FINANCE

Start-ups vs. big banks: What is the future of money 2026?0

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Not so long ago we all used cheques and queued for the bank in our lunchtime, while services like PayPal and Apple Pay were totally unimaginable. Things have changed rapidly. But how are they likely to develop over the next decade?

Well, to find out we crowdsourced opinion on the future of money in 2026. In total we had 28 professionals come forward with nearly 20,000 words of comment. These answered general open ended questions about: how ordinary people will handle money differently in 10 years; the changes for businesses; security concerns of the future; along with what might prove surprising and what is not getting covered enough on the topic.

Our responses offered very divided views on what the future might look like for money. So in the end, in order to do the best justice to the diverse range of material, we decided to compile some of the most interesting comments into a short online report.

This has been broken down into five sections published below:

1. How will ordinary people handle money differently in 2026?
2. What about the role of banks?
3. What about the role of cryptocurrencies?
4. What will all this mean for security?
5. What will financial change mean for business?

How will ordinary people handle money differently in 2026?

Through all the responses we received the most discussed point was probably whether or not society would be cashless in 10 years' time. This divided opinion but general consensus suggested that cash is likely to decline, however, it is unlikely to disappear entirely. And the extent of this is likely to depend on the market.

In addition to this, the financial professionals we spoke to talked a lot about the types of innovation that would emerge instead. These included an increased emphasis on biometric authentication, new kinds of cashpoints and the way businesses will utilise analytics and ease of payment to increase sales.

The Nordics, Singapore and Australia will lead cashless innovation

"Markets like the Nordics have seen a stronger move towards a cashless society than other regions. [Then] there are other countries in Asia and Europe where the economy would really struggle if cash was eliminated.

In some parts of the world things won't have changed at all. Where there is innovation, it will be led by sophisticated markets such as the Nordics, Singapore and Australia. We'll also continue to see a huge amount of innovation coming from the third world as these countries jump straight to the latest fintech, leapfrogging legacy systems. It might surprise people to hear that where we're likely to see the least change is among those in the middle."

Duncan Ash, Senior Director of Global Financial Services at Qlik

People forget about the cost of money

"Money has always been expensive to manufacture for banks. This is one reason why, in no time, Apple Pay has exceeded two decades of bank efforts to enrich the way in which credit card payments work.

Dharmesh Mistry, UXP and Digital Product Director at Temenos

The value of seigniorage is likely to drop for many countries

"When talking about the future of cash and, particularly, the move to a cashless society, people aren't talking about the value to the country of seigniorage. This is the difference between the cost of producing a bank note (a couple of pence) and the value obtained when it is sold by the Bank of (for example) England to a commercial bank (its face value). The difference is known as seigniorage and, in 2015, amounted to more than £500 million. Seigniorage is real money that passes from the Bank of England to the Exchequer and into the nation's coffers. Its value is likely to diminish, if not be lost altogether, in a world where the demand for notes and coins falls/is eliminated, should individuals elect to use alternative payment mechanisms to cash."

Anthony Duffy, Director of Retail Banking in UK & Ireland at Fujitsu

Visa predicts the decline of fact-to-face credit card transactions

"Our projections show that in five years' time more than half of Visa transactions will happen on a smartphone or tablet rather than via card. We can expect these devices to be joined by more wearables and, as the internet of things develops, cars as demonstrated at Mobile World Congress recently."

Kevin Jenkins, Managing Director at Visa UK & Ireland

There are fewer benefits for early innovation adopters than you might think

"One of our key learnings [from being in the development of mobile banking services since 1999 and mobile payments since 2002] is that technology and new service adoption usually takes longer than we expect but when it happens mass market adoption happens faster than we think. This means being first has limited advantage but entering a market at the right time is critical."

Magnus Jern, President of Mobile application Solutions at DMI

Greater financial democracy is on its way

"Finance will have become a more level playing field. The wider population, who are now shut out of private banking and much of the financial services industry due to cost, will by 2026 have access to services that today are the preserve of the super-rich."

