CELENT

FAMILY BANKING COMES OF AGE

The Next Evolution of Digital Banking Will Be Shared

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CONTENTS

EXECUTIVE SUMMARY

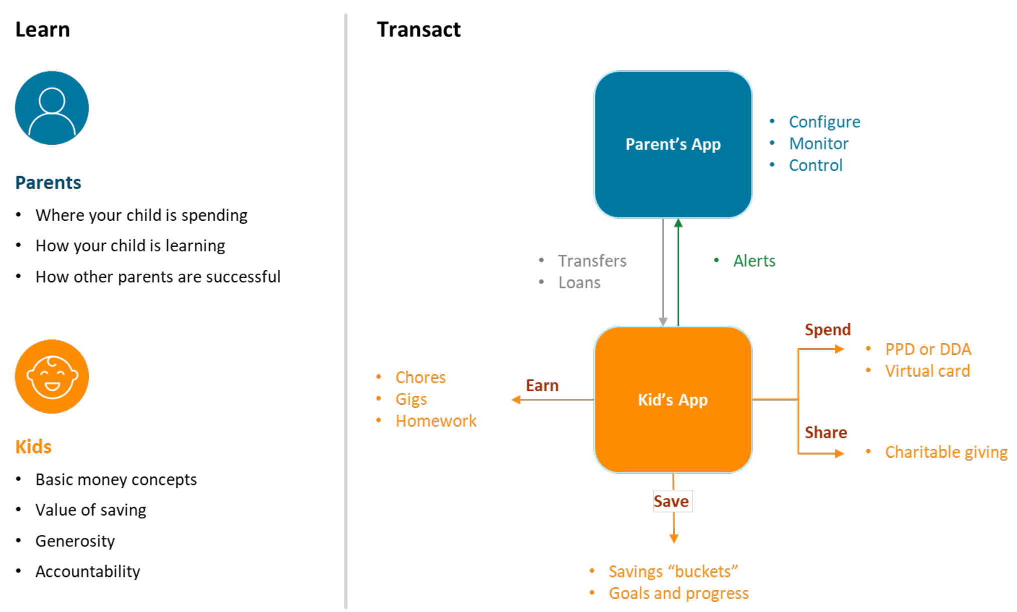
Family banking delivers win-win value to families and their financial institution primarily through ongoing digital customer engagement. It is an example of engagement banking.

Much more than a financial services product, family banking centers the customer experience around family rather than each individual. At its core, family banking brings role-based capabilities to everyday banking in the form of a shared experience built around two use cases: parents and their young children (youth); and seniors and their caregivers (senior).

Family Banking in a Nutshell

The premise driving both use cases is that both the young and old benefit from the oversight and occasional intervention of a trusted guardian. This is true broadly and is certainly true in financial matters. Youth-oriented family banking puts digital banking and payments capability in the hands of youth via their own mobile apps, while providing parents the control and oversight they need to coach their kids in wise money management through their own apps. Figure 1 illustrates.

Figure 1: Typical Youth-Oriented Family Banking Delivery



Source: Celent

On the other end of the demographic spectrum, family banking can provide seniors with a safety net by granting caregivers (e.g., adult children) limited access to and control over their financial activity.

Both youth- and senior-oriented use cases are nascent, with most solutions less than five years old. Of the two, youth-oriented family banking is the more developed market, with a cadre of solutions to choose from. Several providers of youth-oriented family banking solutions are in development with a senior product.

Vendor Landscape

Historically, the prevalence of activity was among fintechs that operated in a direct-to-consumer, B2C business model, providing family banking services in return for a monthly subscription fee. More recently, several fintechs have embraced financial institution partnerships through integrated white-labeled offerings and are busily pre-integrating with established digital banking platform vendor solutions.

Seven vendors are included in this report. Three provide solutions for financial institutions seeking to field a proprietary solution:

- Amdocs
- i-exceed
- Tagit

The remaining four are fintechs that offer white-labeled solutions pre-integrated to a growing number of digital banking platforms:

- FamZoo
- Greenlight
- Incent
- Rego Payments

Each of these vendors are profiled in this report. Others are mentioned but are not profiled because they do not offer solutions for banks and credit unions.

