

# Unfolding the Future: Fintech Trends 2024

The **fintech** industry is in a state of dynamic evolution, particularly in small and medium-sized businesses. As we navigate amidst numerous changes, the fintech landscape is rapidly transforming, with traditional ideas about physical cash and banking being questioned and reimagined.

Implementations of artificial intelligence, [machine learning](#), and [blockchain](#) are influencing the **future of fintech**, enhancing efficiency and bolstering security. Digital currencies, ‘buy now, pay later’ models, mobile payment solutions, smart contracts, neobanking, and RegTech are also emerging as convenient and secure alternatives for customers, shaping that future.

Following a challenging year in 2022, the finance arena for startups and companies is on the cusp of further disruption, which promises to reshape the future of fintech in 2024.

With all these exciting developments in mind, this blog post aims to provide you with a detailed overview of the top 10 **fintech trends** to watch out for in 2024. By delving deeper into these trends, you’ll gain valuable insights into the ever-evolving fintech landscape and stay ahead of the curve.

Navigating this ever-changing fintech world can be daunting, but it's also packed with opportunities. For those ready to embrace change, the future of finance is not just a journey; it's an adventure waiting to unfold. So keep reading to uncover the latest innovations and opportunities that will shape the future of fintech!

## 1. AI and Machine Learning

In the world of fintech, Artificial Intelligence (AI) and Machine learning (ML) are like the new superheroes. They're transforming the scene, not just by making things faster or more efficient, but by completely reshaping how we approach financial services. Nowadays, these technologies are not just about automating tasks. They're about providing insights and services that are finely

tuned to individual needs. Think of it as financial advice, investments, and services that understand you personally and adapt to your unique financial journey.

Artificial intelligence (AI) has become an indispensable component of the fintech world, catalyzing a remarkable transformation. The advancements in this cutting-edge technology, along with *machine learning (ML)*, [AI software development services](#), and *custom financial software development*, have played a pivotal role in the fintech industry's evolution.

Now, fintech companies are empowered by AI and ML to seize new opportunities and foster innovation in a highly competitive market. For example, these technologies have enhanced various banking processes, including *payments, investments, and risk management*.

Furthermore, they have also enhanced [fraud detection and customer experience](#).

For example, companies can now use advanced tools to analyze massive volumes of transactional data. Algorithms make it possible to swiftly identify patterns indicating potential fraudulent activity and promptly flag them. This shift in focus toward fraud detection is being observed in the fintech industry.

AI chatbots and virtual assistants have played a vital role in the fintech industry, enhancing customer service and improving operational efficiency. These intelligent systems serve as effective alternatives to human customer service, providing round-the-clock support and instant responses to inquiries.

AI chatbots and virtual assistants have the ability to gather customer information, providing companies with valuable insights into their financial health. This allows businesses to offer relevant financial services that meet their specific needs. We're now ready for a whole new level of personalized financial services!

The **future of fintech looks promising in 2024**, with AI playing a central role in driving its success.

## **2. Buy Now, Pay Later**

**BNPL, or Buy Now Pay Later, is a financing option that has gained immense popularity globally.**

Based on recent research by Grand View Research, the [Buy Now Pay Later \(BNPL\) market is projected to reach 6.13 billion](#) in 2022, with an estimated compound annual growth rate of 26.1% from 2023 to 2030.

Being a flexible financing method that enables purchasing products and paying for them in the long term without interest rates, the BNPL model has gained popularity among consumers. This model is particularly appealing to the *millennial and X generations*, who demonstrate a *greater sense of financial responsibility* and concern for their credit history.

BNPL also offers advantages to business owners, including increased sales, a decrease in abandoned carts in their online stores, and MORE custom financial [software development services](#) and solutions.

For instance, when BNPL providers partner with retailers and create *integrations* with eCommerce platforms, *sales tend to surge*. Moreover, consumers feel more inclined to make purchases, resulting in a *boost in retailers' revenues*.

This is why BNPL has evolved as a fintech industry trend that will further intensify in 2024.

