



EMERGING PAYMENTS  
ASSOCIATION



algebra'



HELPING THE FINANCIALLY  
OVERLOOKED WITH

# 'LIFESTYLE AND VALUES BANKING'

A thought leadership paper from the Emerging Payments Association, supported by Mastercard and authored by Algebra

# FOREWORD



To an outsider, so much of what happens in our industry seems to be self-serving. But what we're talking about in this paper really has an impact on many people outside our industry.

I think we've done a great job of bringing the issue of financial inclusion to the table. So much has been done to help those on the outside to be included. But once they are on the inside, what happens then? They are often ignored or at the very least, overlooked. Or provided with generic 'lowest common denominator' products that satisfy nobody.

This paper explores for the first time what happens to those we have overlooked when driven by values, ethnicity, preference and orientation rather than money. The team at Algra have done much of the heavy lifting here, proving once again that they are a values-driven company willing to encourage us to think better by thinking differently. It's an important step on the road to providing the right products for the right people, every time.

**Tony Craddock**  
Director General  
**Emerging Payments Association**



I have been excited about the prospect of this report and eagerly awaiting its publication for months because it reflects a transformational pivot across fintech as well as an important evolution in our understanding of what it means to be financially included.

Part of Mastercard's core ethos is to cultivate the growth of new and innovative payments propositions with a particular focus on broadening access to the many benefits of digital payments and other financial services. However, since late 2019, and certainly spurred by the privations of the pandemic, fintech has moved beyond ease of access as a core proposition to embrace, complement and promote customers' identities.

It might not be an exaggeration to suggest that access alone is now merely a necessary qualification for market entry whilst not being sufficient for effective differentiation. Put another way, the market is now demanding more effective and more meaningful tools to support individuals' financial well-being. If we reflect on how important financial health is to all of us, perhaps we shouldn't be surprised and indeed should celebrate the closer harnessing of citizens' money management to the way we live day to day. Who knows whether this might force positive change that benefits us all?

**Josh Berle**  
Business Development Director  
**Mastercard**



Whilst the pandemic has been a storm that everybody has had to weather, we have done it in very different boats. Some communities have been impacted, and continue to be impacted, more than others. But what we have also seen is a catalysing moment where technology and the willingness for quick adoption is revolutionising many industries, and financial services is at the heart of that change.

Fintechs, like ours at Algra, are leading the charge to meet the needs of historically underserved and overlooked communities - often the very same that have been hardest hit by the pandemic - by offering inclusive solutions that everyone can get behind. The most exciting of these is the clear emergence of lifestyle and

values propositions, which now allow consumers to positively align their personal values that they carry with them every day, to their day-to-day banking. Such shifts are not temporary; consumers, particularly younger generations, are increasingly vocal about their expectations and its digital financial institutions that are leading the response.

We were thrilled to author this report on behalf of the Emerging Payments Association (EPA), and we are especially grateful to the members of the Project Inclusion Group, particularly Mastercard, for their support and contribution.

**Nizam Uddin OBE**  
Chief Strategy Officer  
**Algra**



# INTERVIEWEES

## **Zeiad Idris**

Co-Founder & CEO

**Algebra**

## **Rob Curtis**

Co-Founder & CEO

**Daylight**

## **Mathias Wikström**

Co-Founder & CEO

**Doconomy**

## **Johan Pihl**

Co-Founder & Head of  
Innovation

**Doconomy**

## **Dexter Penn**

Founder & CEO

**Kalgera**

## **Chryssi Chorafa**

COO

**Kalgera**

## **Helene Panzarino**

Associate Director

**London Institute of  
Banking & Finance**

## **Debbie Watkins**

Co-Founder & CEO

**Lucy**

## **Jayne Sibley**

Founder

**Sibstar**

## **Matthew Addison**

Founder & CEO

**StepLadder UK**

## **Coen Jonker**

Co-Founder & Executive  
Chairman

**Tyme Bank**

## **Matt Oldham**

Co-Founder & CEO

**UniZest**



algebra

Ramsey El-Dabbagh  
Corporate Development  
Algebra

# EXECUTIVE SUMMARY

**Financial inclusion has long been synonymized with the 1.7 bn unbanked across the world. This report highlights the needs of significant communities beyond the unbanked – consumers in both emerging and developed markets worldwide - who are seeking financial products that accommodate their values and beliefs. Our conservative estimate suggests that over 9 million people in the UK alone fall within this category, which we have defined as the ‘financially overlooked’.**

**T**he journey to a more inclusive society is driven by a better understanding of customers’ needs. These needs extend to the values and manner in which someone wishes to live their life, beyond financial products and services designed purely for the lowest common denominator market.

