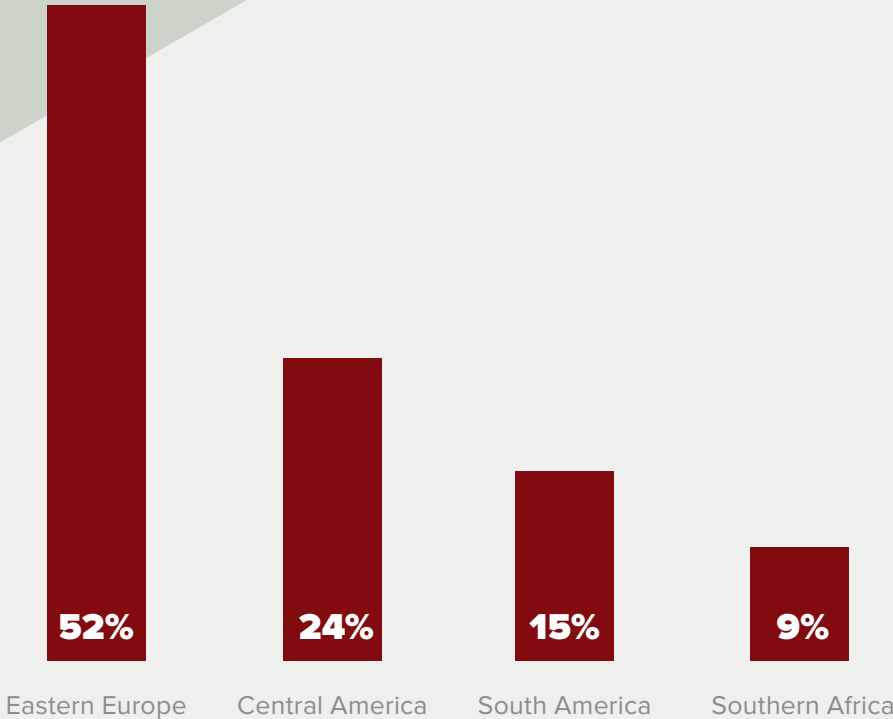


# Regions Emerging as Fintech Centers

Half of respondents ranked Eastern Europe as the number one potential emerging market for fintech. Similar to the regions already focused on fintech, access to capital is a top driver for emerging regions as well, with low barriers to entry/cost of doing business a close second.

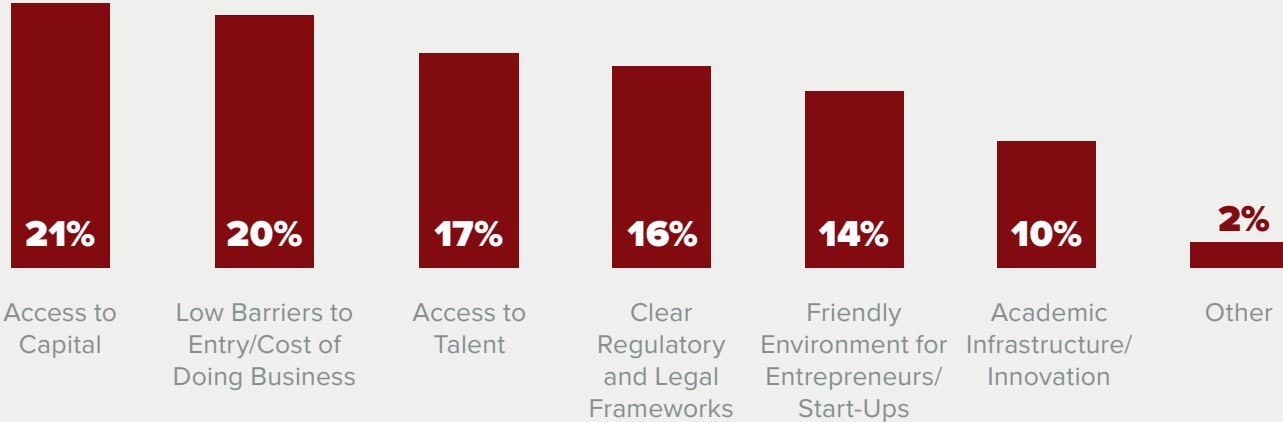
## Greatest Potential as Emerging Fintech Centers

% of respondents who feel the following regions have the most potential as emerging fintech centers



## Key Drivers in Spurring Fintech in Emerging Regions

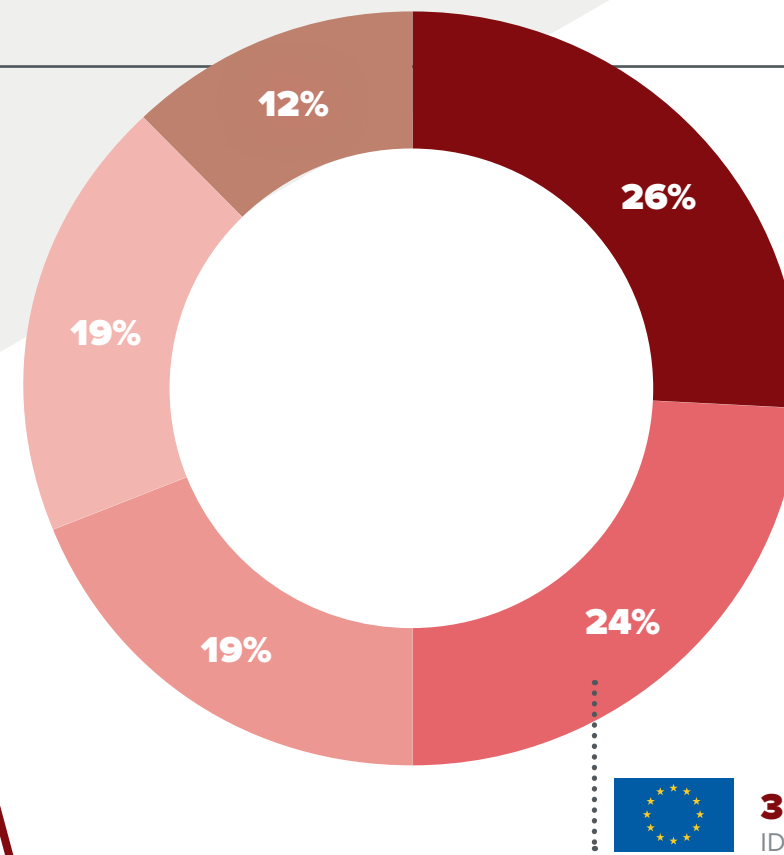
% of respondents who feel the following are key drivers in spurring fintech in emerging regions in the next three years





# Industry Adoption of Fintech Capabilities in 2020

Financial technology has made money transfers, managing investments, and depositing finances more efficient, making the banking industry more inclined to adopt fintech on a broader level in 2020. While third-party money management tools, cryptocurrencies and blockchain technologies are being utilized by consumers, big banks may soon undergo a major shift in improving and automating B2B and B2C financial services.



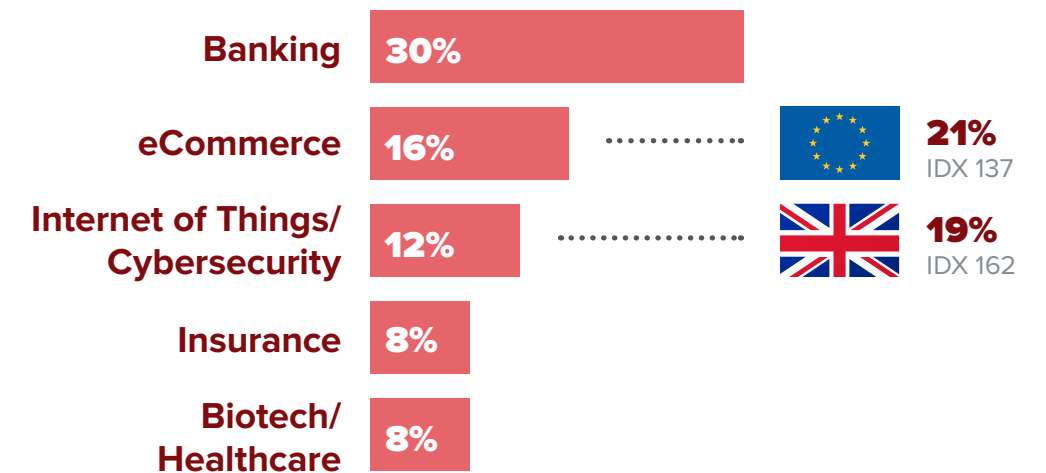
## Industries with the Highest Potential Adoption of Fintech

% of respondents who feel the following industries have the most potential for adopting fintech in 2020

- Banking/Lending
- Trading/Capital Markets
- Asset Management
- Crypto/Digital Currencies
- Insurance

## Top Five Industries Most Likely to Adopt Blockchain Technologies

% of respondents who feel the following industries have the most potential for adopting blockchain technologies