### **3. SaaS**

The fintech sector is poised for a transformative shift in 2024, primarily driven by the growing software as a service (SaaS) industry. SaaS offers the convenience of cloud-based applications, eliminating *installation hassles and costs* and *allowing businesses* to focus on enhancing the *customer journey*.

The fintech industry has witnessed remarkable success with [Software as a Service \(SaaS\)](#). A key factor behind this triumph is the robust implementation of *security measures*, providing peace of mind to companies.

Additionally, SaaS offers inherent *flexibility and scalability* to meet the evolving needs of fintech users. Projections show that SaaS in fintech will grow exponentially by 623 billion this year, with an impressive annual growth rate of 18% expected for 2024.

For instance, lending digital platforms have fully embraced the [benefits of SaaS](#). These platforms have leveraged cloud technology and take advantage of the SaaS model because of their scalability opportunities, ease of use, and maintenance.

In addition, lending digital platforms have capitalized on data accessibility and integration since SaaS solutions are accessible every time everywhere.

SaaS is revolutionizing the fintech landscape with its secure, adaptable, and prosperous financial services software development solutions. The rapid growth of the SaaS industry has led to major events, like *SaaSTR 2023*, where founders and experts gather to discuss key trends, including fintech.

## 4. Mobile Payments

The fintech landscape in 2024 is poised to be significantly shaped by the growing trend of mobile payments. According to [Insider Intelligence's forecast](#), despite the pandemic bump, the mobile commerce share of total retail will reach 8.7% by 2026. This explains the popularity of mobile payments as a trend in 2024.

Several factors contribute to this prediction. First, the *number of unique users is expected to surpass one billion by 2024*, according to [Juniper Research](#).

With the rise of mobile commerce, [digital wallets](#) will also become the most preferred online payment method by 2024, accounting for over a third of all payments globally. This trend is driven by the convenience and security offered by mobile payments, making transactions quicker and safer.

Additionally, the integration of payment systems into platforms, a concept known as *embedded finance*, is another factor that could boost the use of mobile payments. Lastly, the [on-demand pay](#)

[or earned waged access](#), which has seen a significant increase in search volume, further underscores the shift towards flexible, mobile-centric payments.

If you need to adopt a solution for integrating finance software development services or [mobile app development services](#) into your fintech company, feel free to contact us to learn more about our [IT staff augmentation services](#).

We can help you build a skilled workforce integrated with senior talent that will meet your business demands concerning financial services software development!

## 5. Open Banking API

Open banking API integrations are set to be game-changers in the fintech industry in 2024. Considered a system that allows third-party developers to build applications and services in financial institutions, the open banking API trend is driven by several factors. These include the unrealized potential for *growth, transformation, and collaboration* fostered by fintech software development companies.

Embracing *open collaboration between fintechs and banks* allows users and companies to enjoy seamless data sharing, enhancing the efficiency and speed of financial services, according to the Fintech Times.

Additionally, open banking allows people to discover unique financial experiences by sharing data via standardized APIs. It also allows for the creation of personalized financial services, improving customer experience.

Consequently, the number of API calls for open banking is expected to [grow by 645% in 2024 globally](#).

## 6. Regtech Solutions

Every day, financial institutions receive massive amounts of data. It would take too much time and effort to manually sort through the data. Furthermore, businesses must be well-versed in the

vast array of [laws and regulations](#) that they are required to follow. Regtech, or regulation technology, can help with that.

For the benefit of the entire organization, this type of technology can provide increased accuracy, efficiency, and better insights. The regtech sector is expected to grow by [200%](#) between 2022 and 2026, according to Juniper Research.

When investing in regtech solutions, financial institutions expect to see a positive impact on their bottom line due to cost savings. Over [30%](#) of financial institutions allocate more than 5% of their total revenue towards compliance.

JP Morgan was made to pay [\\$125 million in 2021](#) for disregarding the proper compliance controls.

Regtech can have a significant impact on compliance efforts, as demonstrated by the Australian banks CommBank and ING.

These banks used to map their regulatory responsibilities by hand, a process that required [1,800 hours](#) of labor from human resources . But after the banks joined forces with Ascent, an AI-powered regulatory knowledge platform, the procedure took only 2.5 minutes.