Lifestyle and Values Banking is the industry’s response to consumer demands for these more personalised solutions. These include carbon calculators (Doconomy), ESG and faith based financial ecosystems (Algebra), affordable credit for female entrepreneurs (Lucy), LGBTQ+ community financial support networks (Daylight) and financial education tailored to the needs of racialised communities (Tyme).

These propositions are breathing new life into the industry, enhancing the purchasing power of ever-growing communities. But these should not be seen as niche products for niche markets. Consumers are increasingly aligning their purchasing and investment behaviour with their lifestyle and values, and those

markets are adapting to reflect this. So too should our industry so that consumers don’t have to compromise their values and beliefs in order to access financial services and banking.

This presents a hugely exciting opportunity for the entire industry to facilitate meaningful systemic inclusion and to embed these considerations in our products and services rather than viewing them as an optional ‘nice to have’. Supply chains must engage with consumer demands for personalised and values-driven solutions; investors must recognise the potential rewards from focusing on these communities and have the appetite to support those addressing their needs; and consumers must keep driving the demand for democratised financial solutions.

The more that companies in financial services recognize these communities and incorporate solutions that meet their needs, the greater the impact this will have on both financial inclusion and economic empowerment. And we will be helping consumers connect their finances and lifestyle with their values. ■

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# INTRODUCTION

## A Brief History

The advent and progress of the digital banking industry has democratised finance globally by making it easier than ever to access financial services. However, whilst many consumers have benefited, there remain large segments of society that are overlooked. Such communities have not received access to financial services that benefit their specific needs, particularly in relation to their social, lifestyle and values-based needs. These communities are often minority populations and are therefore found in even the most developed

economies, including in the UK and across the European Union.

Notwithstanding the growth of major actors in the digital banking sector, we are also seeing an upshot in growth in the ecosystem that surrounds and serves them, from branding and marketing to payments processing and card manufacturing. With these have come innovative new consumer-focused businesses, targeting, in particular, overlooked communities with operational agility and a personalised product-offering. This

has helped the digital banking landscape evolve from a few dominant institutions serving the masses to multiple disrupters serving specific communities. These lifestyle and values banking solutions are growing and over £330 million has already been raised this year from leading institutions including Mastercard, JP Morgan, Anthemis, New World Group and Lightspeed Ventures.

## Financial Inclusion

The term 'financial exclusion' is often used to describe the 1.7 billion people globally

that are unbanked<sup>1</sup>, and usually implies a lack of access to finance, poor creditworthiness, or simply poor financial education, all of which paint the picture of a population living close to or below the poverty line. Most conversations around financial inclusion, therefore - across both developing and developed contexts - centre around the socioeconomic positioning of individuals when discussing access to financial services. Our analysis of trends, particularly in the UK, suggests it would be prudent to revisit this approach. ▶

**“Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.”**

<sup>1</sup> <https://globalindex.worldbank.org/>

According to the World Bank, “*financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.*”

It is easy to see that, for the most part of this definition, the UK’s thriving financial services industry satisfies the threshold standards for what the

World Bank would deem as ‘financial inclusion’. However, within the definition is a criterion – “... meet their needs” – that deserves closer inspection. There are minority groups whose needs, often inextricably linked to their identity, values, lifestyle or circumstance, are not catered for by traditional financial services. They include, for example, the same sex couple who wish to borrow money for adoption, a group that currently comprises 1 in 6 of all UK adoptions<sup>2</sup>; the

850,000 people suffering from Dementia who wish to retain their financial autonomy for as much as possible and for as long as possible<sup>3</sup>; or the over 4 million Muslims in the UK that wish to consume financial products in an ethical and sustainable manner that accords with their faith and values.<sup>4</sup>

This is not to say that these individuals are wholly financially excluded. However, they are using legacy financial services that were designed for as much of the majority population as possible without consideration as to how consumers’ specific requirements arising from their values or lifestyles might be sustainably catered for. We would describe these groups to be ‘financially overlooked’; communities whose needs have not been recognised by the existing financial system because it has historically been limited to the concerns of majority populations.

A conservative calculation of communities with values and lifestyle-based needs – including those with disabilities<sup>5</sup>, the LGBTQ+ community<sup>6</sup>, and those of the Muslim faith<sup>7</sup> - suggests there is at least an estimated 9 million people in the UK that are financially overlooked and underserved. When added to the existing 1.3 million

people that are unbanked by conventional measure<sup>8</sup> – notwithstanding some overlap – it can be argued that the UK’s financially overlooked comprises almost 16% of the total population.

This report contains our findings from interviews with executives from companies that are helping the financially overlooked. They are companies that are focussing on the lifestyles of their customers, reflecting a set of progressive ‘values banking solutions’ targeted at those overlooked in society.

