

## What Is FinTech?

### FinTech

**FinTech** (Financial Technology) is a term used to categorize technology-driven solutions to traditional banking products. FinTech aims to make financial services more accessible to consumers.

Examples of financial technology that are transforming the development, offering, and delivery of core financial products and services include:

- **Banking-as-a-Service (BaaS):** licensed banking institutions granting non-banking entities and their customers direct access to the bank's products and services delivered through its compliance and operational infrastructure, typically via Application Programming Interfaces (APIs).
- **Buy-Now-Pay-Later (BNPL):** Offers customers no-interest short-term installment loans as an alternative to credit cards, with the fees typically passed on to the merchant.
- **Cards:** Credit, debit, or prepaid cards tied to an account provided by a licensed banking institution that is a member of one or more networks for the settlement of transactions.
- **Marketplace Lending (MPL):** Provides an alternative source of financing to individual consumers and small businesses by matching investors directly to borrowers.
- **Payments:** The use of advanced technologies and digital devices in the settlement and transfer of digital or electronic payments from one account to another.

The rapid advancement and adoption of FinTech by consumers and third parties requires sound risk management frameworks—including tailored consumer and financial crime compliance management systems (CMS)—to identify, manage, and control the associated risks of delivering these products. There are also various regulatory compliance considerations such as compliance with consumer protection laws; BSA/AML and OFAC regulations and other economic sanctions requirements; and responses to supervisory concerns and enforcement actions.

Visit our [Compliance Programs](#) and [Financial Services Transactions & Regulatory](#) pages to learn more.

## Related Capabilities

FinTech & Payments