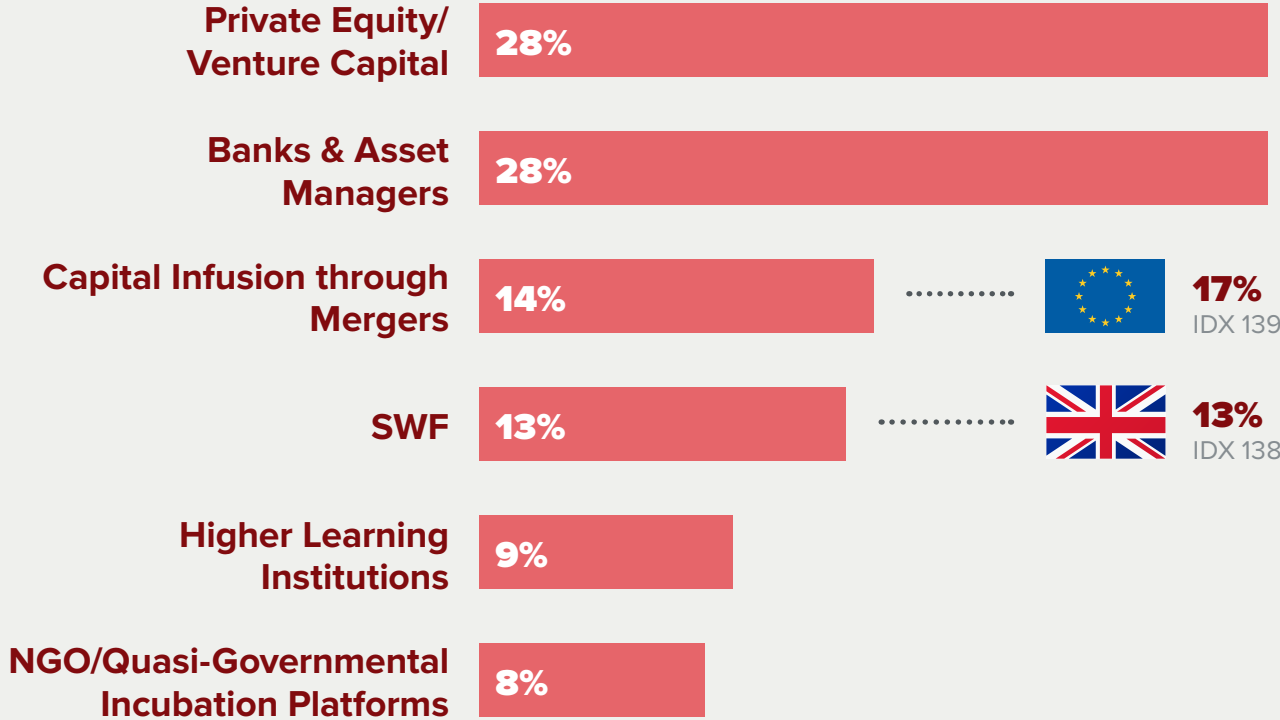
# Drivers of Capital Investment

28% of respondents rank private equity and banks/asset managers as the top drivers of capital investment over the next three years. Institutional funds as well as big banks investing in fintech start-ups are key in driving capital investment for the innovation of fintech and more efficient financial services. Europe over-indexes for mergers as a source of capital, while the UK over-indexes for Sovereign Wealth Funds as the top driving factor of capital investment, placing high emphasis on the importance of a market's economy and government owned funds.



## Biggest Drivers of Capital Investment in Fintech

% of respondents who feel the following will be the most impactful at driving capital investment in fintech over the next three years





# Predicted Disruptors and Threats to Fintech

The finance industry is seen as most likely to become a major disruptor in the fintech space in the next one to three years. However, a third of respondents were unsure as to which industry would be the greatest disruptor, suggesting that there is not enough information available to gauge the next steps for fintech. Respondents were more confident in their understanding of perceived threats moving forward, with safety/security being number one, further reiterating respondents' concerns with privacy, data and identity hacks.

## Predicted Major Disruptors, Unaided

% of respondents who mentioned the following industries as major disruptors on an unaided basis

<b>Finance Industry</b>	16%
<b>Technology</b>	5%
<b>Healthcare Industry</b>	4%
<b>Petroleum Industry</b>	4%
<b>Fintech</b>	4%
<b>Automotive Industry</b>	3%
<b>Internet</b>	1%
<b>Transportation Sector</b>	1%
<b>Other Industries</b>	15%
<b>Don't Know</b>	28%
<b>None</b>	18%

## Predicted Threats to Fintech, Unaided

% of respondents who mentioned the following as a top threat to fintech innovation on an unaided basis

<b>Safety/Security</b>	27%
<b>Regulation/Management</b>	13%
<b>Finance</b>	7%
<b>Technology</b>	3%
<b>Political Issues</b>	3%
<b>Legal Issues</b>	2%
<b>External Threats</b>	2%
<b>Capital</b>	2%
<b>Cryptocurrency</b>	1%
<b>Internet</b>	1%
<b>Other Threats</b>	5%
<b>Don't Know</b>	16%
<b>None</b>	13%



# Fintech in the U.S.

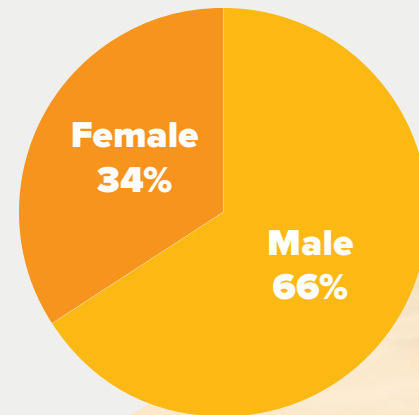




# U.S. Demographics

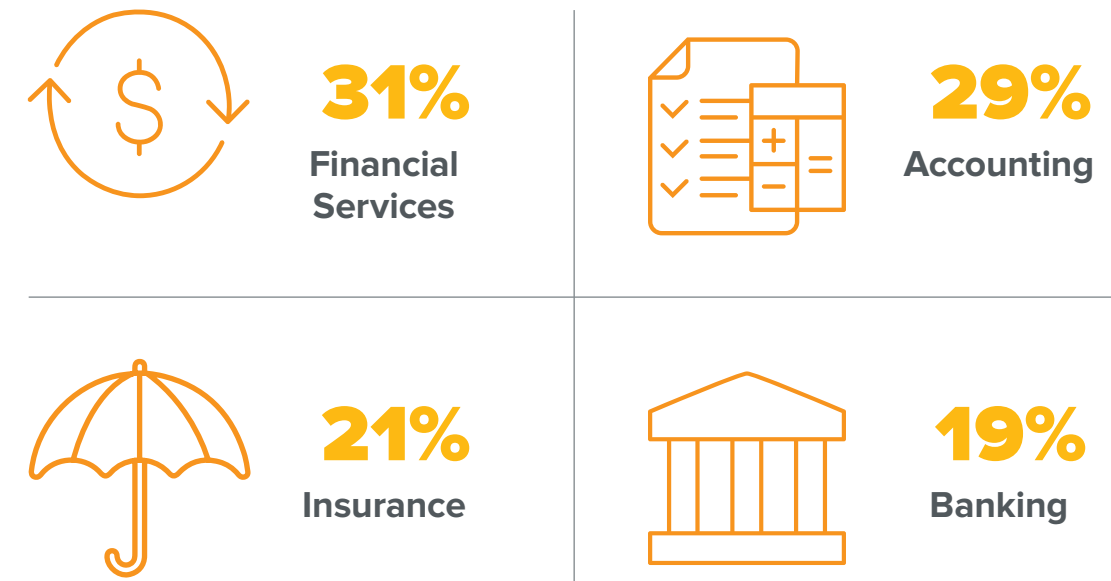
**303** respondents to our survey on fintech are U.S. based