The development of lifestyle and values banking solutions exemplifies this, serving the needs of underserved communities that need a more nuanced understanding of their financial needs. Advancements in technology and data analytics will further enable the development of this new segment and increase customer demand for bespoke solutions for many more years to come.

This report maps the landscape of lifestyle and values banking propositions and how technology, consumer trends and market forces are reshaping the retail banking industry. ■



2 <https://explore-education-statistics.service.gov.uk/find-statistics/children-looked-after-in-england-including-adoptions/2020>

3 <https://www.nhs.uk/conditions/dementia/about/#:-:text=How%20common%20is%20dementia.in%206%20people%20over%2080>

4 <https://www.statista.com/topics/4765/islam-in-the-united-kingdom-uk/>

5 <https://www.st-andrews.ac.uk/hr/edi/disability/facts/#:-:text=Over%207%20million%20people%20or,article%20Work%20for%20disabled%20people>

6 <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality/bulletins/sexualidentityuk/2017>

8 <https://business-reporter.co.uk/2020/10/22/the-opportunities-and-threats-of-digitally-enabled-financial-inclusion/#:-:text=the%20exclusion%20list.-The%20unbanked.a%20major%20global%20financial%20hub>



# WHAT IS LIFESTYLE AND VALUES BANKING?



## Defining Lifestyle and Values Banking

Lifestyle and Values Banking is a segment of the financial services market that is built on delivering financial solutions catered to the needs of communities with a unique set of circumstances that are not addressed by conventional institutions.

## How Did We Get Here?

The banking sector has experienced rapid development and

innovation over the last 5 years with the emergence of digital banking and fintech solutions. This has been spurred not only by innovation within the sector but also by changing dynamics in how consumers interact with technology.

Social media, e-commerce, ride hailing, and online delivery have changed the way in which consumers interact including how they spend, socialise and manage their money.

Consumers are demanding more holistic solutions that cater to all aspects of their life and are personalised to their specific needs. This is demonstrated in shifts of consumer expectations with two thirds of banking customers saying they would share more data if it led to new benefits and 71% of millennials significantly valuing personalised information to assist in choosing a new home.<sup>10</sup>

Whilst advancements in technology and data analytics are enabling these developments addressing the needs of the financially overlooked requires a nuanced approach. This means delivering products that comply with the faith-based requirements of religious communities, interacting in a way that

empathises with the experiences of LGBTQ+ people or being inclusively designed for those with disabilities.

## Lifestyle Banking & Hyper-personalisation

As consumer trends and financial technology progress, holistic lifestyle and values driven solutions will become the norm. A recent MoneyLIVE survey found 86% of people surveyed predict lifestyle portals managing every aspect of their lives to become mainstream within the next 5 years. This expectation falls at the nexus of this emerging landscape.

A recent Deloitte report highlighted the imperative for banks to hyper-personalise their services. ▶

<sup>9</sup> <https://youtu.be/7B115GKWr7A>

<sup>10</sup> <https://www.smartcommunications.com/wp-content/uploads/2018/01/Retail-Banking-Report-Chapter-6.pdf>

Deloitte defined “hyper-personalisation” as the combination of real-time data and behavioural science to generate insights and deliver context-specific products and services, and pricing that is relevant to customers’ manifest and latent needs (i.e. those needs which, due

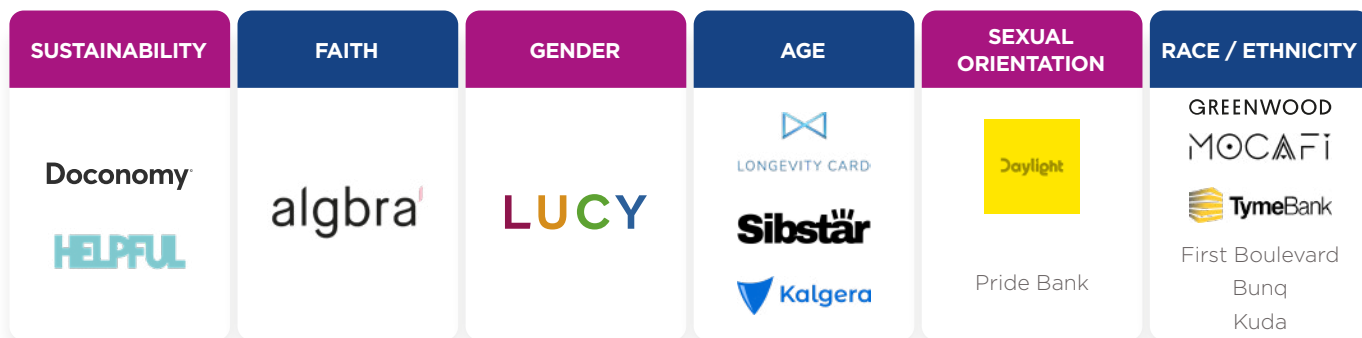
to a lack of information or availability of a product or service, cannot be satisfied).<sup>11</sup>

As such, lifestyle and values banking solutions not only have the potential to create more personalised offerings but are also capable

of boosting financial inclusion. According to Deloitte, 94% of banks are unable to deliver on the market potential for hyper-personalised products and therefore it is the new players that will address the needs of previously untapped market segments.

