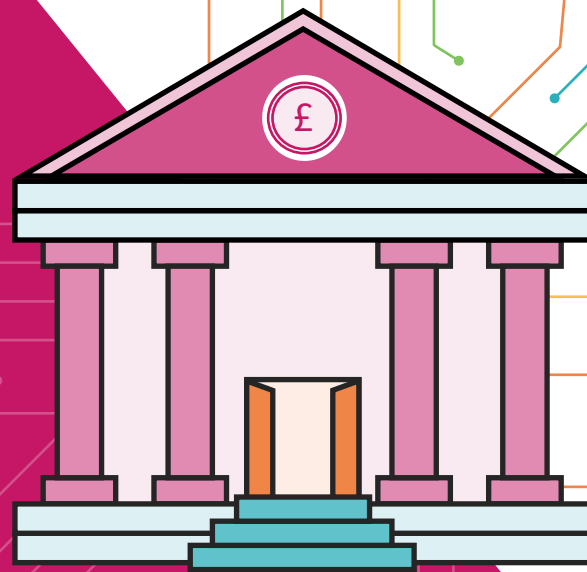




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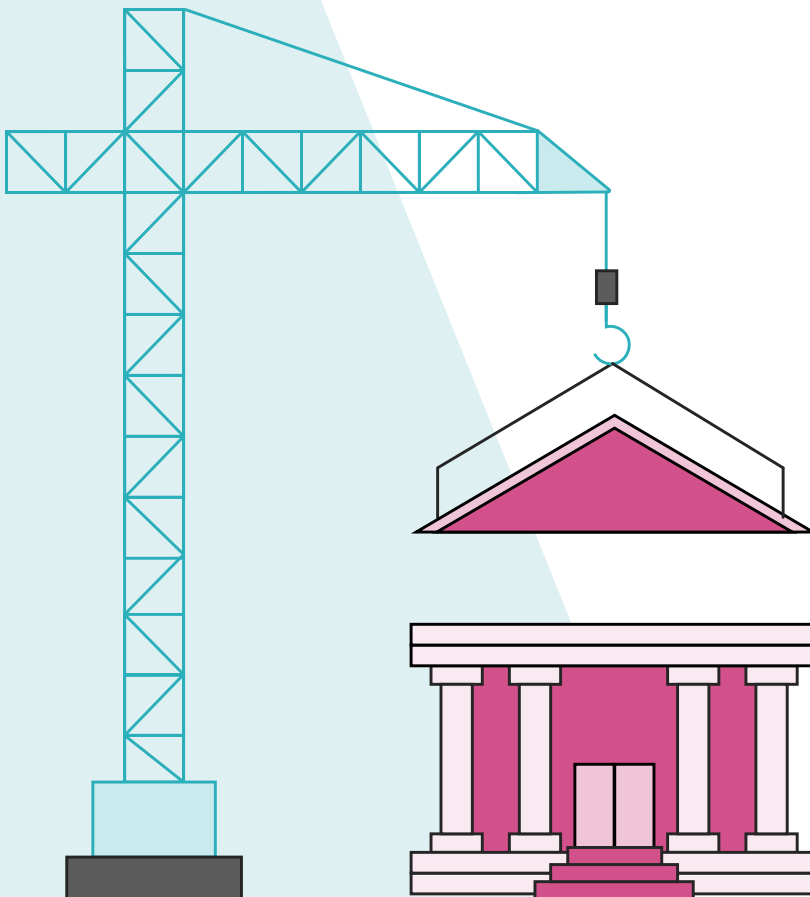
How to become the bank of 2030

As a global pioneer in Open Banking, the UK banking sector has changed radically in the last few years, arguably redefining what it means to be a bank.

So, what might the bank of 2030 look like and how can you prepare?

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What will the bank of 2030 look like?

As a global pioneer in Open Banking, the UK banking sector has changed radically in the last few years, arguably redefining what it means to be a bank. So, what might the banking sector of 2030 look like?



From Big Bank to Big Tech

Open Banking has opened up the retail banking sector, increasing the threats to the incumbents from Challenger Banks and the big technology corporations. However, it has also had a liberating effect on the 'traditional' banks, freeing up both mindsets and technological approaches. The biggest banks are already seeing that to take on the big tech companies, you have to become one – so, they're migrating away from their legacy estates with a renewed urgency and shaping business strategies that will allow them to thrive in the banking ecosystem of 2030.