Alexey Utkin, Financial Practice Lead UK at global technology consultancy firm DataArt

In 10 years' things will look similar, but they will be delivered by different suppliers
"In 2026, people will be surprised by how little finance has changed and by how much it has changed. The fundamentals of financial services – banking, payments and other core financial services – will look very familiar. However, the providers of such services, and the technologies that underpin them, might well have changed significantly."
Anthony Duffy, Director of Retail Banking in UK & Ireland at Fujitsu

The next generation will expect everything to be extremely easy
"The 'busy-generation' - young, ambitious and time strapped Gen Y will be all grown up and taking every opportunity they can get to streamline their lives through frictionless money transfers."
Jo Allison, consumer behavioural expert at Canvas8

Sending money might be as simple as a text messages
"There will also be a significant 'blurring' of how financial services presents itself; exchanging money will be as simple as exchanging text messages and photos and fraud fears will be drastically reduced due to the exponential growth of counter-cybercrime defence mechanisms."
Xavier Larduinat's, Director of Innovation at Gemalto

Finance will look like social media
"If you could jump forward 10 years, people may well be shocked to see certain similarities emerging between finance and social media. We are already seeing the emergence of 'Facebook' style apps such as PayPal's Venmo, where payment interactions between users are communicated and shared through social platforms.
Finance is becoming the next means of social story-telling, allowing users to connect and interact in a new way. As the 'Facebook generation' becomes the main contributor to the economy, financial platforms will have to shift their offering to suit how this demographic prefers to interact. Social, intuitive banking, without the need for account numbers and sort codes, will become commonplace for personal finance and payments."
Michiel Lely, VP of Practices, EMEA at Verint-Systems

The rise of quick, mobile cashpoints
"The cashpoints of 2026 will be about convenience. We're already seeing big steps in this area. Diebold's new cash point – which was unveiled at CES 2016 – allows transactions to be safely completed in less than ten seconds. In Poland, 2,000 cash machines that let users withdraw money simply by pressing their finger on an infrared reader have been pioneered.
Poland has also piloted an ATM-equipped BMW i3 from Idea Bank, customers can request to have a cash point come to them in an electric car. It's designed to make banking safer for entrepreneurs and business owners, with the company's research finding that 80% of people in the country make nightly cash deposits and half of them do so after dark."
Jo Allison, consumer behavioural expert at Canvas8

Buying a house might be as simple as buying a sofa
"Probably the biggest change will be in the world of borrowing. For example, it currently takes months of frustration to buy a house but in 2026, I believe your mortgage will be approved in just a few days as technology will link information from your current account. Add direct links to surveyors and land registry and you can imagine a fast seamless service that customers will start to expect and demand.
I predict customers will willingly share information on what they buy, where they shop and where they holiday. They will do this because they know that their financial services provider is going to reward

them for this information in terms of speed of service, flexibility in how you access it and better pricing."
John Davies, CEO at The Just Loans Group PLC

Everything will come down to fingerprints
"Whilst phones, watches and glasses will still handle data displays, fingerprint recognition will handle the secure authorisation all linked to your accounts available for display. In the future, cards and other physical methods will no longer be necessary."
Steve Treagust, Global Industry Director, Finance at IFS

An identity token should have eclipsed credit cards
"For most of our spending, we should have some kind of identity token that represents us online and offline, that has our payment details attached and a payment can be made with a press of a finger, or a blink of an eye, as we checkout on a website or leave a store."
Gareth Stephens, who is Head of Proposition Development at GBG

We'll all become "payment objects"
"Biometrics and wearables will turn all of us into payment objects, there will no longer be complicated pin numbers or EMV enabled cards, the payment process would be more seamless and frictionless."
Rahul Singh, President, Financial Services at HCL Technologies

Financial data is going to become much more accessible
"Crucially, financial data is going to become much more accessible in the future, as self-service and personal finance management technology develops. Consumers will be able to make real-time decisions on how they manage their finances. Additionally I expect, we may also see more convergence between how people spend money and the rewards they get back, whether that is through loyalty points, cashback incentives or even interest rates.
However, increased access to real time data could lead to short-term thinking and knee jerk reactions which hamper long term business performance. We're likely to see the rise of software which will identify which real-time results call for an urgent response."
Ed Tomalin, client partner at Head London

