

# Fidor Bank AG: **The Fidor Smart Current Account**

*In conversation with*  
**Carsten Luth,**  
*VP, Fidor Group*  
*International*





**Q: Congratulations Carsten, on winning the BAI-Finacle product and service innovation award. So what is the Fidor Smart Current Account? And what makes it innovative?**

**A:** Thanks! It was an honor for us to receive the award, and an incredible affirmation of the work we're doing to improve the lives of our community. The Fidor Smart Current Account is the account that everyone gets when they sign up with Fidor, but it's much more than your standard current account. It's built with APIs, so connections can easily be made to third parties to offer innovative financial services. Some examples of these partnerships come in the form of global money transfer, precious metals trading, and crowd funding (just to

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name a few). Generally, newer FinTech companies can offer a better and more customer-centric solution than the traditional banks can. Combine that with the fact that as a bank we are required by law to thoroughly vet each of the third parties, and you create an environment where it's less risky for the customer to try these new products and services. It's hard to describe, but the account feels better than your traditional 'set it and forget it' bank account. We offer the customer the ability to explore, to experience the best of FinTech.

**Q: You have a very interesting concept of 'community' in banking. Could you talk about the idea behind this?**

**A:** The bank actually started out as a financial community where users could rate products and advisors to try and get the best value for their money. This was back in 2009 when the world was still reeling from the crisis and didn't know who to trust. This mentality of being as transparent as possible and working with the community to create fair products still shapes how the bank makes

decisions today. We regularly use the community to ask for feedback and to help shape the development of new offerings. Simply giving customers a medium to voice their opinions and suggestions may seem obvious, but unfortunately it's still fairly uncommon in the world of banking.

**Q: Tell us about how a Fidor Bank account holder's experience would differ from that of a bank account holder in a regular bank.**

**A:** The biggest thing people will likely notice is everything is done online. While there are plenty of resources you can contact if you need help, we have a total of 0 branches. We believe that the branch

experience of being told which products to use is far inferior to getting advice from a community of people who look out for one another.

Additionally, the account itself feels more transparent and easy to use; there are no secret products or fees. If you want to start a social trading account, simply go to the social trading option and compare the vendors we've integrated with. When using their account, the customer realizes that the account is more than just a place to store your money; you can cover all of your financial needs with it. Another huge difference people will notice is the speed at which you can execute on many functions. Fidor has several products that can be applied for and completed in less than 60 seconds.

**Q: What are the products you are planning to launch in the coming year?**

**A:** We have a tremendous to-do list that we're working on and have a couple of priorities for the upcoming year. Our Fidor Smart Current Account is pretty well

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developed for retail customers, but we're looking to improve the experience for our SME customers. Some general tweaks like payment processing, more credit and savings features, an expanded mobile app, and new APIs will make the account even more attractive for SMEs. We'd like to show off our range, and highlight more clearly that you can do business with Fidor as your primary business bank account. Additionally, we're exploring taking the first steps towards a banking "app store". While it's still in the conceptual phase, our approach already allows for easy integration of third parties, so why not create an experience for it? Our existing partners will receive better exposure and Fidor customers will be able to more quickly find solutions to their financial problems. We're also looking to introduce a new card scheme and update the community – so there's a lot to look forward to!

**Q: What is your take on the blockchain technology, and are you looking at using it in any way?**

**A:** We continue to look at blockchain technology with curiosity and we're exploring how we can use it in new, innovative ways (e.g. building a core banking system on top of it). We already partner with companies like Ripple and Bitcoin.de (the leading German bitcoin exchange) to offer innovative services on top of their cryptocurrency offerings.

Many banks are starting to look especially at the underlying technology of Bitcoin, especially the distributed ledger component, which is something that could impact the future of banking. Companies like MultiChain or Ethereum (among others) are tackling some tough problems to try and figure out how to best utilize these concepts in a practical manner, and it'll be exciting to see in which direction this technology ends up going.

**Q: What about bitcoin banking?**

**A:** We've talked to a lot of experts on this topic, and while many interesting ideas came from it, we concluded that there is no real demand for a "Bitcoin bank" at the moment neither from the consumer, nor from the entrepreneurial perspective – the industry still is in a phase where it needs to consolidate the business models, products, etc. Additionally, because Bitcoin ownership is determined by knowing a private key, a Bitcoin bank would essentially be in the business of data storage. The fact that specific Bitcoin are traced

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back to a specific owner is irreconcilable with the model of traditional banking - loaning out money and



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paying interest on deposits. While the general public is becoming increasingly informed about Bitcoin, it’s still (unfortunately) a small, niche market. As such, the ever-evolving wallets, marketplaces, and brokers seem to meet demand admirably. If we’re talking about Bitcoin specifically, we’ll have to see some key milestones met before a bank makes sense. It’s something we’ll keep our eye on though, and perhaps we’ll be in a very different place a few years from now – though we think it probably

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will not be limited/focused on one specific currency. We feel it’s important to be close to cryptocurrency development and that we keep an open mind. As a

bank, however, we always have to keep our regulatory obligations in the back of our mind. Cryptocurrencies are a result of the digital lifestyle and as such it’s important for us to understand the development happening around them.

**Q: I’m sure this is a question you get a lot...but what is Fidor Bank’s vision – from when it was started, to the present time, and going forward?**

**A:** Fidor was built on the idea that the world needed better banking. We have no desire to be like the gigantic banks, because they don’t do right by the customer. Fidor charges fair rates and doesn’t try to sell the customer things they don’t need. The motto is “banking with friends” encapsulates this feeling pretty well. Banking should leverage social networks and technology to better lives, not just turn a profit. We believe in asking a community versus being told by

a financial advisor, financial literacy over intentional confusion, and openness over secrecy. Banking can and should be simple and fun.