

ING is working with 65 fintech businesses

ING wants to stay part of the European financial vanguard. It is constantly innovating its products internally, but is increasingly using tried and tested innovations from other companies to press the accelerator even more. The bank now works with 65 fintech businesses all over the world and has taken a stake in ten of them. This is because in addition to technology, the speed at which the bank is constantly modifying its business model is just as important to stay ahead.

This is what ING's chief innovation officer, Ignacio Vilar, told the FD during his visit to the Money20/20 conference in Las Vegas. Vilar has been in post for almost six months and heads up the consumer division. He has previously worked for ING in Spain, the Netherlands and Poland.

New services

The bank serves the consumer market in 13 countries. The idea is to try out each new service in one or more countries so that it can be introduced quickly if it proves successful, in all 13 retail countries if possible. 'We can do that because what consumers want in different countries is often very similar', says Vilar.

For example, the US fintech, Kabbage, is currently experimenting with instant lending in Spain. This involves loans of up to EUR 100,000 to the SME sector. 'We're still learning', says Vilar. 'We work with the net promoter score across the business, which means that the customer has to score us at least an eight, otherwise we try and see how we can make improvements. What we're noticing with this product is that customers who we don't approve for a loan are still giving us a good score, because we can make a decision in five minutes. In Spain, the process normally takes three or four weeks.'

Pressure cooker

From the bank's own innovation bootcamps, during which the best one hundred ideas are tested every year – after three years, the initial innovations are also starting to bear fruit. 'Customers can now use their mobile to transfer funds between the Netherlands and Spain, including to people who bank with a different provider. And following on from this, people in Spain can now make withdrawals free of charge at 3,500 locations, for example 24/7 at petrol stations. The petrol station gains customers and receives a small fee for each withdrawal.'

According to Vilar, the basic tenet is to focus on the 35 million customers from start to finish. 'Customers used to come to us for a mortgage and now we can help and advise them throughout the entire process, leading up to the application and afterwards. We are a platform that 35 million customers have in their pockets on their smartphones. We have two billion customer contacts every year, so there is already traffic to the platform, and as a bank, we have the confidence of the consumer. We want to be the platform of choice that people can use for more than just banking'.

Bigtech

Is ING going to compete with Amazon and Google? 'If people buy from Amazon via our link, they already receive a discount. If people in Spain use a Spanish website for their holiday via us, they receive a discount. People who go on holiday need special insurance cover, so we offer that', says Vilar. 'We are the platform for financial services and in the future we want to have more connections with other platforms that our customers use.'

Privacy

So how far are we from that subject that ING finds so sensitive: selling or reusing customers' financial data? After all, that's how platforms earn their money. It's a sensitive subject because an employee of the bank once suggested it, which triggered a revolt by some customers. 'Privacy is at the heart of our business', says Vilar decisively. 'We do not sell customer data. We want to understand our customers better and provide them with tailor-made services, so, we use the data from our customers for the benefit of our customers. For example, if a customer goes to withdraw money from an ATM and discovers that he or she would go overdrawn if they went ahead, we can quickly send the customer a text because overdrafts are expensive. Perhaps we can make alternative arrangements for them.'

By Klaas Broekhuizen

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