From Open Banking to Embedded Finance and Open Finance

We predict a future where retail banking comprises a 'Banking as a Service' (BaaS) ecosystem of loosely coupled products and services enabling the embedded finance experiences that customers will have come to expect. Major banks will act as platforms within the ecosystem; other banks will find their market through partnerships and integrations. With the EU's PSD3 legislation in the offing (and whatever its UK equivalent turns out to be), we see the banking platforms of 2030 fulfilling the promise of Open Finance – expanding their services through partnerships to encompass mortgages, savings, pensions, insurance, and consumer credit.



Smaller banks playing an integral role

There's real potential for smaller banks and building societies to be integral to the new banking landscape, capitalising on their trusted brands and USPs to plug specialist products and services into the BaaS ecosystem. To do this, they will need to accelerate their migration away from legacy systems to gain the technical and business agility to seize the opportunities ahead.



AI-driven compliance

Regulations will continue to place significant obligations on the bank of 2030, but what are now experimental Proofs of Concept in AI-driven compliance will have become business as usual. AI monitoring will help companies spot problems for raising with the regulators. In addition, AI will help banks to keep pace with legislative changes by summarising and answering questions on regulations, policies and procedures.



AI-powered fraud prevention

With new legislation and industry schemes placing more obligations on banks to reimburse victims of payment fraud, we're expecting a big push around fraud detection and prevention in the coming years. Again, GenAI will have a key role to play here on several fronts: monitoring and risk-rating customer behaviour, improving transaction monitoring, and generating reports on suspicious activity.



Customer-driven innovation

The advent of online banking, Open Banking and Challenger Banks has prompted a greater focus on the customer than ever before. Ever-increasing customer expectations are driving innovation, which iteratively drives more innovation. AI and data analytics will likely play an important role in powering the personalisation of banking services. And with the growing appetite for embedded finance, the bank of 2030 will offer a broad range of options – whether through its own technical innovation or through strategic partnerships.



Investing for the future

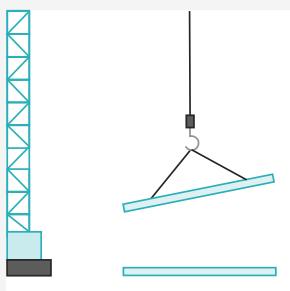
To be ready to thrive in the banking ecosystem of tomorrow, there are pragmatic steps you can take to modernise your technology infrastructure and accelerate your digital transformation.

Even as banks scale back and repurpose their physical branches, they need to modernise their digital banking 'real estate'. Only in this way will they gain the speed and agility they need to compete in the emerging marketplace of Banking as a Service.

A fruitful strategy will be to set a vision that stays true to your brand, focuses on your USPs, and gets your bank ready to integrate into the new banking ecosystem.

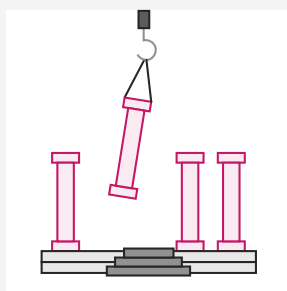
How Scott Logic can help

There are pragmatic, incremental stages involved in building up the capabilities, technical infrastructure and business agility required by the bank of tomorrow. In the next section, we describe the various stages of 'Building the Bank of 2030':



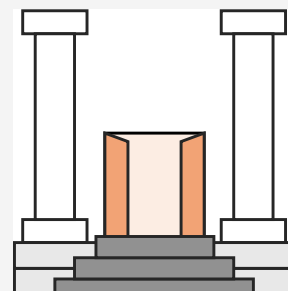
Laying the foundations

Establishing or fine-tuning the fundamental technologies and delivery capabilities you will need



Construction and fit-out

The tools and technologies that will enhance your middle- and back-office functions and capabilities



Opening the doors to customers

The innovations and skill sets required to meet the exacting expectations of tomorrow's customer

Along the way, we share illustrative stories of how we've supported clients to achieve their business goals, and introduce you to some of our experts in written, audio and video form as they share their insights. Not all of the stages we set out may be relevant to your bank, and you may be further advanced in some stages than others.

Whatever stage you are at, Scott Logic can bring rich experience and expertise to bear to support you in becoming a bank of 2030 and thriving in the new banking ecosystem.