A new 'Google analytics' for user spending behaviour
"Aggregation of users' spending behaviour will become much easier and much more common. The same way we're tracking user actions on our websites, you'd be able to track and accumulate data on user financial interactions. Businesses on the other hand will be able to gain access to that data. Global transparency of transactions might become the biggest change since the history of money. Unless it is cash, money always leaves a trail. As with any data transfer on the internet, every action is logged, documented and archived more or less automatically."
Alex Savin, Software Engineer at Red Badger

The rise of personalised services
"Given the type of data analytics available to businesses, consumers will have the choice of services and products that meet their individual needs – making the use of 'money' a more personalised experience. Payments will be more seamlessly integrated into the consumption of services and with extensions like loyalty and couponing."
Jorgen Nordin, Chief Innovation Officer at fastacash

It is easy to get over excited about what all this change will mean
"I think there's a risk that we're going to see a complete overhaul of the way money works. Technology like bitcoin, blockchain and biometrics have got us all very excited, and rightly so. The fact is, these will complement rather than just supersede what is already there. Money and finance will always come to doing the basics right and serving everyone. There won't be a mass-migration to crypto-currencies and I'm not going to 'Pingit' pocket money to my kids. Businesses who go all in chasing the future will quickly fail - keeping a firm eye on the here and now is just as important."
Nick Stacey - Director of Business and Market Operations at The Logic Group

More regulation needed to handle new technology
"With more technology coming into play to safeguard us, there has to be more regulation to monitor and control the solutions that are being used."
Adam Oldfield, EMEA Financial Services Sales Director at Unisys

What about the role of banks?
Banks have taken a lot of flak over the last few years while numerous start-ups are emerging to offer many of the services that were traditionally their exclusive domain. So, what will this mean in a decade? The professionals we spoke to presented mixed views.

Specialist providers could replace banks
"By 2026, we expect far more people to use specialist providers in place of their banks."
Neville Lacey, head of international currency transfer service at UKForex

Big tech companies will continue to roll out financial services
"Going forward, we are likely to see a continued roll out of financial transactions to providers outside the traditional banking players, as tech companies such as Facebook, Google and Twitter will be equipped to provide financial services."
Max Speur, Chief Operating Officer of SunTec

Physical banks will still reign supreme and procedures will be similar
"Today's banks will still dominate the space despite a strong fintech start up eco-system today. Developed countries such as India and China will have surpassed leading markets today such as the US and UK in technology adoption. Opening up a new bank account will still require physical papers such as a utility bill."
Magnus Jern, President of Mobile application Solutions at DMI

Banks will emerge stronger from the payments shake-up
"Banks are the ones in the position of strength, and the savviest should emerge as even stronger brands from the payments shake-up. They have the deepest networks, the ability to offer integrated products and services and – for now – they hold their customers' precious spending and savings data. Their customers could be given more options for products and services when it is most convenient to them; the merchant benefits, too, from improved customer satisfaction translating into sales."
Dharmesh Mistry, UXP and Digital Product Director at Temenos

Banks' place in providing finance will have decreased
"Banks will have a significantly decreased role in providing finance. Instead, they will be replaced by block-chain syndicates, apps that are prepared to enable and even fund small loans, and almost

certainly, Amazon and possibly Google, will be providing finance from their huge resources - and maybe even Apple with its enormous cash resources."
Chris Field, Chairman of Retail Connections

Banks won't be the only place to deposit money
"Standard high street banks will no longer be the only place to deposit money. Individuals are increasingly expecting more control, more options, and easier access to their money, opening up opportunities for technology companies become major players within the retail banking sector. When PayPal was first created, it dramatically changed the banking landscape. By 2026, we can expect even more exciting innovations, especially now that Google and Apple are entering the retail payments space."
Ed Tomalin, client partner at Head London