Age Range	Percentage
18–24	1%
25–34	24%
35–44	41%
45–54	21%
55–64	13%



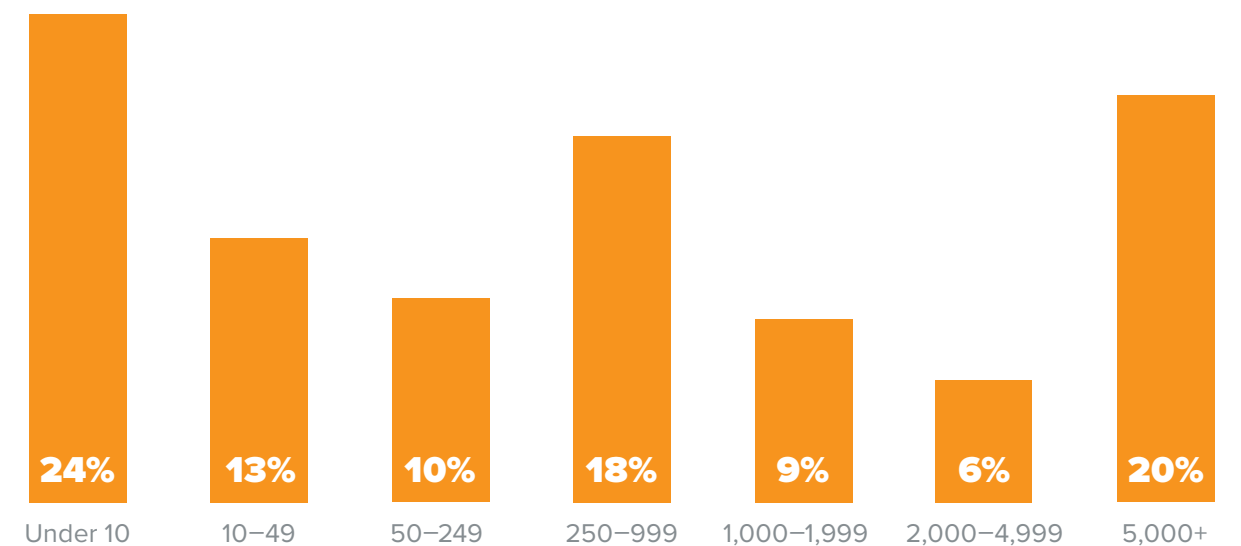
## Work Sector

% of respondents in the following work sectors



## Company Size

% of respondents working at companies with the following number of employees



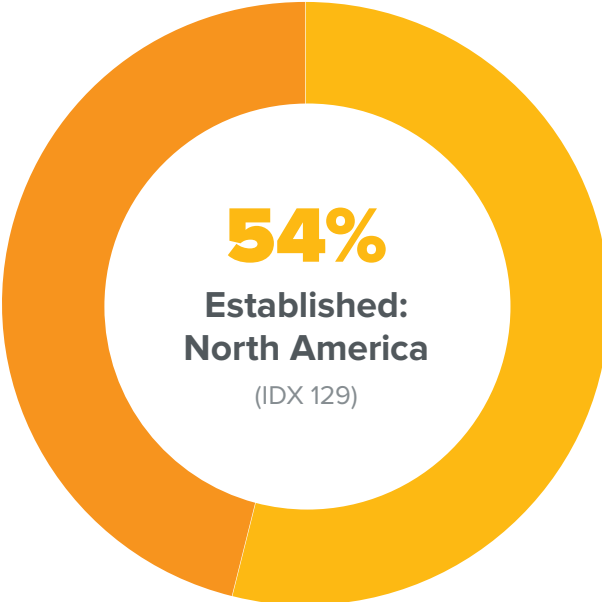


# U.S. Fintech Trends

Six in 10 U.S. respondents feel fintech will have a positive impact on their company. Though the majority of U.S. decision makers feel there will be some effect on their job role specifically, Americans over-index for anticipating a major effect, more than any other market. North America is aggressively pursuing fintech, with a focus on finance/audit at the forefront of disrupting the industry.

## Regions Pursuing Fintech

U.S. respondents' perception of regions active in fintech development

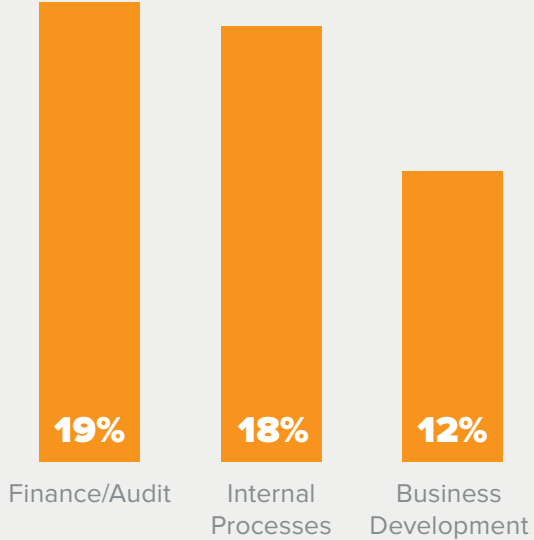


**6 in 10**  
US respondents feel positively about the impact of fintech on their company

## Effect of Fintech on Job Roles

Major Effect	17% (IDX 120 ▲)
Some Effect	52%
No Effect	31%

## Top Potential for Digital Disruption





# U.S. Drivers and Risks

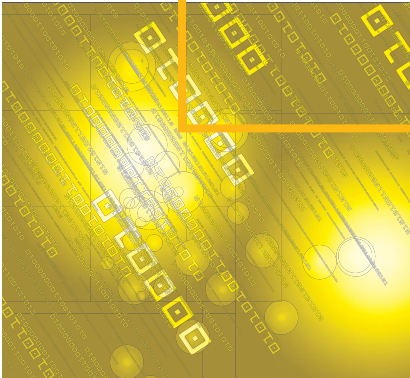
The U.S. banking industry is seen as the greatest driver in adoption and expansion of fintech, possibly due to the rise in cryptocurrencies such as Bitcoin, open banking and third party management applications. The greatest potential risk with digital advancement is data privacy and security.

### Top Deterrents to a Broader Adoption

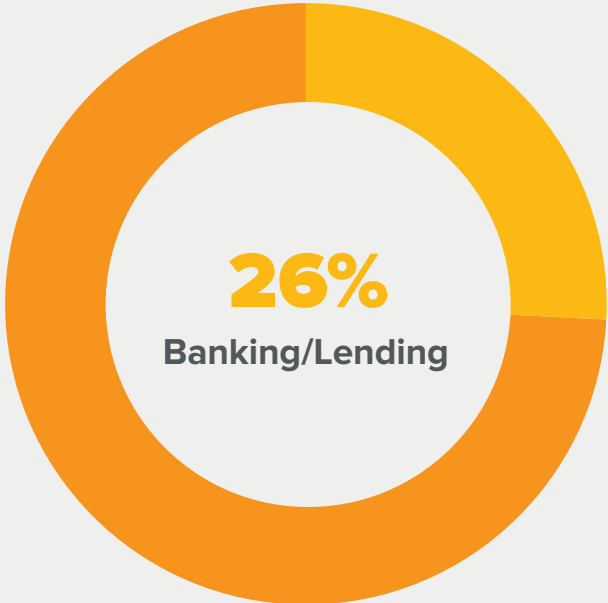
Data Privacy Concerns	35%
Rapid Changes in Technology	24%



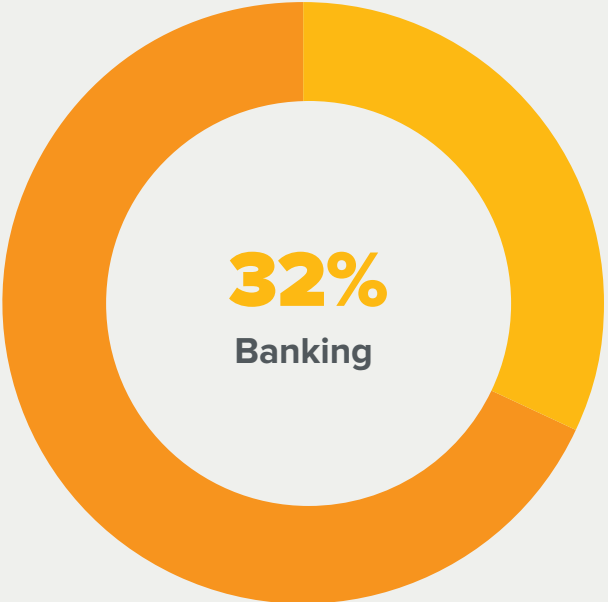
**Cybersecurity/data and identity hacks** have the **most potential legal ramifications** in 2020 at **47%**.



Industry with the Highest Potential Adoption in 2020



Industry to Adopt Blockchain Technologies



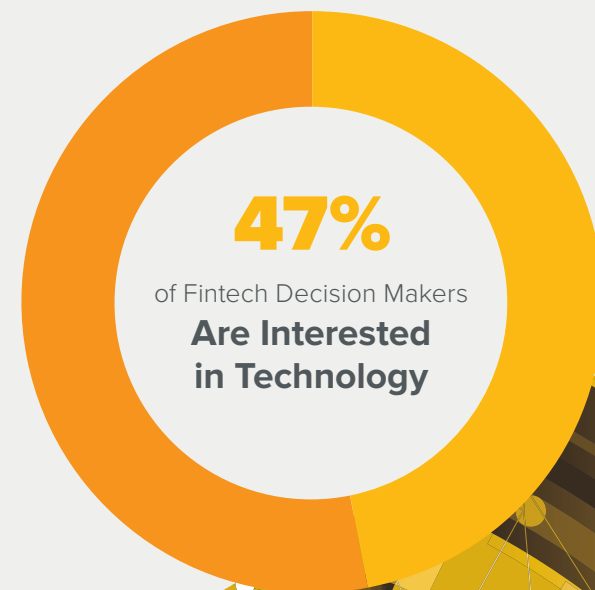
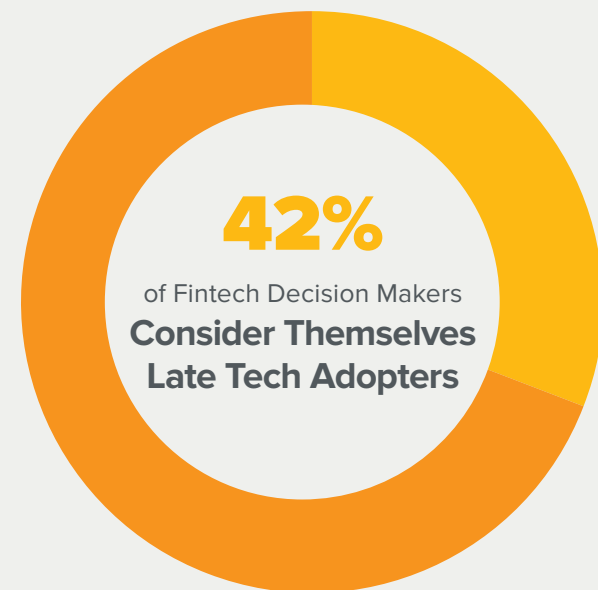
Top Driver of Capital Investment in Fintech





## Data Privacy and Security

Fintech decision makers in the U.S. are more concerned with online data privacy than those in the UK and other parts of Europe, but less concerned than the average U.S. internet user.