Building the bank of 2030

Learn how Scott Logic can support your business to modernise its infrastructure, mature its capabilities, and gain the business agility required to seize opportunities in the emerging banking ecosystem.

Untethering from legacy

Most banks and building societies can feel constrained by their IT legacy estate and unable to break free. IT Directors expect that by 2025 they'll be spending 40% of their budget on keeping legacy systems going, with all the associated risks.¹

Modernising your estate needn't be budget-busting. By working with Scott Logic, we can support you in shaping an incremental plan to untether from legacy in easy, affordable steps – along with a solid business case that will help you sell to stakeholders the ROI that will ensue in terms of increased business responsiveness and reduced costs.



The No-Excuses Guide to Innovation with APIs
[Read the blog post](#) ▶

¹ Gartner research cited by vFunction



Case Study Newcastle Building Society

What they aimed to do

Launch their first mobile app and begin their cloud journey.

How we helped

We isolated their legacy system and created an API layer enabling the development of a new white-label, cross-platform mobile app, designed by our UX experts – meanwhile providing hands-on support for cloud strategy and implementation.

Business outcomes

Mobile app yielding outstanding customer reviews. New foundations for innovation.

[Read the full case study](#) ▶

Cloud-first approaches

You've probably taken your first steps into the cloud, but what comes next? A sizeable chunk of businesses across the UK economy have less than 50% of their architecture in the cloud.² Many companies also have significant skills gaps that will hold them back from harnessing the cloud's full potential, and they may also have security concerns around migrating more sensitive data to the cloud.

If that sounds familiar, you're not alone – and we can help. We have years of experience supporting clients to develop robust, pragmatic cloud strategies. We'll help you set the vision for your cloud ambitions, supported by an incremental roadmap through which you can optimise costs, fill skills gaps, and foster the right culture for your cloud-enabled future.



Is multi-cloud a myth?

[Listen to the podcast](#) ▶



Case Study Saxo Bank

What they aimed to do

Improve the scalability of a key customer platform to match their growth ambitions.

How we helped

Proactively proposed a low-cost, low-resource, incremental approach to platform migration and implemented it at pace with a small team.

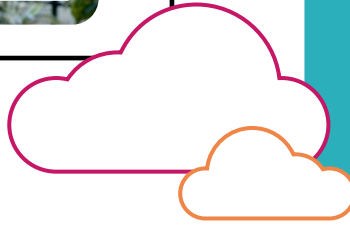
Business outcomes

Investment platform infrastructure that can scale on-demand almost instantaneously.

[Read the full case study](#) ▶

What's next for your cloud strategy?

