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HSBC UK PUSHES FURTHER INTO OPEN BANKING THROUGH PARTNERSHIP WITH INNOVATIVE FINTECH

HSBC UK continues to explore Open Banking through a trial of 'marketplace banking' through its **first direct** brand

HSBC UK today announced a partnership with Bud – a fintech start-up – through its first direct brand to trial a new business model, which provides customers with an integrated offering of financial services products and tools from across the market, including those from other providers where most appropriate.

first direct is trialling the business model with Bud among both customers and non-customers. It will enable people to link accounts from all their different banks securely in one app, giving them a complete view of their finances, and supporting them with a range of useful tools designed to help them meet their financial goals.

The trial forms part of HSBC UK's Open Banking strategy, and follows the recent announcement of its Beta trial. Over the coming months the Group will be evaluating new opportunities brought by Open Banking across its different brands in order to continue to provide the latest in customer-centric services and digital banking offerings.

Raman Bhatia, Head of Digital, UK and Europe at HSBC UK, said: "At HSBC we recognise that the sector needs to innovate to meet changing customer needs and we're investing significantly in digital innovation, including working in partnership with fintechs such as Bud.

"The first direct trial and the launch of HSBC Beta shows our commitment to delivering the best services and technologies to all our customers, across all our brands. It allows us to test, learn and develop in a live environment, and then deploy the new technologies at scale."

Some of the initial features available through the first direct trial include:

- Safe to spend – takes into account the regular payments within an your transactions (rent, bills etc.) and shows the actual balance you have to spend over the next month
- Lists – enables you to create separate lists of transactions across accounts. This can help you keep track of spending specific to you, such as household bills or gift shopping
- Goals – enables you to set-up financial goals and monitor you progress against them, such as saving for a holiday
- Virtual joint accounts – allows you to securely share lists and goals with partners, friends, family members, and housemates
- Spend analysis and the categorisation of transactions, by both vendor and account

The trial also uses proprietary algorithms – Market+ – to suggest the most suitable financial and non-financial products and services based on individual needs.

Making third party products available for the benefit of customers marks a sea change for UK banking, and is the first example of a large financial institution in the UK adopting this stance.

Joe Gordon, Head of first direct, added: “first direct makes it easy for customers to bank with us whenever and however they wish, so the next logical step is to help them manage all their finances just as easily.

“With our history of driving innovation in financial services, first direct is a great brand to trial this tool, as it plays to our strengths of pioneering amazing customer-focused service and new ideas. It will see first direct extend its great service to people who don’t currently bank with us, and if it’s successful it can’t be overstated just how much this new business model could shake up the world of banking.”

The trial will include 2,000 first direct customers and up to 4,000 non-customers, running for six months from December. The announcement follows on from HSBC Beta, which also uses algorithms to identify when it’s safe to spend through nudges and auto rules.

Bud’s connection to HSBC goes back to its sponsorship of Accenture’s FinTech Innovation Lab London 2017, where Bud was a finalist in the Retail Stream.

Ed Maslaveckas, Chief Executive of Bud, added: “Our aim is to help identify the journeys that first direct’s customers are on. Whether they’re looking to buy a house or start a family, understanding what people want to achieve will help the bank serve its customers better with relevant products, in the right experience. first direct is a great brand with a pedigree in innovation and service. This collaboration will raise the bar for the customer experience in banking globally.”

Ends

For further information please email Katie Cohen at katie.cohen@hsbc.com or call 0121 265 3684, or Ben Marquand at ben.marquand@firstdirect.com or call 0113 2766700.

Notes to Editors:

HSBC Beta is a new test and learn mobile banking platform which provides an environment for trialling new products and services. Customers are being asked to try out a new, as yet unnamed app due to launch early next year that will improve people’s relationship with money.

Customers can add accounts from up to 21 different banks including Santander, Lloyds and Barclays and will allow users to see not only their current account but loans, mortgages and savings too if they are visible via online banking services.

This is the starting point for a raft of new features such as Safe Balance and Spend Analysis that will be released on Beta over the next few months, including:

- Safe Balance - shows how much disposable money you have before the next payday
- Spend Analysis - categorises spending, adds tags, notes and photos to transactions and analyse patterns for more informed decision making

- Digital Coach - provides insights into spending and allows users to learn how to spend and save better
- Goals - helps create savings goals and provides tips on how to reach your goals sooner

HSBC UK

HSBC serves c17 million customers in the UK and employs approximately 43,000 people. In the UK, HSBC offers a complete range of personal, premier and private banking services including bank accounts and mortgages. It also provides commercial banking for small to medium businesses and corporate and institutional banking services. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

first direct

first direct provides mobile banking, online and telephone services to its 1.35m customers and offers a full range of personal banking products including its multi-award winning current account and mortgages. It has been recognised for its excellent customer service by numerous independent third parties including Which?, Moneywise, Moneyfacts and Moneysavingexpert.com. As well as its Facebook page, **first direct** uses social media to engage with customers through sites like YouTube, Twitter, Flickr and Tumblr.

The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,492bn at 30 June 2017, HSBC is one of the world's largest banking and financial services organisations.

For the latest updates, visit the **HSBC UK newsroom**:

<http://www.about.hsbc.co.uk/news-and-media>