<b>Concern</b>	<b>Percentage</b>
I worry about how my personal data is being used by companies	67%
I am concerned about the internet eroding my personal privacy	64%
I prefer to be anonymous when using the internet	63%
I feel more insecure without my mobile phone than my wallet	54% (IDX 131 ▲)
Having the latest technological products is very important to me	51% (IDX 155 ▲)

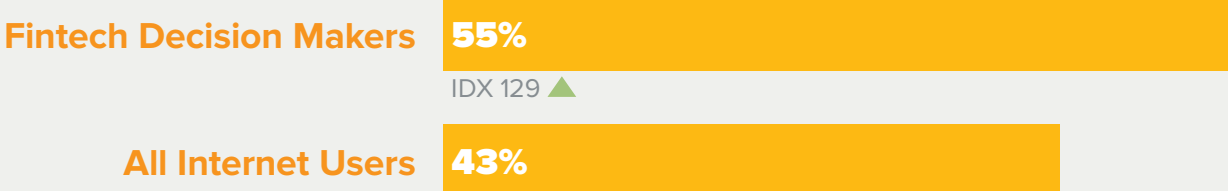


# Fintech Engagement

U.S. fintech decision makers use mobile for financial purposes more than the average U.S. internet user and are more likely to use mobile for financial needs in the future.

Fintech decision makers are starting to engage more with cryptocurrency and are very likely to use forms of cryptocurrency in the future.

### Reasons for Using Internet: to Manage Finance/Savings



### Savings/Investment Type: Cryptocurrency



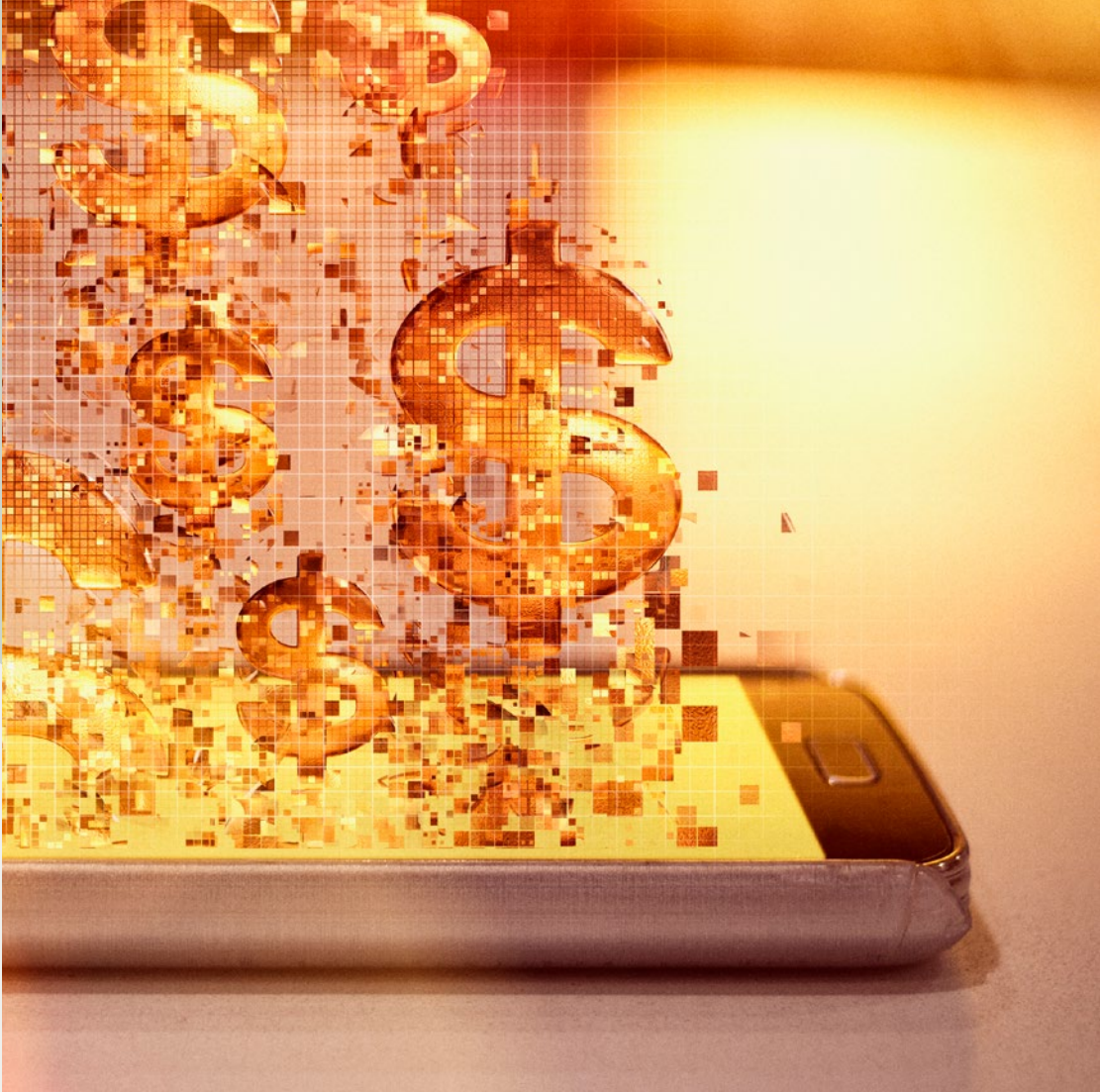
Mobile Action/Activity*	Fintech Decision Makers	All Internet Users
Internet Banking Service	52%	49%
Tracked Spending	29%	30%
Transferred Money to Family/Friends	35% (IDX 121)	30%
Mobile Payment Service (Ex: Apply Pay)	29% (IDX 147)	20%

\*in January 2020

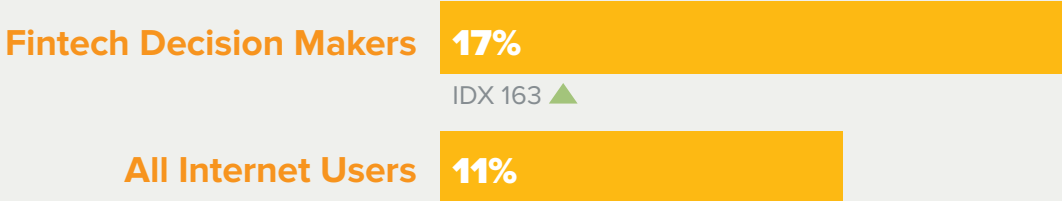


# Mobile Payment Services

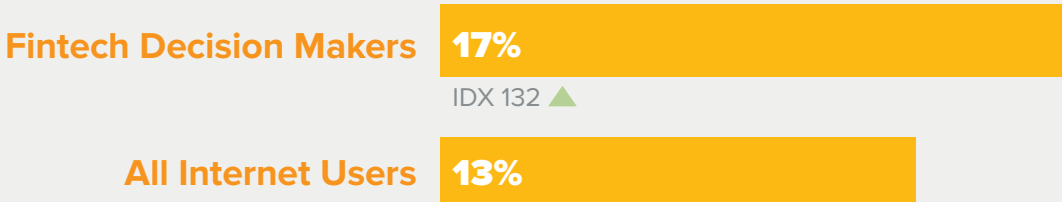
Mobile payment services are becoming increasingly popular among fintech decision makers, who are likely to continue using mobile for financial purposes in the future.



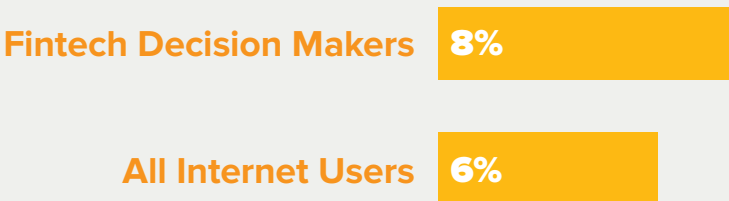
### Apple Pay



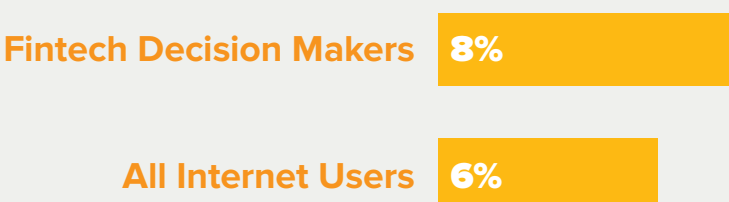
### PayPal



### Cash App



### Venmo





# Business Outlook

Fintech decision makers are less likely to be concerned about business-related challenges.



