

## Financial IT, UK: How Banks Can Use Disruption to Their Advantage



"Due to a range of factors, a new age has dawned for the European banking industry, with the barriers to entry drastically lower," writes **Euan Davis**, Associate Vice President, Center for the Future of Work. "To protect market share, well-respected, established institutions must prepare for a battle on all fronts, or risk becoming casualties."

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"A recent report from Cognizant's Center for the Future of Work, [The New Banking Genome: Building the Resilient Bank of Tomorrow](#), found that over half of digital-first challenger banks, as well as three out of every five fintech firms, feel confident that they can compete with the traditional banking institutions. However, the same report showed that only a third of incumbent banks are conscious of the threats that these new entrants pose.

If a host of digital-first competitors was not enough, regulatory changes such as the Revised Payments Service Directive (PSD2) and Open Banking Reform are also contributing to the complex industry backdrop.

Industry mainstays must take steps to redefine themselves as 'resilient banks.' To do this, they should embrace four key factors:

1. Put customers at the heart of operating models.
2. Embrace the marketplace model.
3. Make culture the growth medium in your petri dish.
4. Do not fall into blockchain oblivion."

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