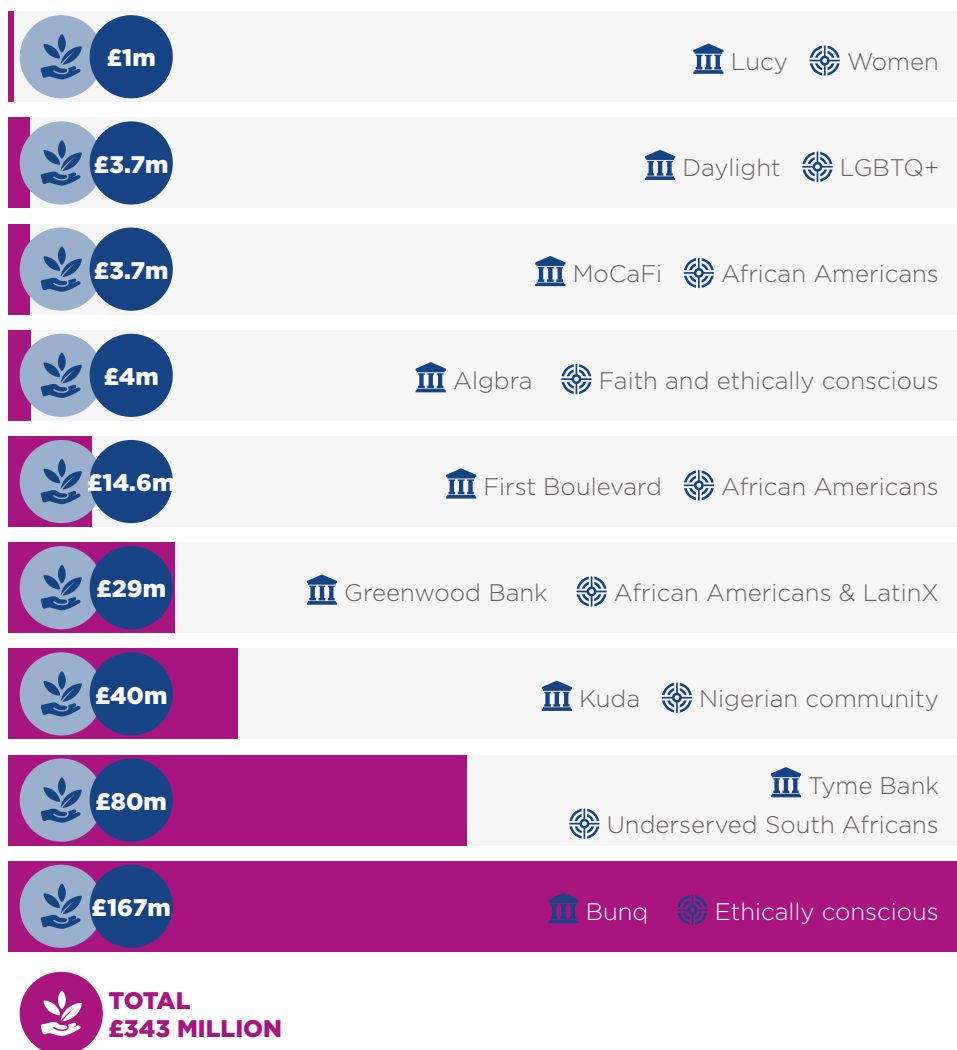
### Service Providers

The key players within lifestyle and values banking have been found to fall within a series of themes. Our research and interviews highlighted a number of key segments and players which include the following:



### Growing Investment

There has also been a growing investor appetite to support this sector. 2021 has already seen a significant increase in institutional investment with over £340m million raised from some of the world’s leading financial institutions, investment groups and venture capital funds. These include: Mastercard, Visa, Citi, Anthemis Group, Lightspeed Ventures, JP Morgan, Barclays, Apis Partners, New World Group, Bank of America, Pollen Street Capital. ■



#### KEY:

COMPANY

TARGET MARKET

FUNDS RAISED (2021)<sup>12</sup>

<sup>11</sup> <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/financial-services/deloitte-uk-hp-the-future-of-retail-banking.pdf>

<sup>12</sup> [www.techcrunch.com](http://www.techcrunch.com)