## External Challenges

## Percentage

Competition in the Market	38%
Government Guidelines/Legal Requirements	27%
Keeping up with Industry Innovations	25%
GDPR Compliance	5%

## Financial Challenges

## Percentage

Hitting Sales/Revenue Targets	23%
Staying Profitable	21%
Paying Competitive Salaries	20% (IDX 83 ▼)
Current Economic Climate	15%
Budget Cuts	15% (IDX 80 ▼)
Achieving Profitability	9% (IDX 63 ▼)
Long-term Funding/External Investment	7% (IDX 54 ▼)
Short-term Cash Flow	6% (IDX 70 ▼)



# Fintech in the UK

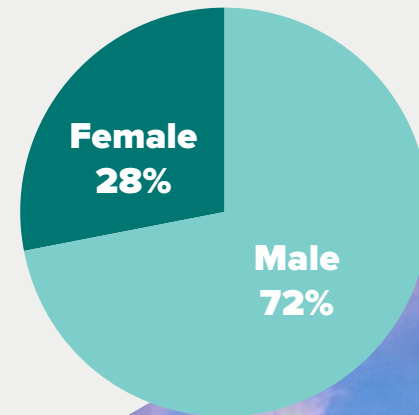
A blue-tinted photograph of modern skyscrapers, including the Gherkin, with the text 'Fintech in the UK' overlaid. The image shows a dense urban skyline with several prominent buildings. The Gherkin is centrally located, and a tall, rectangular building with a grid-like facade is on the left. The sky is a uniform light blue, and the overall atmosphere is clean and modern.



# UK Demographics

**162** respondents to our survey are UK based

Age Range	Percentage
18–24	6%
25–34	35%
35–44	25%
45–54	23%
55–64	11%



## Work Sector

% of respondents in the following work sectors



**35%**  
Financial Services



**27%**  
Accounting



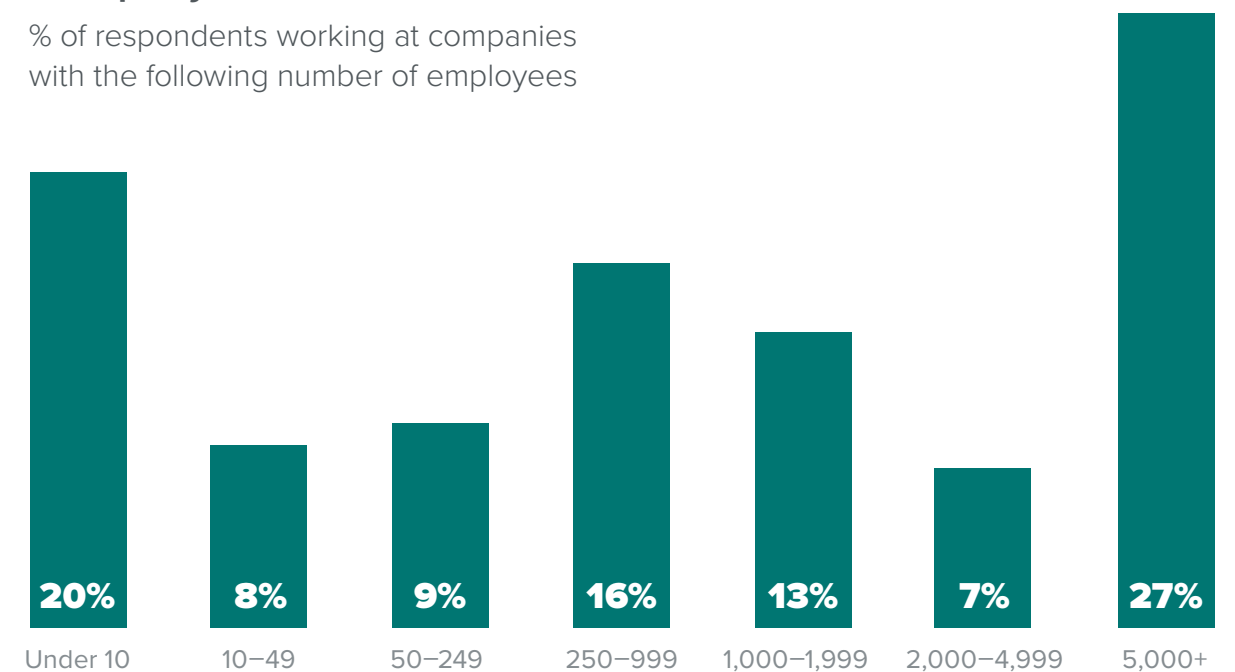
**27%**  
Banking



**11%**  
Insurance

## Company size

% of respondents working at companies with the following number of employees

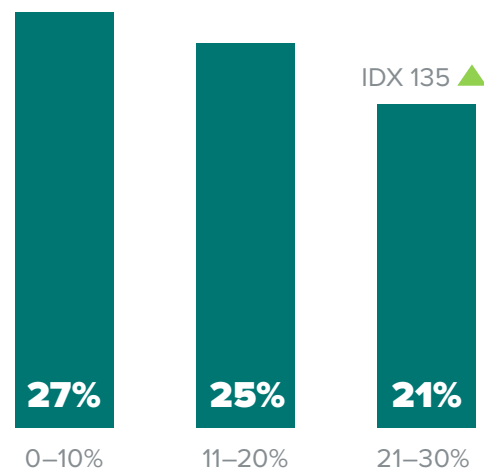




# UK Fintech Trends

Fintech in the UK is primarily being used for banking services. A little less than half of companies in the UK are currently building internally to develop fintech, placing more emphasis than other regions on leveraging current resources and talent rather than outsourcing. The UK is dedicating more profits than any other market, with 21% of companies committing 21–30% of their profits to fintech. Though 6 in 10 UK decision makers do feel that fintech will affect their role in their company, a third feel there will be no effect, suggesting a gap between these new technological advancements and the way internal processes are executed.

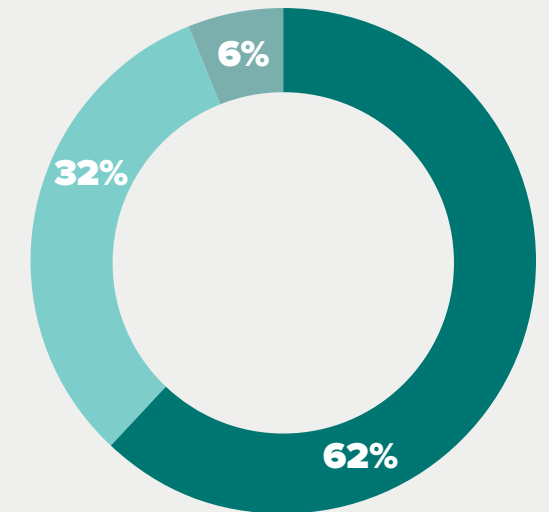
## Profits Dedicated to Fintech Investment



## Fintech’s Effect on Job Role

6 in 10 UK decision makers feel there will be some effect on their job role

- Some Effect
- No Effect
- Major Effect



## How Organizations are Using Fintech

Category	Percentage
Banking Services	62% (IDX 123 ▲)
Payments	47% (IDX 122 ▲)
Regulatory/Compliance	37% (IDX 136 ▲)

## Current Developments Underway

Category	Percentage
Build Internally	47%
Procure from Vendors	39%
Joint Ventures/Consortia	24%



# UK Drivers and Risks

Similar to other markets, the UK places finance/audit as its top most likely area for fintech disruption, but relative to other markets, the UK places extra emphasis on customer relationship management as another key area. Private equity is the UK's top driver of capital investment, making private institutions and wealthy citizens key drivers for funding the industry. As with other markets, data breaches and cybersecurity are seen as the primary threats to fintech.

