


WHITEPAPER

Driving Fintech competitiveness with flexible digital infrastructure

DELIVERING EXCEPTIONAL UPTIME AND IMPROVING
REGULATORY COMPLIANCE



FLEXIBLE AND RELIABLE DIGITAL INFRASTRUCTURE IS ESSENTIAL FOR THE NEXT GENERATION OF FINTECH BUSINESSES

Explosive market growth, disruptive new technology and increasing competition means that cost effective, flexible digital infrastructure is critical for Fintech success.

Fintech (Financial Technology) is used to describe new technology that seeks to improve and automate the delivery and use of financial services. It is composed of specialised software and algorithms that are used on back-end systems of established financial institutions.

Most Fintech businesses share common characteristics. They are designed to challenge traditional financial services providers by being nimbler and serving an under-served segment of the population as well as providing faster and better service. Disrupting the financial industry, Fintech became a multi-billion dollar sector that continues to grow at an exponential rate.

The Fintech market is comprised of a wide range of businesses that are tightly focused on specific user needs. There are neobanks, buy-now, pay later businesses, banking as a service (BaaS) startups, regulatory technology businesses, open banking firms, cryptocurrency companies and even more niche players. Smaller disruptive entrants are taking advantage of the relentless innovation in technology, leaving their larger, more established counterparts at a competitive disadvantage.

The industry has grown in response to customer demand for online transactional financial services and fuelled by the explosion in smartphone devices. From eCommerce to online banking and cryptocurrency, technology has a critical role to play in helping businesses and consumers manage their money and purchase goods and services.

Fintech has driven unprecedented advances in digital transformation and, coupled with emerging technologies such as Machine Learning (ML) and Artificial Intelligence (AI), is creating exponential growth in the amount of data that needs to be handled by financial institutions. Fintech organisations need to be able to rapidly respond to this growth, by scaling their digital infrastructure to meet these new demands.

Regulators are increasingly focusing on how this data is securely stored and used which is exposing financial services companies to material risks in the form of high penalties for compliance breaches.

Companies of all sizes are increasing their security and technology remediation activities to better identify potential risks. This means more audits for technology platforms and a greater focus on disaster recovery.

The adoption of AI and ML in Fintech is growing rapidly and being harnessed across all aspects of operations: according to the University of Cambridge, roughly 90% of global fintech companies are already heavily relying on artificial intelligence and machine learning. Lending decision making, customer support, fraud detection, credit risk assessment, insurance and wealth management are all benefitting from the application of this new technology. Modern Fintech companies are adopting AI for enhanced efficiency, improvised precision levels and high-speed query resolution.

This demanding technology requires powerful, fast processors and high-capacity storage to be effective. In a recent survey of Fintech decision makers, 44% of respondents said that compute power was a key requirement. Ensuring that this is supported by highly flexible digital infrastructure is critical to long-term growth. Professional colocation provides the ideal environment for these new innovative capabilities.

FINTECH TECHNOLOGY CHALLENGES & SOLUTIONS

The Fintech industry has never been more competitive and organisations are under pressure to do more with less resources. Technology has an important role to play in almost every aspect of their operations.

Fintech has seen an increasing focus from both consumers and financial institutions in tracking energy usage and environmental impact. Financial organisations are focusing on technology that improves energy efficiency across entire IT operations without sacrificing security or performance.

The challenging global economic climate is placing increased focus on reducing cost. Financial services organisations want to leverage digital infrastructure to bring the power of AI and ML to bear and scale their operations while reducing the cost incurred by human-led effort. This is particularly important in the area of customer service. The sharp rise of online payment firms and digital-only banks has brought consumers increased choice, speedy technology and lower costs. But their advance has been accompanied by growing service complaints. According to a Boston Consulting Group study, around 43% of customers would leave their bank if it failed to provide an excellent digital experience. These businesses are turning to technology to triage online inquiries with AI enabled agents, reducing cost and improving the service they deliver.