Opportunities for Financial Institutions

The primary benefits banks cite for providing a family banking experience for their customers are three-fold:

1. **Proactive retention.** This type of banking better serves existing customers/members to improve retention and ultimately ensure an improved customer lifetime value. For many institutions, families represent

20% or more of their retail banking customer base.[1] This is not a fringe or niche segment!

2. **Differentiation with an important customer segment.** As a nascent solution category, family banking is an excellent way to differentiate your institution in today's crowded financial services marketplace.
3. **Gen Z customer acquisition.** Arguably, the best way to win over young prospects is to earn their business at an early age. Many institutions offering family banking services fund the program out of marketing budgets and track the percentage of Gen Z participants that "graduate" into traditional customer relationships.

Direct product-related revenue is not a primary consideration among FIs providing family banking services. Transaction interchange (when available) and deposits tied to custodial accounts simply are not compelling in most cases.

Recommendations

After analyzing the vendors and solution landscape in this report, Celent offers several recommendations for banks to approach their own family banking strategy:

1. Embrace the banking industry's role in financial education.
2. Personalize for stronger engagement.
3. Measure what matters.
4. Incorporate family banking into a wider financial wellness program.
5. Consider fee-for-service approaches.

[1] According to the US Census Bureau, 40% of all US families had children under 18 living in their household in 2022. In 2021, youth aged 10–19 comprised 13% of the US population.

DELIVERING NEW VALUE THROUGH ONGOING ENGAGEMENT

Family banking hinges on digital customer engagement. It delivers unique new value to users far beyond the value created by the banking products employed. Family banking is an excellent example of delivering new value through ongoing customer engagement.

To be effective, customer engagement must be pursued intentionally, designing for specific outcomes and value drivers. Done well, customer engagement provides value to customers and value to the financial institution—so much so that customer engagement is becoming the primary way banks deliver ongoing value to their customers. Celent calls this approach engagement banking. It stands in sharp contrast to traditional product-focused sales and marketing. Family banking is one example of engagement banking.

When viewed through the lens of traditional banking products, banks provide current accounts and payment mechanisms and lend money. When viewed through the lens of customers' needs, banks help customers achieve their goals and dreams while improving their financial lives. The difference isn't mere positioning, but a shift from one-time value ("I got an auto loan at a great rate") to delivering value to customers continually and reminding them of your doing so all along the way. The latter is much more compelling. Remember the expression "What have you done for me lately?"

To create compelling value in their customers' minds (perceived value), banks will need to rethink their value proposition in its broadest context: how they identify ways to provide customer value, and how to deliver it uniquely to each customer at scale. Banks used to do this simply by offering current accounts, loans, credit cards, and payment instruments. Those are taken for granted now. What financial institutions need now is not improved product or service attributes, which are a means to an end, but tangible end benefits themselves being uniquely positioned for each customer—and delivered continually through highly personalized and often proactive engagement. This continual customer engagement must identify value relevant to each customer at each point in time, deliver value in tangible and demonstrable ways, and reinforce that value often (but not too often, based on the sensitivity of each customer). Specifically:

1. **Identifying value** requires a significant mind shift. To establish value in the minds of their customers, banks must look past new sales opportunities.

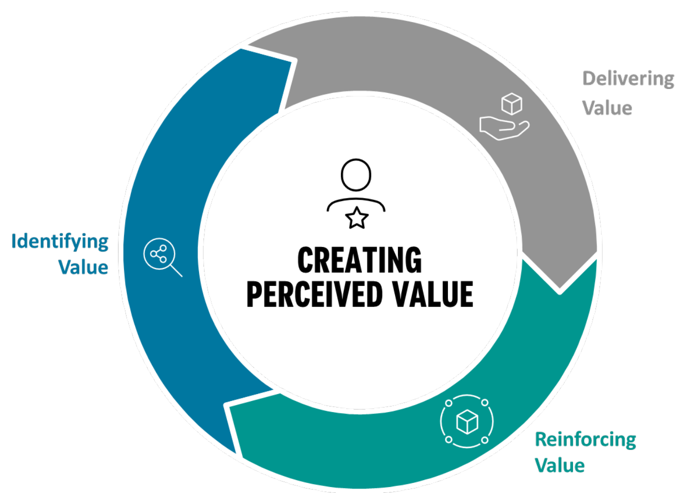
Instead, they will need to inculcate a culture of win-win to find and create ways they can improve the financial lives of each customer—whether doing so takes the form of traditional banking products, solutions delivered by third parties, or simply actionable insights serving up in a timely fashion to customers.