### Top Industry Adopting Blockchain Technologies



**31%**  
Banking

### Top Driver of Capital Investment

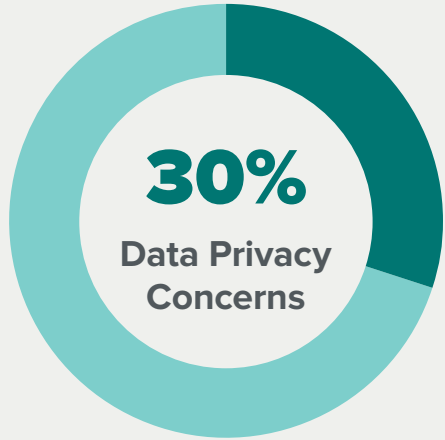


**28%**  
Private Equity

### Top Legal Risk Facing Fintech



### Top Deterrent to a Broader Adoption

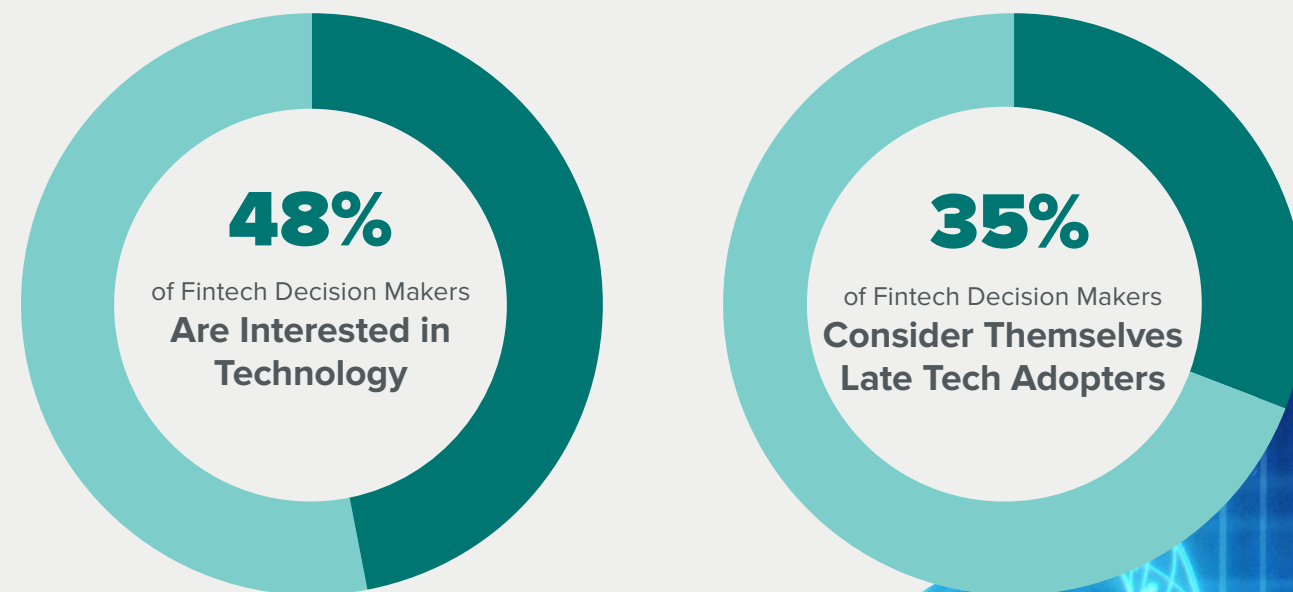


### Highest Potential for Digital Disruption

	Percentage
Finance/Audit	18%
Internal Processes	16%
Customer Relationship Management	14% (IDX 139 ▲)

## Data Privacy and Security

Fintech decision makers in the UK may have a better understanding of their data privacy and accept a lack of privacy more than other UK internet users.



### Concern

### Percentage

I worry about how my personal data is being used by companies	64%
I am concerned about the internet eroding my personal privacy	61%
I prefer to be anonymous when using the internet	59%
I feel more insecure without my mobile phone than my wallet	51%
Having the latest technological products is very important to me	49% (IDX 162 ▲)



# Fintech Engagement

Cryptocurrency has become increasingly popular among fintech decision makers, who are likely to continue using crypto as a form of savings.

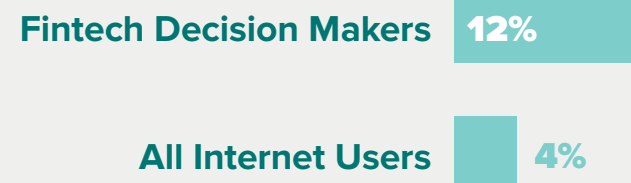
UK fintech decision makers are less likely than other UK internet users to manage finances on mobile.



## Reasons for Using Internet: to Manage Finance/Savings



## Savings/Investment Type: Cryptocurrency

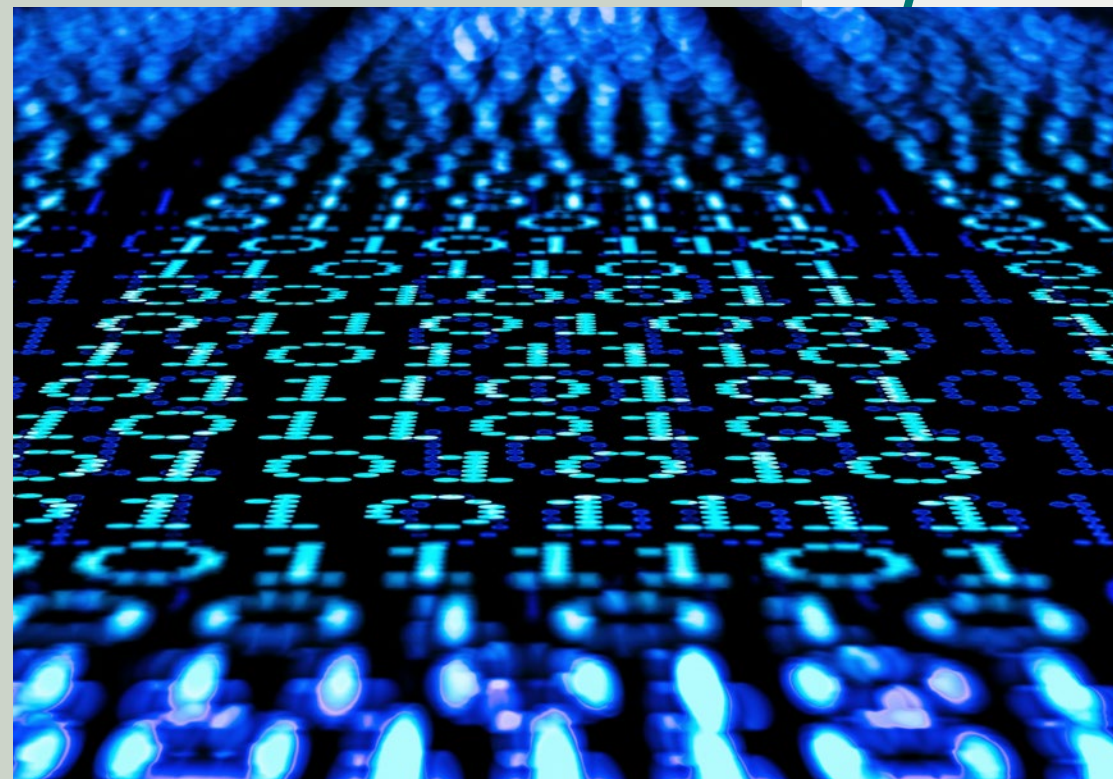


Mobile Action/Activity*	Fintech Decision Makers	All Internet Users
Internet Banking Service	51%	55%
Tracked Spending	32%	34%
Transferred Money to Family/Friends	40%	43%
Mobile Payment Service (Ex: Apple Pay)	27% (IDX 124)	22%

\*in January 2020

# Mobile Payment Services

Mobile payment services are likely to become more popular among UK fintech decision makers. Google Pay and Visa Checkout are more popular in UK than U.S.



## Apple Pay

Fintech Decision Makers

17%

IDX 127 ▲

All Internet Users

13%

## PayPal

Fintech Decision Makers

17%

All Internet Users

15%

## Google Pay

Fintech Decision Makers

7%

All Internet Users

5%

## Visa Checkout

Fintech Decision Makers

6%

All Internet Users

5%



# Business Outlook

Fintech decision makers in the UK are more likely to be concerned with financial and external challenges, unlike the U.S. These concerns may be due to the impending consequences of Brexit.



## External Challenges

### Percentage

#### Competition in the Market

45% (IDX 122 ▲)

Government Guidelines/Legal Requirements

35% (IDX 124 ▲)

GDPR Compliance

32% (IDX 137 ▲)

Keeping up with Industry Innovations

26% (IDX 134 ▲)

## Financial Challenges

### Percentage

#### Current Economic Climate

30%

#### Staying Profitable

29%

#### Hitting Sales/Revenue Targets

25% (IDX 122 ▲)

#### Achieving Profitability

21%

Paying Competitive Salaries

19%

Budget Cuts

18% (IDX 79 ▼)

Short-term Cash Flow

15% (IDX 125 ▲)