New partnerships between banks and start-ups
"The banking industry is archaic. Since the banking crisis, investment in development stalled and they now find themselves being challenged by tech savvy start-ups. It is now possible for small companies to get involved in the banking industry. This will have an impact on businesses in the future as the banks and tech start-ups become closely aligned to offer new and innovative services."
Jonathan Duffy EMEA MD at Netclearance

Banks will emerge as a platform for other people's services
"Banks could become financial platforms on top of which anyone could build their services. Think of Amazon and AWS. Banks providing well implemented platforms will stay around and become new AWS for money. Banks with traditionally closed ecosystems will fade away."
Alex Savin, Software Engineer at Red Badger

Banks will evolve into consultants
"Banks can and will become consultants, helping consumers to manage their money more effectively. Challengers have begun to set new standards when it comes to dealing with customers. Newer, digital focussed banks are topping the tables for customer service, and while many of these organisations are still relatively unheard of, their growth in the market is testament to the importance of putting the customer first. While currently they may not be seen as a dire threat to traditional retail banks, 10 years from now, it may paint a different picture."
Michiel Lely, VP of Practices, EMEA at Verint-Systems

A future world of "expenditure counselling" by banks
"Big Data analytics will provide new services to bank customers such as expenditures analytics and counselling and new security technologies based on big data analytics will strengthen banking security with no hassle/added complexity for Banking customers."
Xavier Larduinat's, Director of Innovation at Gemalto

Changes to money transfers will cut banks out of the middle
"The way that we transfer money from one person to another will change. At the moment, everything is still processed through a bank, even if we're using a phone to make the transfer.
However, in the future, banks will no longer be the only custodians of our money. The emergence of Blockchain technology, which enables us to track payments without involving a bank, is likely to drive forward numerous forms of lending, including peer-to-peer lending. In 10 years, we should be able to transfer money digitally, directly from one person to another, without ever involving a bank. However,

I still believe these transfers will be in local currency – widespread use of Bitcoin remains a long way off."
Duncan Ash, Senior Director, Global Financial Services at Qlik

What about the role of cryptocurrencies?

Over the last few years Bitcoin has gradually become accepted in more and more locations and has begun to shake its initially dodgy image. So, how is this – and other cryptocurrencies – likely to fare over the next decade? Naturally, opinions were mixed.

Bitcoin will evolve to be accepted

"I think digital currency like Bitcoin or Dogecoin will evolve to be more accepted by the general population and become more widely used in some form."
Steve Manzuik, Director of Security Research at Duo Security

New similar kinds of currency will appear

"There will also be the emergence of new forms of money – similar to the existing Bitcoin - which will allow individuals to pay via digital coins and points systems."
Jens Nielsen, Head of UK & Nordic Operations & Group Management at NetBooster

Bitcoin will disappear just like plastic cards and cheques

"I believe that Bitcoin, cheques, and plastic cards will decline rapidly in the future and by the time 2026 arrives, they will actually be a thing of the past."
Chris Hyde, Business Development Manager at Vodat International

There will be an upsurge in popularity of cryptocurrencies

"The big surprise for finance in 2026 could be an upsurge in popularity for cryptocurrencies. Bitcoin has shown a lot of potential over the years but has had its issues with mass adoption. However, over the next 10 years one such currency, or a selection of currencies, could find its niche and disrupt the finance sector. The benefits of a global currency that is independent of governments and doesn't require a central arbitrator (a bank) has huge potential implications on the market as a whole if people start to transact in large volumes in a cryptocurrency."
Gareth Stephens, who is Head of Proposition Development at GBG

Banks could introduce new currencies of their own

"We could see new forms of currency being introduced by banks."
Jonathan Duffy EMEA MD at Netclearance

What will all this mean for security?

Everyone we spoke to agreed that security concerns will never go away. After all, if there is one thing people always want to steal, it is your money. The concerns of today will largely be rectified, however, new threats will emerge and, as with every security debate, it will be imperative that security is built in from the ground up not added in as bolt on.

