

EXECUTIVE REPORT: THE CURRENT STATE OF BANKING AS A SERVICE

Banking as a service (BaaS) is on the rise—how can FIs meet consumer demand and increase revenue while navigating the challenges of implementation?

WHY SHOULD YOU READ THIS REPORT?

Banking as a service is a hot topic for FinTechs and other companies leveraging financial technology, though the road to implementing BaaS remains paved with challenges. From adoption barriers to selecting the right BaaS partner, FinTechs have a lot to consider when creating BaaS strategies—and Endava has the research and insights needed to navigate this new phase of finance.

This snapshot report provides the key takeaways from Endava's 2022 Banking as a Service Report, which analyzes current trends and aims to streamline the path to BaaS innovation.

WHO SHOULD READ THIS REPORT?

- Financial institutions (FIs)
- Financial technology companies (FinTechs)
- Companies looking to expand or start BaaS

Endava surveyed employees of

200 North American companies,

primarily FinTechs or companies with a use case for leveraging financial technology. The respondents identified themselves as knowledgeable about and involved in their organizational BaaS strategy.

CONTENTS

- 01** **The Current State of BaaS**
What's driving BaaS implementation
- 02** **The Challenges of BaaS**
Executive insights on the BaaS journey
- 03** **BaaS Implementation Partners**
Key traits to look for
- 04** **The Future of BaaS Services**
How BaaS will continue to grow

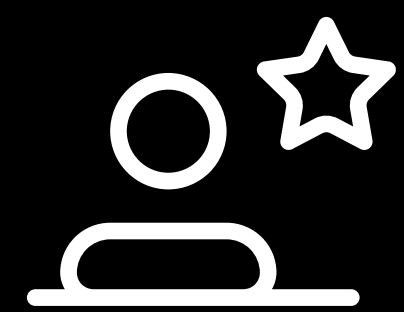
The Current State of BaaS



BaaS-focused organizations are driven by revenue increases and customer acquisition.

88% of organizations are either considering or are in the process of implementing BaaS.

Top Reasons Providers Are **Implementing** BaaS



Attracting new customers



Increasing revenue



Customer demand

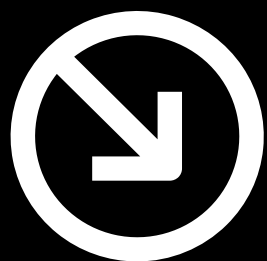
The Challenges of BaaS



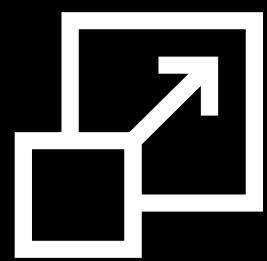
For many, the BaaS journey has already begun—but the road has had its challenges.

63% of providers are considering switching to a new BaaS partner.

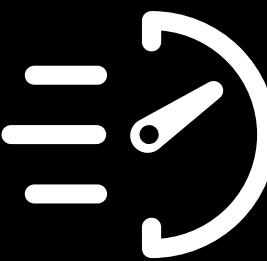
Top Challenges for Providers in BaaS Partnerships



Integration issues



Lack of scalability



Partner responsiveness



Pricing



We were up and live with [first banking partner] and it was not what we wanted and not what they told us we were going to get in the beginning...the capabilities that they had just weren't there. Our new partner has been a breath of fresh air.

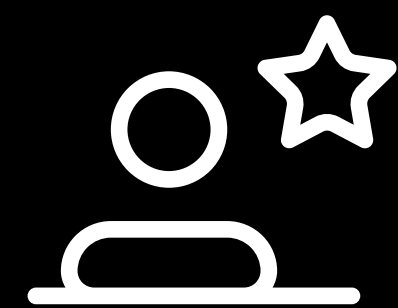
-COO, startup FinTech

BaaS Implementation Partners

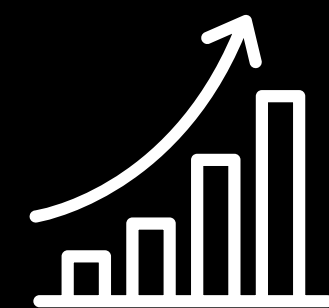


While the benefits of BaaS are many, working with implementation partners can be complicated.

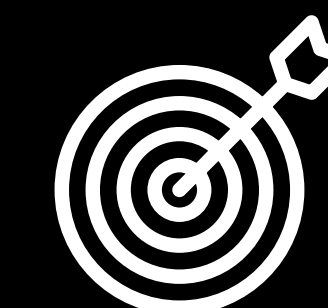
BaaS providers **look for these traits** from a banking partner:



**Competitive,
customized pricing**



**Flexibility and
scalability**



**BaaS-specific
expertise**

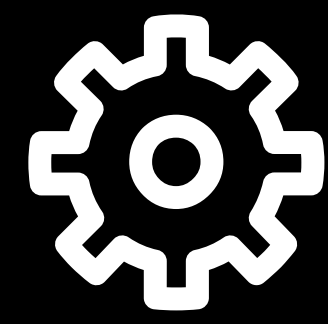
Of FinTechs that have already implemented BaaS, most have relationships with or are working with more than one partner.

The Future of BaaS Services



BaaS has enormous potential for growth—and revenue opportunities for FinTechs.

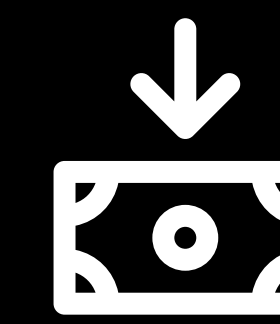
Top BaaS Products FinTechs Are Currently Using



**Financial
management**

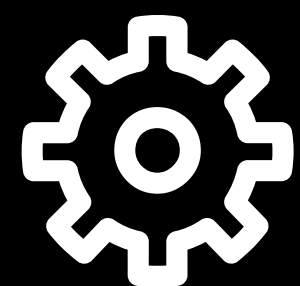


**Investment
services**

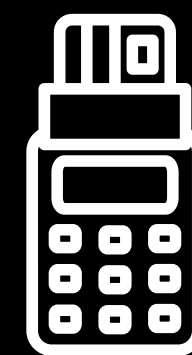


Deposits

Top BaaS Products FinTechs Are Considering



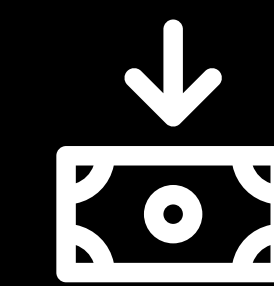
**Financial
management**



**Merchant
services**



**Cross-border
payments**



Deposits

Get the Insights

These industry insights were made possible by Endava's 2022 Banking as a Service Report. [Click here for the full report.](#)



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