Long-term Funding/External Investment

14%



# Fintech in Europe

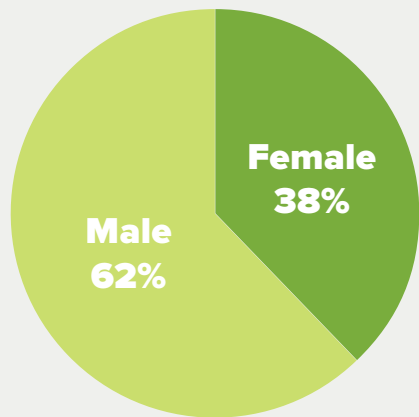




# Europe Demographics

**261** respondents to our survey on fintech are Europe based

Age Range	Percentage
18-24	2%
25-34	16%
35-44	32%
45-54	29%
55-64	21%



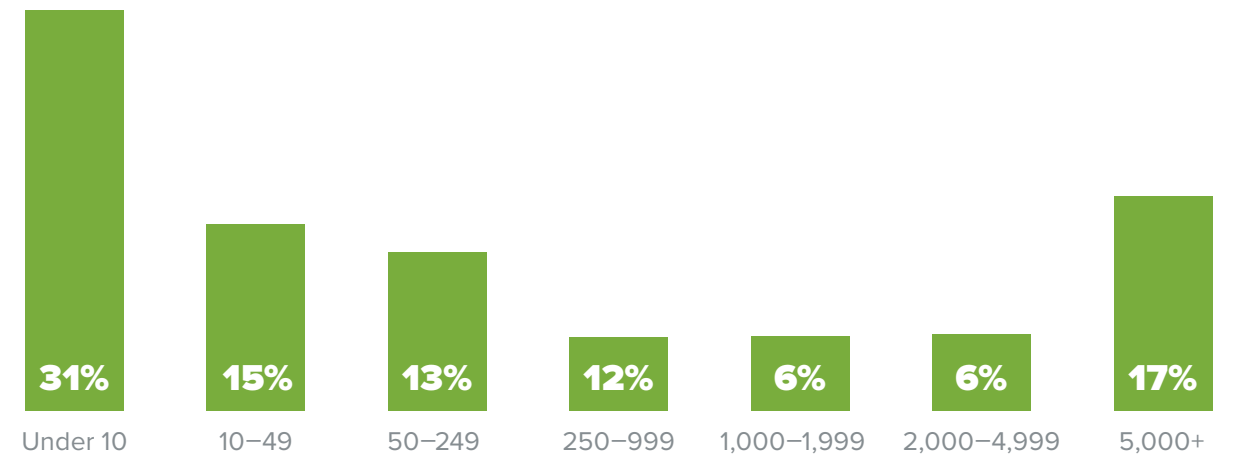
## Work Sector

% of respondents in the following work sectors



## Company Size

% of respondents working at companies with the following number of employees





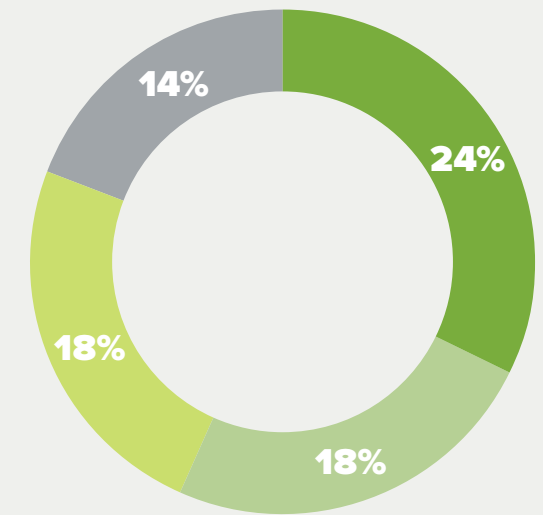
# Europe Fintech Trends

Europeans rank datamining as number one and are twice as likely to rank quant trading the most relevant application of AI to their business going forward, illustrating Europe's need to quantify perceptions and trends. Europeans dedicate the least amount of profits to fintech than any other market, and are more likely to foresee no impact on their company/firm. Nevertheless, half of Europeans feel positively about the future of fintech.

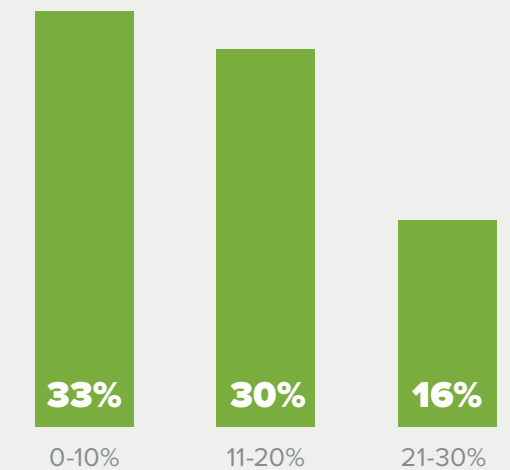


## Most Relevant Applications of AI and Machine Learning

- Datamining/Analytics
- Asset Management (IDX 123 ▲)
- Predictive Analytics
- Quant Trading (IDX 123 ▲)



## Percent of Profits Dedicated to Fintech



## Future Impact of Fintech on Company/Firm

High Positive Impact	9%
Positive Impact	49%
No Impact	32% (IDX 122 ▲)
Negative Impact	7%
High Negative Impact	3%



## Europe Drivers and Risks

For Europeans, trading and capital markets hold the most potential for fintech adoption in 2020 with the improvement of transactional efficiencies and long-term security emerging in the form of fintech solutions. About half of Europeans view the eCommerce industry as the top sector to adopt blockchain technology, possibly for more consumer empowering payment methods such as Bitcoin, record keeping and tracking, and transparency between businesses and consumers.



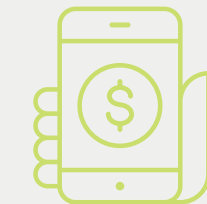
**Trading/capital markets** has the **highest potential adoption** rate in 2020 at **30%** (IDX 127).



### Top Industries to Adopt Blockchain Technologies



**27%**  
Banking



**21%**  
eCommerce

### Top Drivers of Capital Investment in Fintech

Private Equity/  
Venture Capital

**18%**

Banks and  
Asset Managers

**16%**

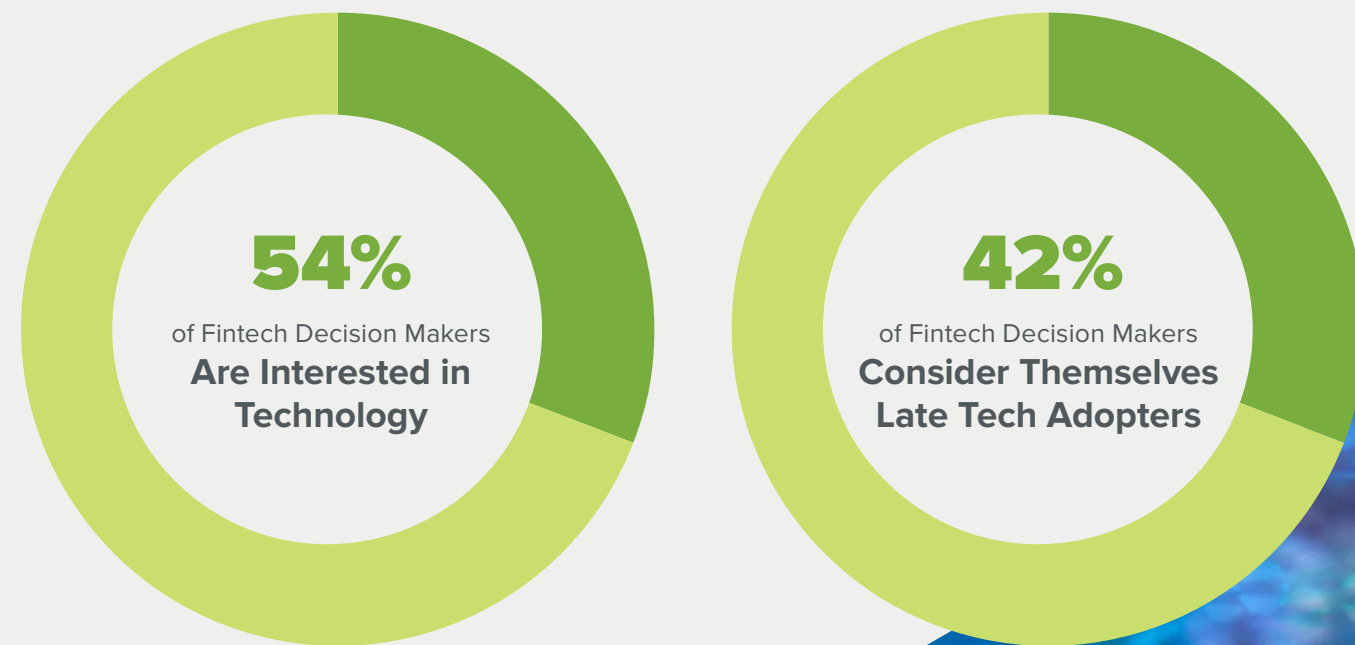
Sovereign Wealth Funds

**12%**



## Data Privacy and Security

European fintech decision makers are less concerned with data privacy compared with those in the U.S. and UK.