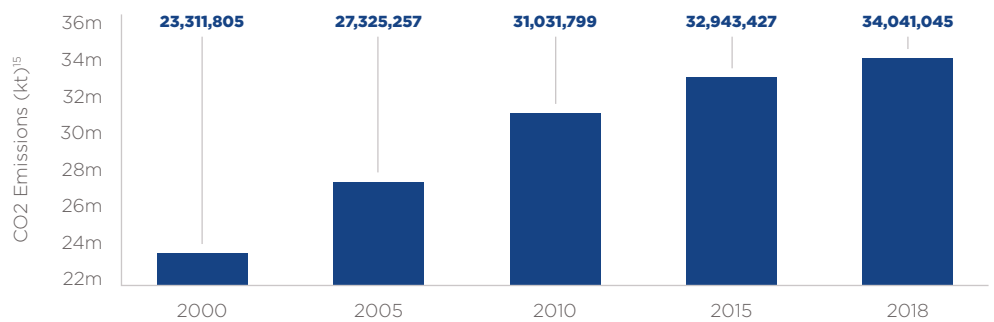


# SUSTAINABILITY

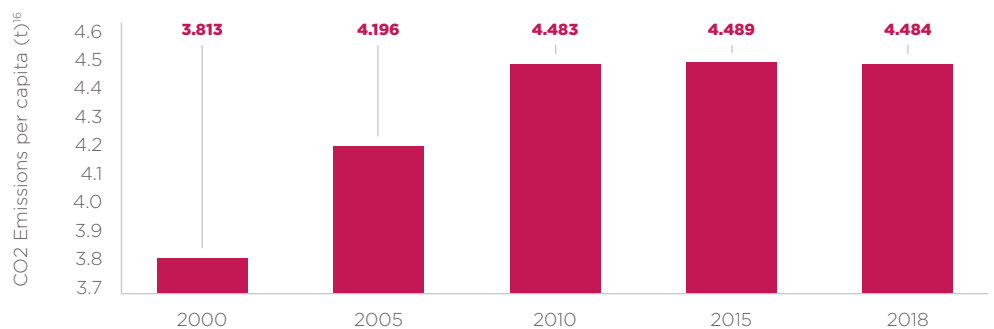
## The Problem

Consumers are increasingly conscious of developments in climate change and are actively seeking solutions to help contribute to a more prosperous and sustainable world. This can be seen across industries and sectors with 73% of customers now expecting online retailers and brands to use disposable packaging and 35% of customers are only willing to purchase products which have been naturally, locally or sustainably sourced.<sup>14</sup>

**Figure 3:** Global CO2 emissions in kilo tonnes between 2000 and 2018.



**Figure 4:** Global CO2 emissions per capita in metric tonnes between 2000 and 2018



<sup>13</sup> <https://youtu.be/GOgUsDYDkDs>

<sup>14</sup> <https://www.forbes.com/sites/jonquihackenberg/2020/12/10/redefining-normal-the-top-5-esg-trends-for-2021/?sh=6e793334914e2>

<sup>15</sup> <https://data.worldbank.org/topic/19>

<sup>16</sup> <https://data.worldbank.org/indicator/EN.ATM.CO2E.PC>

# “35% of customers are only willing to purchase products which have been naturally, locally or sustainably sourced.”

## The Solution

Technology has allowed the banking industry today to contribute more to the fight against climate change than ever before. Not only does the banking industry have the power to do this itself, it has now empowered the consumer to take action against climate change, through technologies provided by companies like Doconomy.

Doconomy's fintech solutions have been designed to enable customers to bank and transact in a more

sustainable fashion. Doconomy recently received investment from Mastercard and defines itself as promoting “everyday climate action”.

Doconomy's key product allows banks to integrate a carbon calculator into their financial services app, allowing a customer who shops at a high street store to see the carbon impact of their purchase. They do this through 3 key products:

**1. The Aland Index API** – a cloud-based service that provides banks and payment providers

with a carbon emissions calculator for their customers.

**2. The DO Credit Card**

– a credit card that tracks CO2 emissions and displays them in a simple app.

**3. Planet Loyalty** – a

rewards program for brands who are willing to share the carbon footprint of their products.

Doconomy are already working with the likes of Mastercard, Klarna, Standard Chartered and the S&P 500 to deliver carbon tracking solutions to over 300 million customers.

In light of consumer trends and the emergence of fintech solutions catered to enabling a more sustainable lifestyle, customers will begin to expect products and services like those offered by Doconomy as standard.

Developments like these can help individuals live in accordance with their lifestyle and values with respect to environmental sustainability with everyone doing their part to reduce the effects of climate change. ■







# FAITH

## The Problem

Faith is an integral part of many people's lives around the world and certain faiths prescribe the way in which people transact and manage their money. This is what we call faith-based banking.