[Watch the video](#) ▶

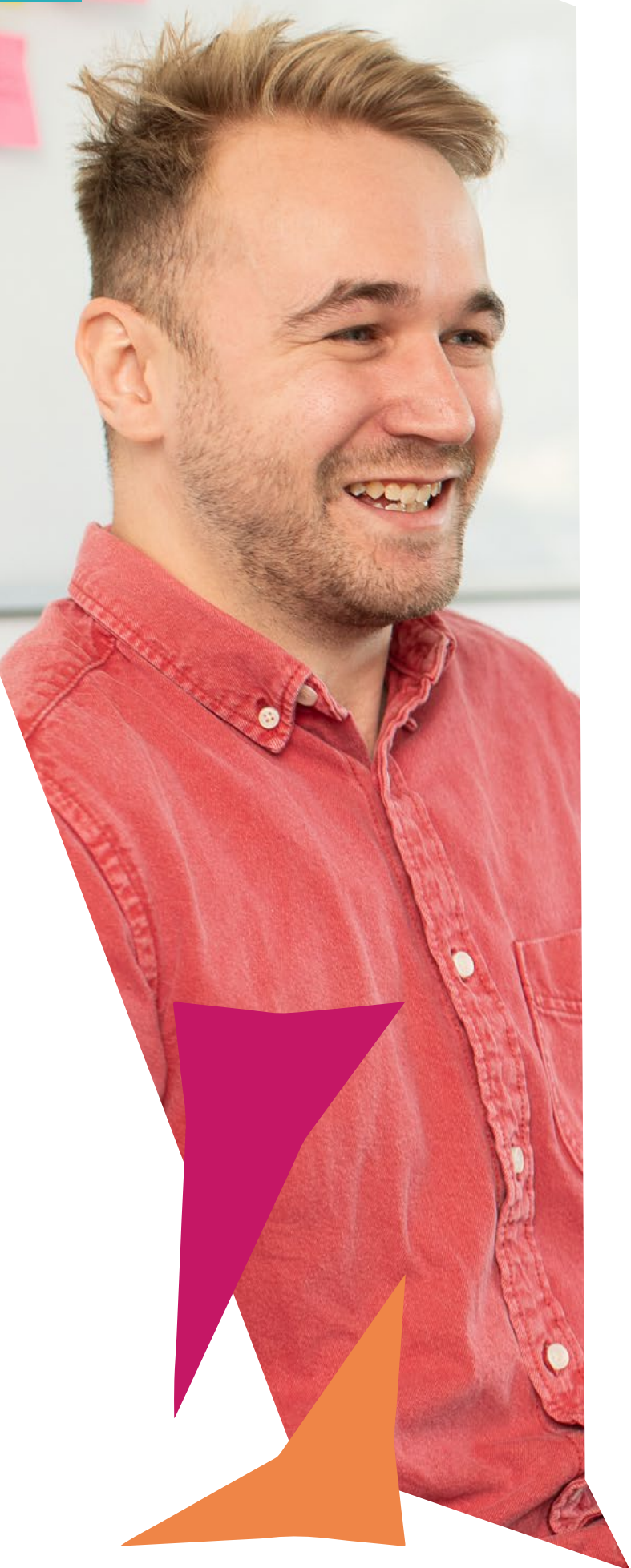


Thinking differently: The cloud as a value driver

[Read the white paper](#) ▶



² Pluralsight, State of Cloud report 2022



Optimising agile practices

Agile is no longer the fresh-faced, new kid on the block; in fact, it's in its 20s. By now, agile adoption by software development teams is fairly pervasive – but adoption is the beginning of the journey, not the end.

Do any of the following challenges sound familiar? Harmonising agile delivery across programme teams, exercising appropriate governance without impeding delivery, forecasting and reporting effectively... if so, we can help. Have a read of the case study to the right.



Case Study HM Land Registry

What they aimed to do

Improve delivery capacity, including staff capabilities, reporting, and release planning.

How we helped

We developed a Capability Plan, set up a Delivery Community of Practice, streamlined reporting, and provided tailored training.

Business outcomes

Strengthened delivery capacity, directed by better-informed governance decisions.

[Read the full case study](#) ▶



Safeguarding customers

With each innovation in banking services, the threat landscape becomes more complex. Added to that, the Financial Services and Markets Act 2023 and the Confirmation of Payee scheme are placing more pressure on banks to increase their fraud prevention measures. Thankfully, while innovation is adding to the risks banks face, it is also generating solutions.

Scott Logic was born out of the financial services sector and we have two decades of experience developing highly secure systems for banks and financial institutions. Defence-in-depth security literacy is a core competency of all our consultants, meaning that we support you to embed security into every stage of the software development lifecycle.



ISO Certifications

ISO 27001 – All Scott Logic consultants are certified

ISO 20000 and **ISO 20022** – We have consultants with experience in delivering services to these international standards



World-class security with ControlPlane

[Read about the partnership](#)



Case Study Scottish Government

What they aimed to do

Deliver a scalable payments platform through which organisations can make quick and secure payments to payees.

How we helped

Full-service design and delivery of platform to ISO 20000 and ISO 20022 standards, balancing interoperability with tight security.

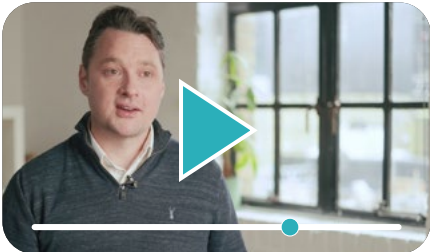
Business outcomes

£25m processed in 18 months while still in Beta.