### Data Privacy Concern

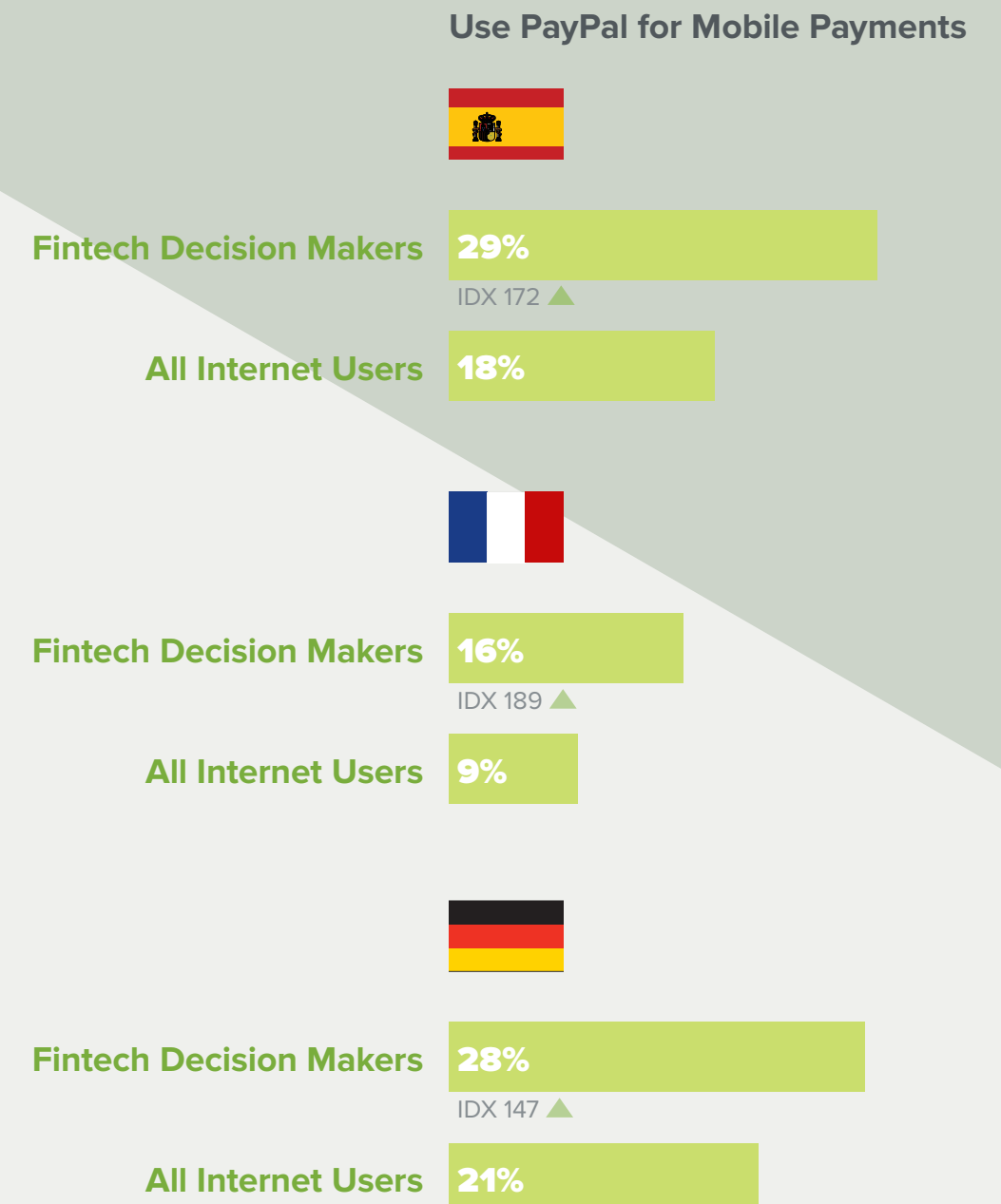
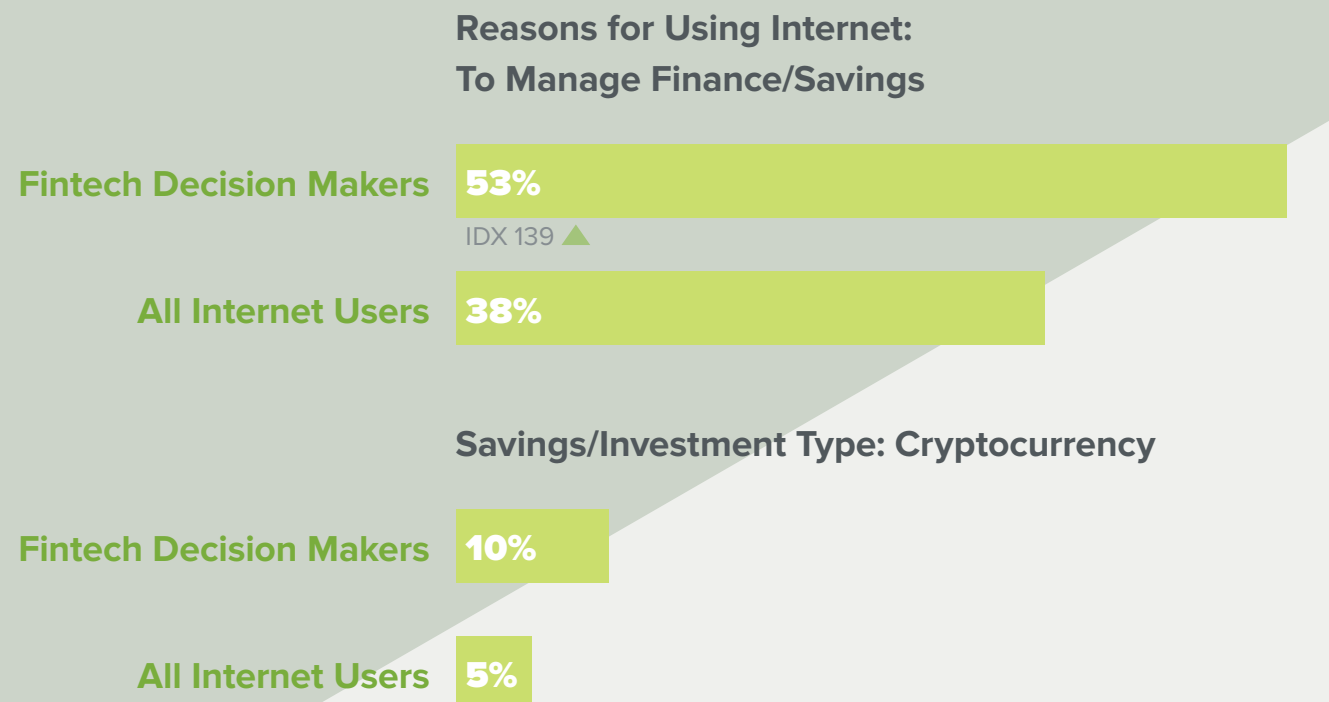
% of respondents who feel the following concerns are facing the fintech arena

Concern	Percentage
I worry about how my personal data is being used by companies	60%
I prefer to be anonymous when using the internet	55%
I am concerned about the internet eroding my personal privacy	53%
Having the latest technological products is very important to me	48% (IDX 152 ▲)
I feel more insecure without my mobile phone than my wallet	46% (IDX 125 ▲)

# Fintech Engagement

Cryptocurrency engagement is on the rise, similar to the U.S., but not as common as in the UK. Mobile financial interactions are more frequent with fintech decision makers than those in other regions.

PayPal is the top mobile payment service in Spain, France and Germany, and is likely to see increased engagement in the future.



Mobile Action/Activity*	Fintech Decision Makers	All Internet Users
Internet Banking Service	57%	50%
Tracked Spending	45%	39%
Transferred Money to Family/Friends	35% (IDX 146)	26%
Mobile Payment Service (Ex: Apply Pay)	30% (IDX 161)	20%

\*in January 2020



## Business Outlook

Fintech decision makers in France, Germany and Spain are more likely to be concerned with long-term financial challenges, perhaps due to impending consequences of Brexit on the EU market.

### External Challenges

### Percentage

#### Competition in the Market

41%

Government Guidelines/Legal Requirements 26%

GDPR Compliance 21%

Keeping up with Industry Innovations 27%

### Financial Challenges

### Percentage

#### Staying Profitable

36%

#### Hitting Sales/Revenue Targets

32%

#### Achieving Profitability

30% (IDX 123 ▲)

#### Current Economic Climate

25%

Paying Competitive Salaries 18%

Long-term Funding/External Investment 18% (IDX 131 ▲)

Budget Cuts 14%

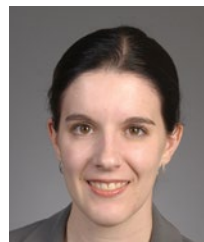
Short-term Cash Flow 12%

# Get in Touch

Goodwin's inaugural Global Survey on the State of Financial Technology sheds light on some of the most pressing issues facing this vibrant sector at the intersection of capital and innovation. While the fintech sector continues to grow steadily, the results of our global survey suggest that much disruption is still to come. From data and analytics to cybersecurity and evolving regulatory frameworks, there are significant opportunities and challenges for both investors and innovators around the world as the digital transformation of financial markets continues to accelerate.

Goodwin's Fintech practice advises more than 40% of the Forbes Fintech 50 companies. With nearly 200 lawyers around the world, the practice works with financial institutions, strategic investors and cutting-edge technology companies on transactional, regulatory and litigation matters.

We invite you to visit our website and learn more about us. And let us know your thoughts on our global survey or other topics by reaching out to our Fintech practice chairs, Amber Dolman and Scott Joachim.



**Amber Dolman**  
Partner and Co-Chair, Fintech  
[adolman@goodwinlaw.com](mailto:adolman@goodwinlaw.com)  
+1 617 570 1538



**Scott Joachim**  
Partner and Co-Chair, Fintech  
[sjoachim@goodwinlaw.com](mailto:sjoachim@goodwinlaw.com)  
+1 650 752 3149

[goodwinlaw.com/fintech](http://goodwinlaw.com/fintech)

The data and findings in this report are based on a web survey that GlobalWebIndex, a market research SaaS company, conducted on behalf of Goodwin during the first quarter of 2020. The survey received responses from 726 decision makers working in the finance industry (accounting, banking, financial services/investment and insurance) across the United States and continental Europe.

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