2. **Delivering value** requires a new paradigm for customer experience. Influenced by their experiences with a variety of nonbanks, customers are increasingly expecting relevant and personalized engagement across all points of contact. Moreover, the engagement needs to deliver, meaning it must tangibly advance each customer's objectives in measurable ways. Insights must lead to a call to action, followed by demonstrable progress, such as progress toward savings goals, improving a credit score, or avoiding an overdraft. There are many examples.

3. **Reinforcing value through ongoing engagement** that cements the bank's value delivery in each customer's mind. Many retailers powerfully reinforce the value of frequent shopper programs by a simple statement at the bottom of sales receipts, such as "Your loyal customer status saved you $xx today." Leading banks are creating powerfully reinforcing engagement that not only cements their value proposition in customers' minds but also spurs customers on to action, resulting in favorable outcomes.

Figure 2 illustrates the virtuous circle pacesetter banks are creating.

Figure 2: Creating High Perceived Value in Your Customer's Mind



Source: Celent

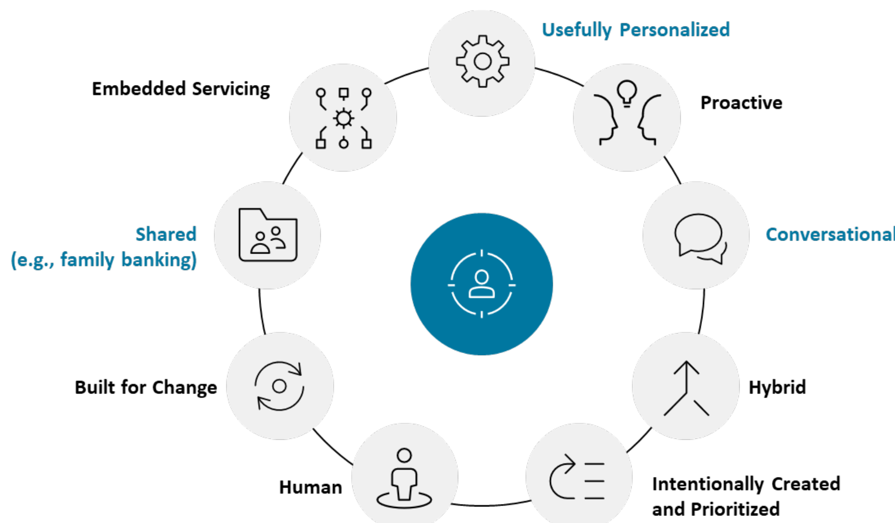
Delivering value to customers has always been important, but it has become more so. Our increasingly open digital ecosystem makes it easier than ever for fintechs to compete with traditional financial institutions and disintermediate relationships.

Thus, it will be important for banks to provide tailored value propositions to customer segments or microsegments rather than a one-size-fits-all proposition.

Once new customers are fully onboarded, banks' attention turns toward ensuring they are continually delivering value through reinforcing engagement. Done well, each customer interaction cements the value of the customer's bank relationship in their minds. Institutions can delight customers by creating well-thought-through, proactive engagement opportunities that align with diverse value drivers based on individual customer needs and desires. For some customers, it is financial wellness, and for others, it may be accommodating high security awareness, saving for a down payment on their first home purchase, or reducing their carbon footprint, or more than one of these needs at any given time. Family banking offers customers a financial wellness value proposition tailored uniquely for families with young children and teens. We'll discuss details later. For the moment, however, understand that the family banking value proposition is delivered primarily through ongoing personalized digital customer engagement, a.k.a., engagement banking.

Celent distilled nine hallmarks of engagement banking (Figure 3). A previous Celent report looked at each in detail. Family banking offerings now in the market manifest several hallmarks, namely usefully personalized, conversational, and shared experiences.

Figure 3: Family Banking Manifests Several Hallmarks of Engagement Banking



Source: Celent

Usefully Personalized

Family banking offerings put customers *in control* of all aspects of their bank's communication. They will control how (which channel), when (frequency and time of day), and why their bank communicates with them based on what matters to them individually. The means of control will be partly explicit, such as setting up transaction notifications, and implicit, such as when customers react to proactive nudges.

