

A large, stylized orange chevron graphic pointing to the right, with the text "High performance. Delivered." centered within it.

High performance. Delivered.

Next Bank Asia Event Recording: Mark Halverson

Video Transcript

Who is it that's really going to be the customer of financial services?

One of the ways to try to drive an innovation discussion and my intent here is to be provocative, is why does financial services even exist?

There is no such thing as money. Money doesn't actually exist. Our global economic system as a confidence game. The emotional value of what exists in the global economy is orders of magnitude past what's traceable into cash markets. Orders of magnitude!

Confidence, that's what we saw in financial services, there is no such thing as money. The reason that financial services has been so powerful is because... of this confidence issue.

Regulation is heavy, the concept of a run on a bank which we've seen, perhaps in Cyprus or at least a fear of that in Cyprus recently, is a material one. It can truly cut to the heart of lifestyles in our global economic system.

So there is no such thing as money and the interesting part about that

is, if you really cut to that level and believe that at even some position, you would say, what is financial services? Do I need to be a bank? I am not sure I know what a bank is anymore. There is no such thing as money, I can talk about transactions.

As a customer do I really know what a bank is, is it about transactions, I don't know, I can do transactions in a lot of different ways, certainly in emerging markets, like in Asia, there are telecommunication providers stepping into that market very directly, so do I need a bank for that?

Do I need a bank to do loans, I don't know, peer to peer lending is clearly becoming much more positive and the idea that people might actually trust the whiz in the crowd in some cases more than a bank, more than a financial institution. It is clearly part of a challenge that we all face in the industry.

So what is it that we offer? In financial services what do we do? Do we sell products? Are we a manufacturer of products? Is it about direct deposit accounts, is it about credit cards, is it about lending or is it about facilitating a lifestyle?

Who am I, am I an eco-system hub where I can actually bring together a series of different experiences and link that to a financial model then I can then deliver a certain experience and increase the value of my relationship with that end customer, through my eco system and through the knowledge that I have about them?

So there is a real question here about what is the fundamental value proposition of financial services, and the reason I even mention that is because there's a lot of firms chipping away from the outside.