[Read the full case study](#)

Security by Design at Scott Logic

[Watch the video](#)





AI as a driver of regulatory compliance

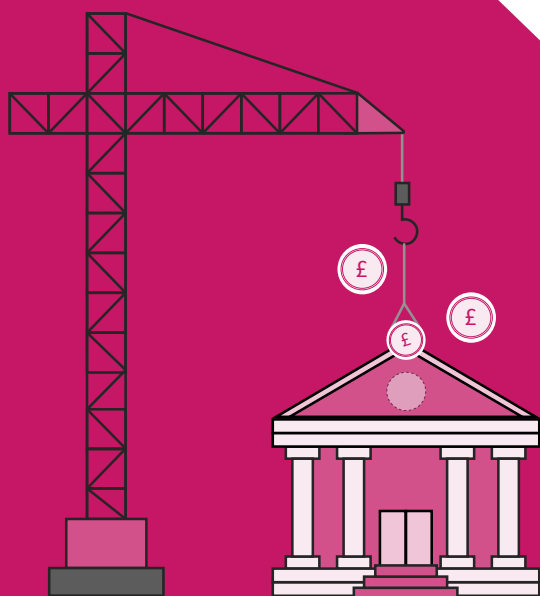
Consumer Duty, the Basel framework, the Digital Operational Resilience Act (DORA), climate risk management and disclosures... The regulatory landscape that banks must navigate is generating an increasingly significant overhead.

Imagine a world where you could train AI in what 'good' looks like in terms of regulatory compliance, before tasking it with alerting you to aberrant behaviour, thereby allowing you to report proactively on misconduct. That world is becoming a reality, and we at Scott Logic can help you be an early adopter of this game-changing AI use case.



How our delivery approach supports innovation

[Watch the video ▶](#)



Revolutionising API use at a high-street bank

What they aimed to do

Implement Open Banking in response to the Competitions and Markets Authority mandate.

How we helped

Embraced the client's goals in an embedded, one-team approach and delivered Open Banking APIs that were highly available, performant and scalable. Supported the client team in promoting to the business the vast potential of APIs.

Business outcomes

900 million monthly API calls from 270 businesses serving four million customers by 2022. Cost savings thanks to reusability of APIs in other products and services.

What happened next

With the client's eyes opened to the potential of APIs, we supported them in creating a wide range of new APIs designed to generate revenue, streamline bank processes, and improve services for customers.

From Open Banking to Open Finance

The UK's trailblazing adoption of Open Banking has generated Fintech innovation, improved customer experience, and reduced the cost of payments. With PSD3 and its likely UK equivalent in the offing, the UK looks set to be just as much a pioneer in Open Finance.

We were a partner of a UK global banking group on every step of its Open Banking journey – supporting it to set up market-leading infrastructure and to manage a cultural transformation so that the disruptive potential of Open Banking was understood group-wide. As a result, we're perfectly positioned to support your bank to fast-track its Open Finance journey.

Spinning up new services at pace

As Open Banking reminded the big banks, the humble API has the power to untether you from legacy, unlock innovation, and save you money. With APIs, you can think in terms of modules rather than monoliths, spinning up new services and product increments rapidly. And now, thanks to the Open Banking ecosystem, you can innovate new banking services without even needing to build your own APIs.

After supporting a UK global banking group to create its Open Banking APIs, we went on to help them build a range of discretionary APIs in response to emerging customer needs. With this experience, our experts stand ready to collaborate with you on APIs that will open up new revenue streams and streamline your services.



GenAI in customer services

Of all the AI use cases for banking, the potential of GenAI chatbots is the most immediately compelling. Representing the 'brain' of the bank, these bots could interact with the bank's systems and the user, enriching the bank's understanding of the customer and connecting them to the most suitable products and services. But could you trust them not to mess up and damage your bank's reputation?

With Scott Logic, you're in safe hands. We've been doing pioneering work in this field, such as building a proof-of-concept for a Tier 1 high street bank, and developing cutting-edge testing practices to tame and de-risk AI for safe business use. Working with us, this pillar of the Bank of 2030 is not as far away as you think.

De-risking chatbots in regulated enterprises

[Watch the video](#)

De-risking GenAI for retail banks

[Watch the video](#)



ChatGPT and why it has set the internet alight

[Listen to the podcast](#)



Mobile-first banking

Over 70% of UK banking customers now use mobile banking, and the upward trend will continue, with bank branch usage declining accordingly. It's not just the Bank of 2030, but the bank of today that needs to be mobile-first. And customers increasingly expect budgeting tools, aggregated insights, and access to all their external account data in one place.

At Scott Logic, we'll support you to elevate your mobile offering – whether you're seeking architectural insights to help you break free from legacy, or whether you'd benefit from industry-leading UX expertise to create frictionless mobile experiences. In a world where success or failure is measured in App Store ratings, let us help you rise through the ranks.



