**Independent Banker**

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**Portfolio**

**[tag] Innovation Station**

**[hed] How fintech relationships can lessen compliance burdens**

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Compliance consistently ranks as one of the highest business expenses for community banks, and that burden is expected to climb: A Thomson Reuters survey found that 57% of U.S.-based financial services firms anticipate their total compliance team budget will rise this year.

**[subhed] The evolving role of fintech in compliance**

With shrinking margins, external interest rate pressures, increased risk and fraud mitigation investments and more, maintaining strong compliance with mounting regulations is no easy task. It’s even trickier when juggling budgets and limited resources. But fortunately, fintech providers can lend support.

In fact, fintechs can introduce operational efficiencies. Take [Finosec](https://finosec.com/), an ICBA ThinkTECH alum, who offers a simple and automated governance platform for information security and cybersecurity to save banks time and enhance exam preparedness. Or consider [RiskScout](https://www.riskscout.com/), a provider from our most recent cohort, whose solutions are designed to increase revenue and decrease compliance costs by unlocking new deposit streams and automating BSA workflows.

**[subhed] Specialized solutions**

These fintechs speak to specific solutions for a defined problem. Because each is laser focused, they are able to tackle complicated issues with technological solutions, transforming repetitive, labor-intense practices into automated processes that increase efficiencies and reduce costs in back-office functions. Systematizing compliance monitoring and reporting, for instance, helps free up staff to focus on the high-value exceptions, which results in improved efficiency ratios and overall performance.

As a first step in selecting a compliance-centric fintech partner, speak with your team about repetitive or frustrating tasks and where pain points exist to help identify your problem areas. From there, seek out fintech specialists to address these particular compliance challenges—you want their expertise as well as their tools. Specialized fintechs not only deliver a solution, but they also help you identify where there are potential gaps or holes and where automating routine tasks can translate into reduced operational costs. The regulatory landscape is only getting more complex and having that sort of dedicated expertise will help prepare you for what’s to come.

**[subhed] Strategic partnerships**

At ICBA Innovation, we have a continuing commitment to seeking out providers who can help you. Our solution forums, like our [Faster Payments Forum](mailto:https://www.icba.org/all-products/product-details/solutions-forum-faster-payments) (<i>icba.org/all-products/product-details/solutions-forum-faster-payments<i>) last year, are designed to take current trends and address the issues that are important to our bankers. The featured providers help solve specific problems, which may make all the difference. Because as regulatory pressures mount, having fintech partners to support you will free you to direct resources to what matters most: providing services that support your customers and communities.

***Charles E. Potts*** *is ICBA’s executive vice president and chief innovation officer.*

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**ICBA Solution Directory delivers vetted providers**

Sometimes the hardest step in introducing a new compliance product is identifying the right partner. The ICBA Solution Directory simplifies that process for you, providing vetted community bank solutions at your fingertips. Visit [<i>solutions.icba.org<i>](https://solutions.icba.org/) for more.