The most prevalent of these segments is within the Muslim faith. With just under 2 billion adherents around the world, of which 1.3 billion are addressable, more effective financial and faith-based solutions have the capacity to empower significant populations.<sup>18</sup> The principles and requirements however

are not exclusive to one community and as Alibra Co-Founder & CEO, Zeiad Idris, suggests "anyone can get behind". These principles include:

1. Ensuring that money is never held with unethical industries or companies
2. Transparency - clarity on fees
3. Risk-reward sharing - balance between the borrowers and creditors
4. No interest - predictability of the cost of capital

Delivering these services is important across

markets including in the UK and Europe, where these communities, in particular, lack access to any meaningful solutions catered to their needs. In Europe, the Muslim population is over 20 million and in the UK over 4 million with a spending power worth £47 billion.

The most impactful aspect of the absence of faith-based banking solutions for the Muslim community is on the acquisition of credit. In the UK, this leaves Muslim homeownership rates at only 40% in contrast to a national average of 63%.<sup>19</sup>

## The Solution

The market is now beginning to play host to a range of financial products and services that comply with faith-based requirements which segments of the U.K. and global population are demanding,

One provider who is addressing this issue is

London based challenger bank Alibra. Alibra's digital banking offering not only includes home ownership but the full-suite of financial products and services that Muslim communities lack meaningful access to including, personal loans, buy-now-pay-later and insurance.

To deliver these products, Alibra provides a complete ecosystem that connects communities with financial education that enhances financial literacy, content that celebrates and empowers diverse identities and cultures and affordable transfer and FX solutions that get to the core of their customer's needs who often remit funds back home. To deliver this Alibra has committed to a partnership based approach, that has created an aligned supply-chain connected by the values and commitment to creating a more inclusive and ethical financial system. ■

<sup>17</sup> <https://youtu.be/AQRD5kF4F4L>

<sup>18</sup> <https://www.pewresearch.org/fact-tank/2017/08/09/muslims-and-islam-key-findings-in-the-u-s-and-around-the-world/>

<sup>19</sup> <https://www.ethnicity-facts-figures.service.gov.uk/housing/owning-and-renting/home-ownership/latest>



# GENDER

## The Problem

Creating greater equality between men and women requires a holistic approach. Addressing this gap requires political empowerment, economic empowerment and equality in educational attainment. A 2021 report by the World Economic Forum, highlighted that the continuing effects of the Covid-19 pandemic have

increased the time to close the gap from 99.5 years to 135.6 years.<sup>20</sup>

Whilst there have already been advancements in the gender inclusion across the world, there remains significant strides to be made in every region.

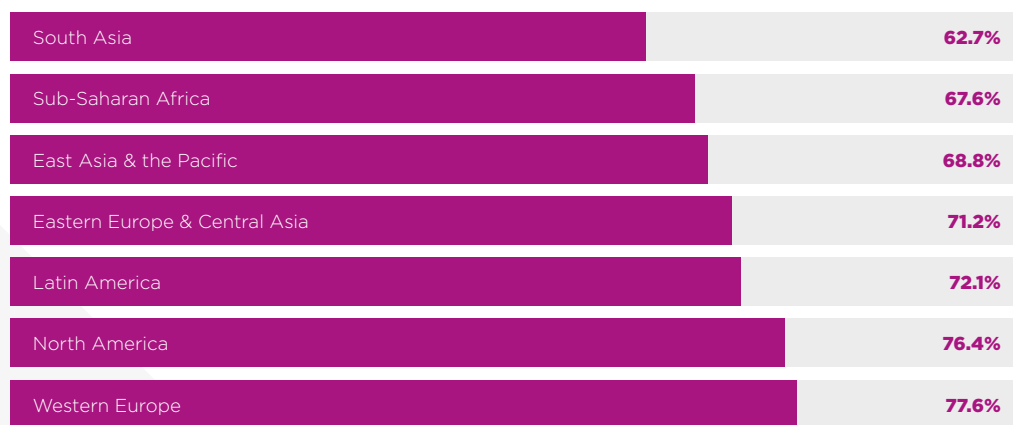
Furthermore, women have been found to have

different spending priorities to men and are more likely to spend on goods and services that improve the family's welfare.<sup>22</sup> As such, the impact of investing in women can result in a profound impact on wider society and the economy.

One category where women require greater inclusion is

in entrepreneurship. Addressing the needs of women entrepreneurs and women owned SMEs across markets has, according to the IFC, the power to add £210 billion to the global economy. As such, IFC estimates suggest that as many as 70% of women-owned SMEs in developing countries are unserved or underserved.<sup>23</sup>

**Figure 5:** Progress made towards gender parity by region<sup>21</sup>



## The Solution

It is for this reason that a number of institutions have committed to catering to the needs of this segment. One such player is Singapore based fintech, Lucy, who recently received funding from Hong Kong based private equity firm EmergeVest. Lucy aims to provide a number of services including no-interest salary advances

and loan management to empower women in emerging markets.