Conversational

Historically, customers chose digital mechanisms for self-service and branch or contact center engagement if they desired personalized assistance. That is changing in response to consumers' growing affinity for conversational engagement. Text chat in particular is becoming consumers' primary engagement method and is used for both automated and human-to-human (H2H) interaction. Contact center leaders across many industries are seeing growth in inbound live chat utilization, particularly for simple, less difficult conversations. Family banking offerings mix conversational and GUI-based digital engagement across use cases in ways that are convenient and useful for kids and their parents.

Shared

Banking experiences used to be singularly individual. No longer. Family banking user experiences are designed for parents and guardians to shepherd the financial literacy and discipline of those under their care. Parents can configure their mobile app to provide visibility into a child's spending, set limits, control where money is spent, and, of course, arrange for recurring deposits into a minor's account(s). Some vendor solutions can allow parents to create savings incentives for their kids, such as matching their savings. Virtually all aspects of user's interactions are shared or highly interdependent. This shared experience delivers unique value to all users.

The next section unpacks family banking and shows how dramatically it differs from traditional one-to-one digital banking.

FAMILY BANKING IN A NUTSHELL

Family banking centers the customer experience around family rather than each individual. At its core, family banking brings role-based capabilities to everyday banking in the form of a shared experience built around two use cases: parents and their young children (youth); and seniors and their caregivers (senior).

The premise driving both use cases is that both the young and old benefit from the oversight and occasional intervention of a trusted guardian. This is true broadly and is certainly true in financial matters. Let’s look at each use case individually.

Youth-Oriented Family Banking

Youth-oriented family banking is by far the most developed of the two use cases, with a bevy of prepackaged solutions in the market.

Youth-oriented family banking puts digital banking and payments capability in the hands of youth while providing parents the control and oversight they need to coach their kids in wise money management.

Any parent with school-aged children will likely attest that most school curriculums offer precious little education on money management. The burden, therefore, rests squarely with the parents. To have any chance of success, parents continually need important information, such as the following:

- **Where and how much is their child spending?** Is their child acting responsibly? Are they saving regularly? Are they spending all they earn on themselves, or are they generous with their resources?
- **Is their child learning?** Does their child understand basic money management concepts? Are they learning the value of hard work? Do they understand the implications of carrying debt? Where do they need coaching?
- **What are best practices?** Learning by doing is a time-tested way to learn but is inefficient and can be costly. Learning what has worked for others can help avoid common mistakes.

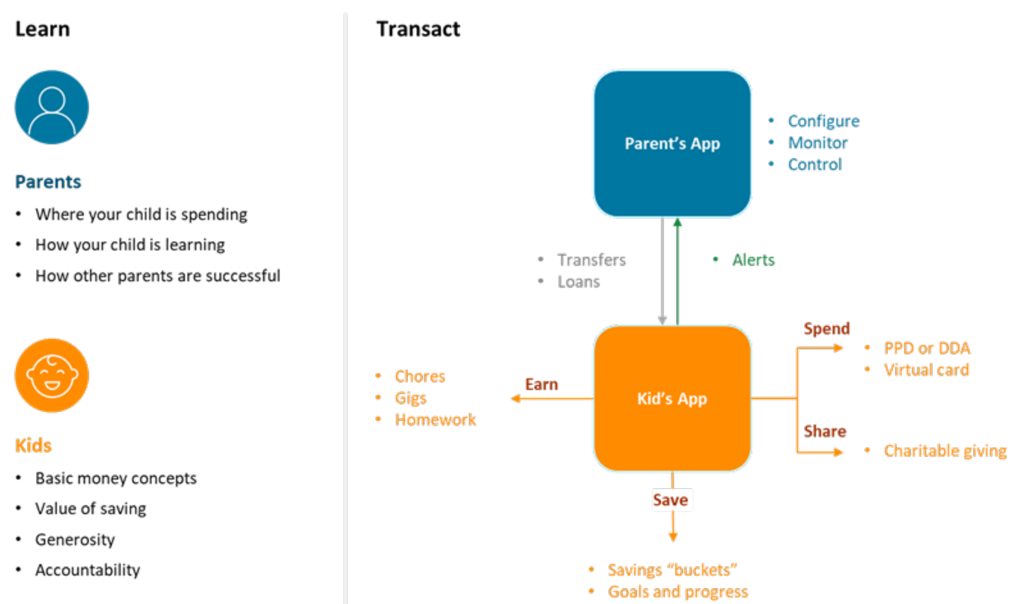
Youth or teen checking and savings accounts are relatively commonplace. They provide basic banking and payment services for youth using an adult custodian relationship and usually do so with low balance requirements and little in the way of fees. But these accounts offer none of the insights parents need. Nor do they give parents useful tools to put boundaries on their child’s financial activity. In short, simple youth and teen accounts provide only marginal value to customers, in part, because they lack any opportunity for ongoing customer engagement. They are not shared experiences.

