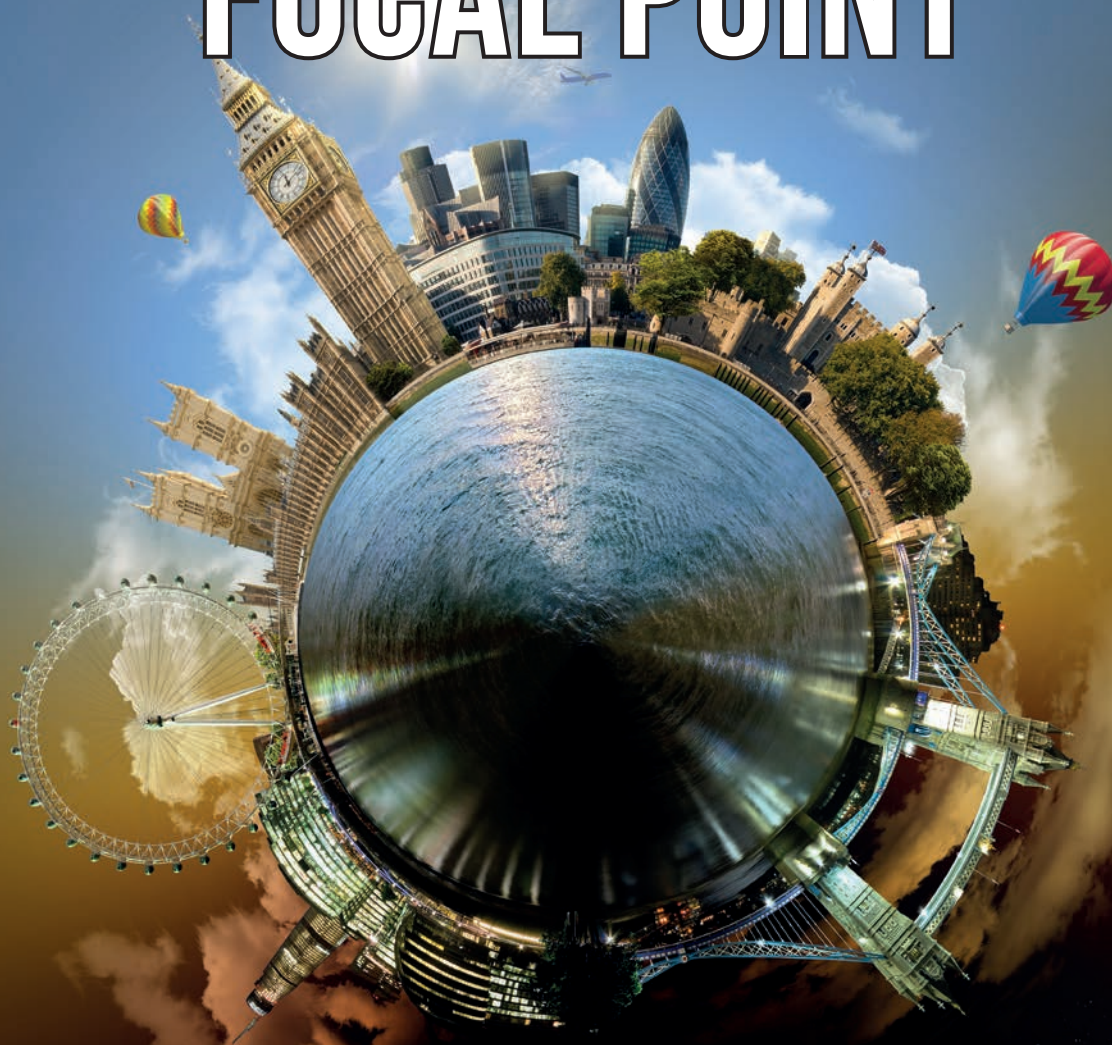


# PRIVATE BANKER

INTERNATIONAL

## FOCAL POINT



## PBI HOSTS ITS ANNUAL CONFERENCE AND AWARDS IN LONDON'S WEST END

### FEATURE

Family offices are building new processes to measure ESG investment success

### OPINION

Options for HNWIs when standard lending criteria leave them stranded

### BUSINESS PROFILE

How Fineco went from an online trading platform to 1.3 million banking clients



## BUSINESS PROFILE: FINECO BANK

Arriving in the UK in 2017, is Fineco Bank the digital-centric challenger that could be the Monzo of private banking? Launched 20 years ago as an online trading service, Fineco moved into banking services a year and a half later, and now boasts around 1.3 million clients. *Jamie Crawley* speaks to head of global business Paolo di Grazia at the bank's London offices to find out more

**Jamie Crawley:** How would you describe the service that Fineco provides?

**Paolo di Grazia:** I would say the strength of Fineco in Italy is the ability to create a single account for banking, trading and investing services: a 'one-stop' solution for all financial needs.

I do not think there is anything similar to this in Europe. You would have to go to the US – maybe Charles Schwab – to find something similar to our model. I think the multi-currency account is our main selling point. In the UK, we see a lot of clients coming to us because they have property abroad or travel frequently, and they need to make payments in the local currency.

Our mobile app is extremely user-friendly. It enables clients to make instant payments from the UK to the rest of Europe, change the amount that can be spent on their credit or debit card, and view a breakdown of their total portfolio – stocks, mutual funds, currencies, cash, liquidity. We have also incorporated a feed from Reuters so clients can view news and events that are relevant to their investments and trading.

**JC:** How are you tailoring your investment platform for the UK?

**PG:** We offer bonds, stocks, exchange-traded funds, contracts for difference, options and other structured products, and we are launching a stocks and shares ISA. In Italy, we have more than 6,000 mutual funds from major providers on our platform, which we will be replicating in the UK.

**JC:** Would you describe yourselves as a challenger bank?

**PG:** Here in the UK, absolutely. Our competitors are traditional banks, and we are attempting to attract clients by being more than a single product.

However, we are not just a fintech: we are a fully fledged bank with a full service offering. That is why people tend to be attracted to us.



**YOU WOULD HAVE TO  
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SOMETHING SIMILAR  
TO OUR MODEL**

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What Fineco provides is similar to what incumbent banks offer, but we do so in a very innovative and new way. It is very simple to use, with extremely fair pricing for trading and brokerage.

A lot of other challenger banks and fintechs are still quite far away from being profitable, which is a problem. We could certainly be described as a fintech challenger in the UK, but the difference is that we have been around for 20 years and we are profitable.

**JC:** What sorts of client do you expect Fineco to appeal to in the UK?

**PG:** In Italy, we started as a brokerage firm, then moved into banking services. Now, we are among the biggest private banks in Italy in terms of AuM.

Of course, here it is a different story, as we are starting from scratch without physical branches.

We are not setting a minimum amount that clients need to have to open an account with us – we never did that in Italy. We want our clients to be free to just open the account and see how it works. However, we expect mainly to attract people who have a sizeable amount of money and wish to make full use of the different services we provide.

We see people coming to us because they have properties or other assets abroad. When we started here a year and a half ago, the majority of our clients were expats, mainly Italians, but now 75-80% of our account holders here are British.

**JC:** Are you concerned that Open Banking or PSD2 could dilute your USP – for example, if fintechs start pooling the banking, investing and trading accounts that clients hold with different providers in one place?

**PG:** It is quite difficult to say. We are totally PSD2-ready, but, honestly, I do not see a great powerful aggregator that could aggregate banking, trading and investing. I think it is more likely that we will see tools to make reporting – for tax returns and so on – easier. ■