

Businesses missing the benefits of fintech, say Airwallex and CPA Australia

Global fintech unicorn Airwallex and Australia's leading professional accounting body CPA Australia, launched the 'The Role of FinTech in Modernising Businesses' report today, which aims to educate businesses on emerging fintech solutions and drive fintec

In August 2020, Airwallex and CPA Australia surveyed 600 CPA members working in finance and accounting across organisations in Asia Pacific (APAC) to evaluate the current state of fintech adoption. Based on the survey results, the report aims to address barriers to fintech adoption and help businesses understand the benefits of fintech solutions in modernising their business operations.

Despite increasing digital adoption in response to the COVID-19 pandemic, the survey revealed that only a third of businesses in the region have actively adopted fintech solutions. Additionally, a majority of businesses continue to have unmet business banking needs.

Survey results

According to the survey, businesses across APAC cited high banking fees (48 per cent), slow and manual service delivery (35 per cent) and the inability to set up global bank accounts (29 per cent) as the top pain points.

Cybersecurity concerns top the list of reasons why businesses are yet to apply fintech solutions, with more than half (53 per cent) stating this is a key barrier for adopting tech solutions to manage their financial needs. This was closely followed by data privacy concerns (48 per cent), and reliability and trust (48 per cent).

Summary of key findings

70 per cent of APAC businesses surveyed have not used any fintech solutions

40 per cent of APAC businesses are unaware of fintech and the benefits it offers

High banking fees (48 per cent), slow and manual service delivery (35 per cent) and inability to set up global bank accounts (29 per cent) were cited as the top unmet needs by businesses

48 per cent of respondents surveyed expressed cybersecurity, data privacy and trust concerns

Australia is leading APAC in familiarity and awareness of fintech benefits

61 per cent of Australian CPA members surveyed having familiarity with the fintech options available for SME and enterprises (as compared with Hong Kong at 57 per cent, Malaysia at 56 per cent and Singapore at 54 per cent)

Australia is leading APAC in fintech usage

39 per cent of Australian-based CPA members surveyed have used at least one or more fintech (as compared with Hong Kong at 36 per cent, Singapore at 28 per cent and Malaysia at 20 per cent).

Neil Luo, VP, Global Head of SME at Airwallex, said, "Fintech has transformed the global economy, creating new revenue streams and operating efficiencies so businesses large and small can remain viable in an increasingly competitive environment. However, today's data shows low fintech adoption rates, highlighting a huge missed opportunity for businesses across the region in realising the benefits fintech has to offer. Many of the key business pain points - including opening accounts overseas, being charged high FX fees on foreign transactions and inability to issue employees with their own cards - can be alleviated or resolved through fintechs such as Airwallex.

"At Airwallex, our digital payment solutions have enabled many businesses - from startups to large-scale enterprises - to grow in every corner of the world, while saving time and money doing so. We have earned our customers' trust and confidence by ensuring that their transactions are not only fast and seamless but also secure. However, we understand education is key to greater fintech adoption, and look forward to working alongside CPA Australia in supporting accountants and the businesses they serve." Luo continued.

Gavan Ord, Manager Business and Investment Policy and Asia Policy Lead at CPA Australia, said, "Australian businesses are falling behind their international counterparts when it comes to the uptake of fintech solutions. The current business environment amid the COVID-19 pandemic has made

digital technologies more essential than ever before.

“Many of our members support clients who need help transforming into digital-first businesses. CPA Australia supports initiatives that encourage small businesses to undertake digital transformation. With the right technology, businesses can improve their agility in this highly competitive environment.”

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