

# The BaaS Revolution: Leveraging Embedded Finance as a Catalyst for Growth

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# It's nice to meet you



Father, builder, investor, mentor

Nearly 30 years of experience  
creating financial products for banks,  
FinTechs, and large tech companies.

YODLEE

NOKIA

Google

Uber

# Current regulatory environment

- Regulators want transparency and accountability
- Turns out, banking is hard...
- You can't "move fast and break things" in this space
- There will be more consent orders



# The state of play

- BaaS isn't "dead"
- Finance is going where the consumers already are
- Europe is going through a "transformational phase"
- Finance & money movement at the heart of going "super"

# What's a “super app”?



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# What you've probably heard...

**OBSERVER**

Elon Musk Vows to Make X a Super App By 2024 Despite Valuation Plunge

Oct 31 • Nhari Djan



**THE WALL STREET JOURNAL**

Tech CEOs Want to Make a 'Super App.' Here's Why It's So Hard.



**WIRED**

Super Apps Are Terrible for People—and Great for Companies

Sep 10 • Edward Ongweso



Why super apps have yet to take off in the U.S.



Nov 29 • Gabriela Barkho

# ...vs. the reality

Outside of  
United States



ChatGPT

A super app is a mobile application that offers a wide range of services within a single platform, combining various functionalities such as messaging, shopping, payments, and more. It aims to provide users with a comprehensive and seamless digital experience, eliminating the need to switch between multiple apps for different tasks.

United States



# Uber Money

## An Operating System for Everyday Life

### For Drivers

- Real-Time Earnings
- Uber Debit Account & Uber Debit Card

### For Consumers

- Uber Wallet
- Relunched Uber Credit Card





# How do banks benefit?

- New source of deposits
- Measured and strategic growth
- Expand without technology investment
- Learn about new consumer behavior
- Chart a course for the future



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But only if done right...

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# The Principles for Doing BaaS Right

1. Banks and customers  
must have a strong  
relationship

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- Fully understand the customer's business model
- Have open and honest conversations
- Stay in sync
- Communicate and share data
- Record, record, record



# 2. Banks must own compliance accountability

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- Treat the program like it's your own
- Understand the potential moral hazard
- Accountability shows regulators you are able mitigate risk and maintain a safe ecosystem



3. Banks and customers  
need to keep track of  
every penny



- Accurately track money movement
- Regulators want to know that you know...
- Single ledger and ongoing reconciliation



4. All parties of a BaaS relationship must have operational resilience

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- Banking is hard
- Plan for everything
- Minimize as much risk as possible



5. Compliance  
responsibilities must be  
defined in the contract

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- Bake in compliance provisions
- Know the regulatory expectations for contracts
- It's essential to audit customers

6. Banks and customers  
must be aligned on  
success criteria

- Align on key goals and incentives
- Do your due diligence
- Strive for mutual profitability
- Create incentives aligned with compliance



# Now what?

(three things to do right away)

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# Develop a strategic plan

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# Create a risk and compliance staffing model

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# Establish a review and approval framework



# Questions?

#fbforum

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# Thank you!

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