Banks and Fintechs are looking to strike the balance between flexible, on-demand platforms and the benefits of locating their key applications in specific secure facilities. Public cloud brings the benefit of virtually limitless capacity, but private cloud delivers high security and lower cost for predictable workloads. In practice, the optimal solution is a combination of the two infrastructure alternatives. This hybrid-cloud approach ensures that fixed workloads can be placed in professional colocation and applications with variable demand can reside in highly flexible cloud capacity.

Finally, Fintech solutions are heavily dependent on uptime, so selecting data centre and cloud vendors with an exceptional operational track-record is essential for business stability.

SCALABILITY

In a recent survey, Fintech respondents had seen an increase of 50-100% in storage needs in the past three years. Having the ability to scale platforms seamlessly is critical to growth and innovation.

UPTIME

According to Statista, the impact of a Fintech outage is on average £7.5M per hour. Ensuring continuous infrastructure availability is essential to financial success.

CONNECTIVITY

Payment systems are fundamental to the effective functioning of financial platforms worldwide. High speed, resilient, low latency networks ensure that Fintech supply chains are fast and reliable.

SUSTAINABILITY

Fintech's use of big data, AI, ML and real-time information makes the industry a heavy consumer of energy in data centres. Ensuring a sustainable power supply and a highly efficient operational environment can make a significant impact. In the recent TBT Marketing survey of Fintech SMB's, 85% of decision makers from Fintech businesses that have been around for 2-10 years, agreed that a data centre's environmental impact influences their decision.

CUSTOMER EXCELLENCE

The regulatory requirements of the Fintech industry are complex, so organisations face a unique set of challenges. They need tailored support and customer care, and having a reliable data centre partner can make all the difference.

BENEFITS OF VANTAGE CARDIFF COLOCATION

RELIABILITY



Exceptional access to power ensures high resilience and reliability. Direct, private 400kV super-grid connection.

FLEXIBILITY



Virtually unlimited room to grow. 46-acre site with 3 data centres and 2M sq. ft. of space.

LOW LATENCY



Exceptional connectivity. Wales - London in less than 1.5 ms, LINX Wales internet exchange on-site, plus Cloud Direct Connect services which provide easy access to all major cloud providers.

SUSTAINABILITY



Excellent green credentials with 100% sustainably sourced power.

CLIENT BASED USE CASES

1

Regulation & Compliance

PROBLEM STATEMENT

Recent changes in financial regulation have meant that our existing hosting solution has become non-compliant.

SOLUTION

Place workloads and data storage in a professionally managed data centre with 24x7 security, SOC 1,2,3 and ISO 27001 compliance.

BENEFITS

Ensure regulatory compliance without the additional cost of obtaining individual certification.

2

Handling AI & ML

PROBLEM STATEMENT

Advances in our platform technology to take advantage of AI and ML require much higher compute and storage capacity.

SOLUTION

Select a colocation facility with the ability to support HPC with sufficient cooling and power density.

BENEFITS

Deliver state of the art Fintech solutions in purpose-built colocation which is available now.

3

Ensuring uptime

PROBLEM STATEMENT

Our Fintech platform experienced a significant outage which resulted in a considerable loss of revenue.

SOLUTION

Migrate workloads to a professional data centre environment that ensures exceptional service continuity.

BENEFITS

Better customer experience, improved brand reputation and increased revenue.





ABOUT VANTAGE CWL1 CARDIFF DATA CENTER CAMPUS

Vantage CWL1 Cardiff is the largest data centre campus in Europe, spanning across 46 acres and offering a robust critical IT load of 148MW. Comprising three, three-story data centres across 2,000,000 square feet, it offers flexible power density per rack (2kW to 125kW+). Operating on 100% renewable energy, the campus provides Class A amenities, including dedicated offices, customisable workspaces, well-equipped conference rooms and more. With advanced cooling systems, such as free air cooling and customised HPC solutions, Vantage CWL1 ensures optimal performance. It offers carrier-neutral connectivity, low latency, pre-installed links to virtual meet-me-rooms, and direct access to leading public cloud providers. The campus boasts stringent security measures, 24x7x365 on-site patrols, and compliance with global enterprise and U.K. government/military standards.

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