Financial literacy sits at the heart of addressing wealth gaps. OECD data has highlighted the need for financial education amongst women, showing only 49% of women know how compound interest works as compared to 75% of men.<sup>24</sup> Lucy addresses

this problem through mentoring support and financial education that give women the necessary tools to manage their money better. Connecting women to educational content and those with relevant mentoring experience can have a profound impact on the effectiveness of women entrepreneurs and the financial support of their families. ■

20 [http://www3.weforum.org/docs/WEF\\_GGGR\\_2021.pdf](http://www3.weforum.org/docs/WEF_GGGR_2021.pdf)

21 Ibid

22 <https://www.goldmansachs.com/insights/public-policy/gmi-folder/gmi-report-pdf.pdf>

23 [https://www.oecd.org/daf/fin/financial-education/OECD\\_INFE\\_women\\_FinEd2013.pdf](https://www.oecd.org/daf/fin/financial-education/OECD_INFE_women_FinEd2013.pdf)

24 [https://www.oecd.org/daf/fin/financial-education/OECD\\_INFE\\_women\\_FinEd2013.pdf](https://www.oecd.org/daf/fin/financial-education/OECD_INFE_women_FinEd2013.pdf)



# SEXUALITY

## The Problem

LGBTQ+ communities face a unique set of circumstances when it comes to managing their finances. This includes, according to Daylight Bank, significant potential investments in fertility treatments and transitioning. In the US, these two procedures can each cost \$55,000 and \$100,000 placing a significant financial burden on these individuals and their families. A consequence of these costs is a 20% lower home ownership rate amongst members of the LGBTQ+ community.

As a growing and sizeable population, more effective

engagement of the LGBTQ+ community in the financial system can have a significant impact on the economy and government policies towards greater inclusion. In the UK, the LGBTQ+ population is over 3.5 million and in the US this number rises to over 30 million. Therefore, greater inclusion for this population is an essential process.

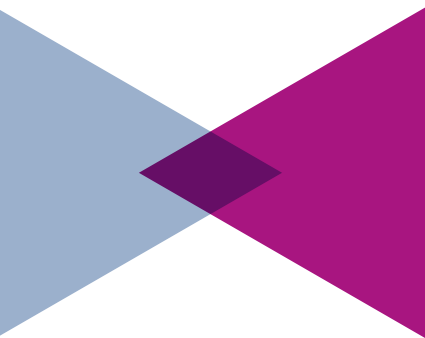
## The Solution

The delivery of financial products and services that address these needs are therefore essential to protect these communities. For Daylight bank, this means offering a digital banking service that connects directly

to the needs of LGBTQ+ people, leveraging the lived experiences of its founders and community. This includes offering rewards at LGBTQ+ allied businesses, savings solutions to enable fertility treatments, transitions or purchasing a home, as well as a platform that connects the community through relevant stories, news and discourse to develop the community's ecosystem.

The approach to building better solutions for the LGBTQ+ community also, according to Rob Curtis Co-Founder & CEO at Daylight, requires an empathetic approach. This means appreciating

the realities of LGBTQ+ people and enabling them to navigate the world in a measure that befits their life and lifestyle. The data shows, one in four LGBT people witness discriminatory or negative remarks; and two thirds experience mental health issues in the form of anxiety or depression.<sup>25</sup> Allowing people to therefore to truly express themselves can through allowing them to use chosen names on their credit cards or having a customer service centre that appreciates their specific circumstances can have profound cyclical impacts on the community and wider society. ■



<sup>25</sup> [https://www.stonewall.org.uk/system/files/lgbt\\_in\\_britain\\_health.pdf](https://www.stonewall.org.uk/system/files/lgbt_in_britain_health.pdf)

# RACE / ETHNICITY

**Across nations, ethnic minority communities face a unique set of social and economic circumstances that influence how they spend, transact and manage their money. Inclusive solutions that cater to the lifestyles and values of racialised, ethnic minority and migrant communities can reduce wealth gaps, enhance opportunities for growth and create a more hospitable and inclusive environment for all.**

## The problem

Wealth gaps within society are an important starting point to understand the realities of how race and ethnicity influences the likelihood of economic prosperity. In the US, the median wealth of white families is \$188,200 as compared to \$24,100 for African American families and \$36,100 for Hispanic families.<sup>26</sup> In the UK, the data is not dissimilar (see figure 6 below).

These wealth gaps arise in developed economies as well as in emerging markets. In South Africa for example, years of apartheid have created similar conditions for racialised

communities with the richest 10% owning more than 85% of household wealth. A figure that has remained unchanged since the years of Apartheid.

