



BNY MELLON

## A postcard from London - Dominic Broom, BNY Mellon



Dear Colleagues,

The finance industry is undergoing huge transformation. New fintech solutions are being launched at an astonishing rate and are having an explosive impact on the payments business by fuelling heightened industry and corporate client demand for more effective, technology-driven solutions. What's more, the industry faces the prospect of unprecedented levels of competition from unfamiliar, "alien" rivals: non-banks vying to enter the payments market with client-centric solutions and capabilities.

An increasing realisation of the power of fintech is taking hold and, subsequently, investment into technology innovation is ramping up; with the race on to find real game-changers in the corporate payments segment. Enhanced transparency, efficiency, speed, convenience and security are the key areas of focus. In order to provide such capabilities, banks need to join forces with the fintech sector to establish a tangible, future-proof strategy that ensures they become firmly immersed in the digital era, and are able to cater to shifting demands; a subject recently discussed by my colleague Fred DiCocco in *Banking Technology*.

The blockchain - the distributed ledger technology behind Bitcoin - is the fintech development that has really captured the imagination of payment innovators (start-ups and banks alike), in terms of its potential to radically enhance the transaction banking domain. As explained by Dhru Tanna in *FX-MM's February edition*, the blockchain, if fully leveraged, promises to

streamline the entire payments process. A number of banks, BNY Mellon included, have confirmed they are exploring ways to apply blockchain principles. We are committed to becoming a leader in the fintech space, working with clients and non-bank players, to develop ways to enhance our businesses and the global payments industry.

Even the trade finance arena, traditionally renowned for its more conservative approach and for being somewhat resistant to change, is embracing enhancements brought about by technology. The speed with which innovation is occurring is itself unprecedented, and as the trade industry becomes more accustomed to change, so it is more inclined to embrace new solutions. As my colleague Mauro Bonacina discusses in [GTR's November/December edition](#), digitisation is firmly on the sector's agenda, with a growing demand for consolidation through streamlined processes, increased efficiency and reduced working capital costs.

I hope you find this communication insightful, and look forward to sending further updates as we continue our digital journey together.



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