## 7. Biometrics Adoption Accelerates

In [2021](#), Jerome Powell, the head of the Federal Reserve, made a striking statement: the biggest threat to the world's financial system is cyberattacks. With such a significant risk hanging over the industry, fintech companies are rapidly adopting new security measures to keep our finances safe.

One of these measures is getting rid of traditional passwords. More and more IT experts are favoring "passwordless authentication," a term that's becoming increasingly popular. A survey by HYPR, a company specializing in secure login methods, found that almost [90%](#) of security experts believe this is the most secure way to protect our data.

So, what does passwordless authentication look like? It can be as simple as getting a notification on your phone that gives you a special code to log in. But there's a more advanced option on the rise: biometrics.

Take the First National Bank of Omaha, for example. They started using a voiceprint system from a company called Pindrop and saw impressive results. In just one year, they managed to cut down the time spent on customer calls by 2.5 million minutes and halved the cases of fraud.

<https://tearsheet.co/marketing/should-banks-ditch-passwords-and-move-to-voice-authentication/>

There's more to biometrics than just logging in, though. Some systems keep an eye out for fraud even after you've logged in by studying how you behave. This is called "behavioral biometrics." It's like having a smart assistant that watches how you use your mouse, how you touch your screen, or how you type.

## 8. Neobanks

**Payment trends** are evolving. According to FICO, a sizable portion of young Americans are now choosing digital banks over traditional banks, primarily using PayPal and Chime as their primary checking account providers.

The report highlights a remarkable shift, with the number of young consumers embracing fintech alternatives over traditional banking institutions doubling since 2020. In fact, a mere 25% of Gen Z individuals rely on large banks for their primary checking needs.

These digitally native banks—also known as neobanks—are gaining popularity among younger customers at a rapid pace.

As of July 2022, there were approximately [350 neobanks](#) in operation, offering a fresh and innovative approach to banking services.

In the United States alone, Insider Intelligence predicts that by 2025, approximately [53.7 million](#) individuals will have embraced neobank accounts. Clearly, neobanks are not just changing the way young consumers manage their finances; they are rewriting the script for the future of payments.

## 9. Block Chain

Blockchain technology has long been associated with cryptocurrencies. Experts predict that technology will now integrate more with the **financial technology trends**. For instance, banks would be able to carry out transactions more quickly, cheaply, and securely by utilizing blockchain.

Peer-to-peer lending is another application for it; by 2025, this sector of the economy may expand by as much as [\\$150 billion](#).

In [2024](#) more banks will likely switch to cloud-based banking, and blockchain will undoubtedly be involved in this and Wells Fargo to settle forex trades. Users can use blockchain currencies to make payments on the networks of Paypal, Mastercard, and JP Morgan.

Naturally, this has to do with cryptocurrencies, but it also demonstrates banks' openness to adopting blockchain. Not only are banks using blockchain, though Blockchain technology is used by AXA, a multinational insurance company based in France, to protect its customers from flight delays. Blockchain serve as a future of **asset management**.

## 10. Fintech Wellness Platforms

Fintech will adopt a more comprehensive perspective on finance in 2024, moving beyond simple money management to promote total financial well-being.

Emerging platforms will put an emphasis on user education, providing crucial financial health insights and a toolkit designed to foster long-term resilience and financial stability.

These user-friendly platforms will serve as thorough guides, helping users to gain a deeper comprehension of their financial environments and encouraging wise financial planning and decision-making.

This pattern shows a change in the direction of equipping people with the information and tools they need to handle their financial situations with more competence and confidence, opening the door to long-term financial security.

## Conclusion

In conclusion, the fintech industry in 2024 is characterized by dynamic changes driven by AI, BNPL, SaaS, mobile payments, open banking APIs, regtech, biometrics, neobanks, blockchain, and fintech wellness platforms. These trends promise enhanced efficiency, security, and personalized services, reshaping the future of finance. Embracing these innovations is essential for staying ahead in this ever-evolving landscape.