## The Solution

Diverse communities around the world are now being catered to through digital banking solutions that cater to their specific needs, lifestyles and values, which are often overlooked by existing players in the market.

In South Africa, Tyme, which launched in 2015, emerged to create a more inclusive financial system offering digital banking solutions catered to the needs of the

community. This includes demonstrating effective representation of the diversity that exists within local society and providing accounts, money transfer services and savings accounts that can support the financial wellbeing of its users.

Greenwood Bank, MoCaFi and First Boulevard are solving similar problems in the US. These players are seeking to provide a platform for Black and Latino communities to bank in accordance with their lifestyles and values. They are doing this by offering:

- Grants to black and LatinX owned small business

- Donations to community-based charities
- Community based rewards programmes
- Lender supported homeownership programmes
- City-based income relief programmes

**Figure 6:** Median total wealth in the UK according to ethnic group<sup>27</sup>



Ultimately, catering to financially overlooked racialised communities can help reshape the landscape of financial inclusion and create more inclusive and balanced societies. Addressing income gaps and connecting to the identities, needs and values of these communities will empower them to grow, spend and contribute to economies with amplifying effects. ■

<sup>26</sup> <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>

<sup>27</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/householdwealthbyethnicitygreatbritain/april2016tomarch2018>

<sup>28</sup> <https://www.bloomberg.com/news/articles/2021-08-04/apartheid-legacy-maintains-south-african-wealth-gap-group-says>





# CONCLUSION & RECOMMENDATIONS

**As we reflect on the contents of this report, it becomes clear that there are a number of core components that are driving this evolution towards the widespread adoption of Lifestyle and Values Banking solutions.**

1. **Consumers are demanding more** from their financial institutions and are willing to share more data to get the products and services that cater to their needs.
2. Advances in **technology and data analytics** are enabling organisations to execute on what their customers are demanding through personalised financial products and services.
3. There are significant segments of the global population that have been **underserved or overlooked** by financial institutions.
4. **Education** is at the heart of any solution, and we see a large majority of the Lifestyle and Values Banking solutions delivering educational tools catered to their communities.
5. As new solutions emerge, a **partnership** approach must be adopted, working with existing players to enable the delivery of the best products and services to several intersectional communities.
6. **Inclusive design** must be at the heart of product development and product thinking. This can be in the form of the UI/UX or any other way consumers engage with their financial institution.
7. **Supply chains** must be aligned with the increasingly demanding clients who are entering the market. Key suppliers like Marqeta and Mastercard are adapting to the changing needs of customers and are enabling the development of these more personalised solutions by their partners.

Utilising the above principles the landscape of banking solutions and how consumers engage with their banks will shift significantly and a failure to adapt will result in a lagging behind.

The imperative for hyperpersonalisation is a reality and the journey to a more inclusive society and global economy is subject to the effective delivery of these solutions. The financial backbone of society is evolving and this is where it is going.

In the UK this can result in greater inclusion for over 9 million people and the same can be expected across Europe the US and other markets around the world. The key is in continued investment in this space and the application of the above elements in delivering these products and services.

# ACKNOWLEDGEMENTS



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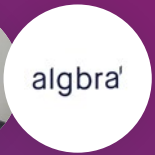
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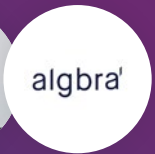
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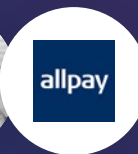
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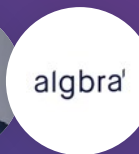
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# ABOUT THE EPA



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The Emerging Payments Association (EPA), established in 2008, sets out to make payments work for everyone. To achieve this, it runs a comprehensive programme of activities for members with guidance from an independent Advisory Board of 15 payments CEOs.

These activities include a programme of digital and (when possible) face-to-face events including an online annual conference and broadcast awards dinner, numerous briefings and webinars, CEO Round Tables, and networking and training activities. The EPA also runs six stakeholder working groups. More than 100 volunteers collaborate on the important challenges facing our industry today, such as financial inclusion, recovering from COVID-19, financial crime, regulation, access to banking and promoting the UK globally. The EPA also produces research papers and reports to shed light on the big issues of the day and works closely with industry stakeholders such as the Bank of England, the FCA, HM Treasury, the Payment Systems Regulator, Pay.UK, UK Finance and Innovate Finance.

The EPA has over 130 members that employ over 300,000 staff and process more than £7tn annually. Its members come from across the payments value chain including payments schemes, banks and issuers, merchant acquirers, PSPs, retailers, TPPs and more. These companies have come together to join our community, collaborate, and speak with a unified voice.

The EPA collaborates with its licensees at EPA EU and EPA Asia to create an interconnected global network of people passionate about making payments work for all.