Removal of the human checks makes in-built security more crucial

"In a completely digital world, humans might not be as involved in reviewing and validating transactions so being able to easily detect and respond to potential fraud will be key."
Steve Manzuik, Director of Security Research at Duo Security

Security issues will have expanded significantly

"In 10 years, I predict current security issues will have expanded into a significantly wider set of challenges. While new business approaches and technology can lessen criminal interest in current security loopholes (e.g. EMV payment cards make it difficult from criminals to create fraudulent payment cards), businesses are expected to capture and use sensitive consumer data at exponential rates which creates massive vulnerabilities for all of us.

Criminals will have increasing opportunities to monetise this sensitive data, whether it be payment information, personal information or account access credentials, which stimulates the velocity and effectiveness of cyberattacks. We should expect that security threats on our sensitive data will increase as commercial innovation and digital access to money grows for consumers. Innovators must balance goals such as speed and convenience with sufficient and effective protections for sensitive customer information, which has already become essential to building consumer confidence in new products and services."

George Rice, senior director of payments at HPE Security – Data Security

A move towards seamless payments will impact anonymity

"In a world where privacy issues are likely to be increasingly valued, people aren't discussing enough about what the impact of an increased use of electronic payments will have on personal anonymity. Such transactions leave a trail which can be identified and audited, in contrast to older, less complex 'technologies' such as notes and coins, which do not."

Anthony Duffy, Director of Retail Banking in UK & Ireland at Fujitsu

What will financial change mean for businesses?

As the main objective of business is to make money, the easier payments become for customers, the simpler this process is likely to be. This means concerns withstanding, financial changes definitely look like they're going benefit businesses.

New methods of payment might mean customers spend more

"How money is handled has a sizable impact not just on how consumers spend but how much they spend. Behavioural economics studies continuously show that consumers spend more when they are not physically required to hand over money. A famous example is from Dun & Bradstreet, which found that people spend 12-18% more when using credit cards instead of cash. So you can bet businesses will have made it easier than ever before for consumer to part with their cash by 2026."

Jo Allison, consumer behavioural expert at Canvas8

Payment will form part of the "intelligent customer journey"

"Money will become a service and payment will become part of an intelligent customer journey. With this, security will be integrated at every stage of this process."

Xavier Larduinat's, Director of Innovation at Gemalto

Some businesses may have their own customised 'wallets'

"Businesses in 2026 will have integrated solutions which will allow them to accept as varied an array of payment types as their customers require. Big brands might also have their own 'wallets' which combine elements of payment with loyalty and CRM allowing their repeat customers to transact simply by identifying themselves, confirming their presence in a store, or by using an app to start a transaction."

Chris Hyde, Business Development Manager at Vodat International

It will be far easier to spend money

"Businesses should see a lower cost of accepting payments, and more importantly payments will become more invisible and integrated, through loyalty schemes and unrelated to payment-only 'objects (like cash, checks or credit cards). Cars might become entertainment hubs, providing you with all the infotainment you require and the payments for all these services would be embedded directly within the car system itself. Merchants must be able to adapt as quickly as possible to any of these new technologies and upcoming changes."

Catherine Moore, President for Commerce Solutions, Europe, for J.P. Morgan

Business lending will get easier

"Businesses in the future will be able to raise money through sources other than their bank. Crowd funding is one method, but we'll also begin to see more business-to-business lending taking place. This type of lending removes the reliance on old-fashioned credit scores, which are often very inaccurate. It's about allowing people to use a more modern approach to credit risk.

We'll begin to see online peer-to-peer sites for businesses looking to raise capital. As an investor, you'll be able to decide whether to buy corporate bonds, or lend directly to companies. Analytics will also play a big role in this process. Organisations will need the tools to analyse the huge range of factors which will decide their investment strategy and help them to build a balanced portfolio."

Duncan Ash, Senior Director, Global Financial Services at Qlik

Business banking is yet to undergo the revolution seen in personal banking

"The main digital shift happening at the moment is within personal banking; although business banking, M&A, and cash pooling are currently digital driven, they have not yet experienced full digital disruption as the personal network and analysis is still done by humans. These areas are likely to undergo the most significant change over the next decade and could even be completely taken over by cognitive computing and artificial intelligence."

Jens Nielsen, Head of UK & Nordic Operations & Group Management at NetBooster

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