Case Study Nord Pool

What they aimed to do

Create a mobile app to showcase energy market prices in a clear interface.

How we helped

Prioritised with the user the most important features and data, and designed the mobile app to present them in a clean, simple way.

Business outcomes

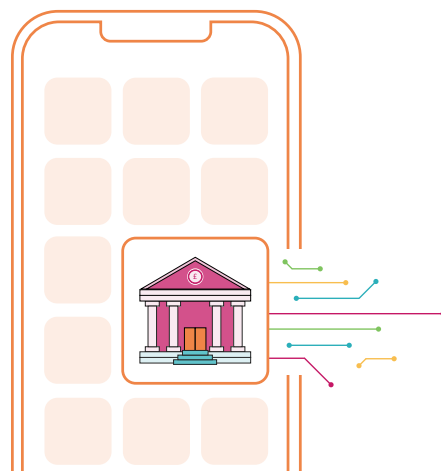
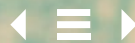
Improved customer experience via new Android and iOS apps.

[Read the full case study](#) ▶

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Elevating Software: The Indispensable Role of UX

[Read the blog post](#) ▶



AI-powered personalisation

The rise in mobile banking has brought with it a growing appetite for personalisation. Customers expect to be offered services tailored to their financial needs, and most are comfortable with their data being used if they can see how it will benefit them. Your bank already has a wealth of customer data it can mine to power personalisation; to this, you can add yet more data from mobile banking behaviours.

With consultants who work almost exclusively in highly regulated environments, we can help you harness AI and machine learning to rapidly scale your bank's personalisation capabilities, all while maintaining customer trust.



Co-creation with customers


Always-on mobile banking means that banks now have always-on access to customer insights. It has never been easier to learn about customer needs and, from there, to co-create new products and services with customers. And with the rise of embedded finance, UX design will be of critical importance in integrating financial products seamlessly into end-to-end customer journeys.

From mobile apps for challenger banks all the way to secure payment services for millions of citizens, our UX design experts are specialists in creating frictionless experiences that combine utility with delight. Through great design, we'll support you to build the right thing, first time – accelerating speed to market and return on investment, while boosting customer satisfaction.

✕

The value of UX to our clients

[Watch the video](#) ▶



⋮



Designing for Neurodiversity

[Read the blog post](#) ▶



Case Study Scottish Government

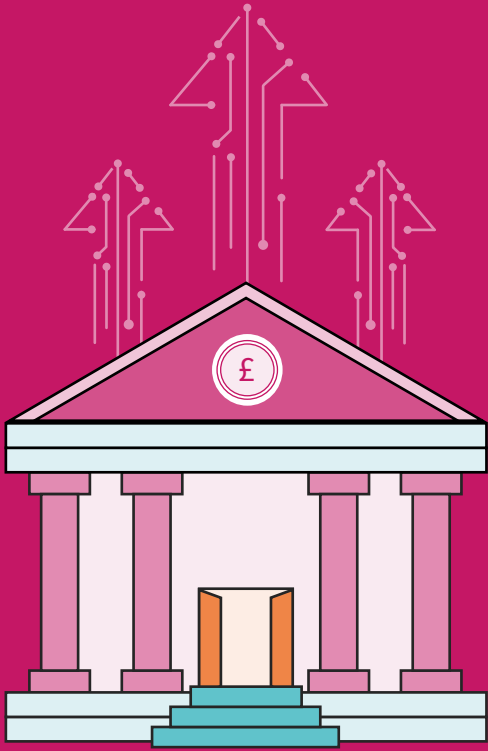
What they aimed to do
Design and deliver a digital identity platform, ScotAccount, that Scottish citizens would trust and embrace.

How we helped
Collaborated with ScotGov's user researchers to shape the service design, based on the active participation of users in the definition, design and delivery of ScotAccount.

Business outcomes
A successful Private Beta that's already helping citizens access important public services.

[Read the full case study](#) ▶





Ready to accelerate your bank's transformation journey?

For two decades, we've helped financial services companies take a pragmatic and holistic approach to achieving their strategic goals. With our support, you can modernise your technology infrastructure to gain the business agility you need to be ready to thrive in tomorrow's banking ecosystem.

If you'd like to discuss your transformation journey and where some fresh insights and support could help, we're always happy to chat.

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