Depending on jurisdiction, most youth checking and savings accounts have minimum age requirements (typically 13 and older), leaving younger children without a viable option. Moreover, the digital banking experience for young account holders is typically identical to that of their parents.

In sharp contrast, modern family banking offerings create a shared digital banking experience for parents and their children that provides parents with a fast and convenient way to provision spending and savings accounts for their children, control and oversee their spending, and administer allowances and other mechanisms to fund the child's account—while teaching good money management habits. Parents do this with their own mobile app. Some implementations have the parents' dashboard integrated to their bank's mobile banking app so an additional app is not necessary.

Children have their own mobile app, which provides common banking functions in an age-appropriate way and gives them convenient ways to receive money from parents, establish savings goals and track progress, and, of course, spend using a physical debit card or mobile wallet. Some vendor solutions also provide a variety of gamified learning modules children can interact with to learn money management concepts (and demonstrate attainment to their parents), often in return for some parental remuneration. Figure 4 illustrates.

Figure 4: Typical Family Banking Delivery



Source: Celent analysis

Many offerings provide parents rich control over how their child's spending account is funded and where and how much their child can spend, including cash withdrawal limits in some applications. They can establish alerts to help oversee their child's activities and can incentivize solid work and money management habits through linking funding (e.g., allowance) to the attainment of household chores, for example. Some also offer parents the ability to incentivize good savings habits by participating in their savings through automated interest payments. In the process, transactional activities likely remain on the bank's app rather than migrating to the bevy of nonbank alternatives, such as Cash App, Venmo, and others.

These essential capabilities form a shared experience foundation, which banks can add upon. As children age out of the app, they will likely be exceedingly well equipped to "graduate" to their own independent banking services—most likely with the same institution that has been serving them from their early youth.

Senior-Oriented Family Banking

On the other end of the demographic spectrum, family banking can provide seniors with a safety net by granting caregivers (e.g., adult children) limited access to and control over their financial activity.

This may be an unpleasant topic, but the need is real. In April 2024, the Financial Crimes Enforcement Network (FinCEN) issued an analysis on elder financial exploitation (EFE) in which it reported $27 billion in elder financial exploitation suspicious activity in a one-year period, ending in June 2023, based on BSA reports. According to the analysis:

> EFE typically consists of two subcategories: elder scams and elder theft. Elder scams, identified in approximately 80% of the EFE BSA reports that FinCEN analyzed, involve the transfer of money to a stranger or imposter for a promised benefit that the older adult does not receive. In elder theft, identified in approximately 20% of the reports, an otherwise trusted person steals an older adult's assets, funds, or income. Among other conclusions, FinCEN's analysis revealed that most elder scam-related BSA filings referenced "account takeover" by a perpetrator unknown to the victim; that adult children were the most frequent elder theft-related perpetrators; and that illicit actors mostly relied on unsophisticated means to steal funds that minimize direct contact with financial institution employees.

Sadly, some aging seniors simply share login credentials with a friend or family member upon realizing their need for financial oversight. Perhaps they have a gambling problem or don't recognize fraudulent transactions on their account and ask for help. But the act of sharing credentials with their adult children actually facilitates the elder theft mechanism the FinCEN analysis highlights!

Senior-oriented family banking never relinquishes transaction initiation capability to a third party. Rather, the account owner (the senior) explicitly grants limited oversight to a friend or family member, who can enforce limits on the account owner's spending capabilities but never transact on their behalf. For example, a caregiver could:

- switch cash withdrawal capability or broad spending card use on or off at any time (card controls)
- set monthly and daily spend or cash withdrawal limits to help a senior manage money more carefully
- control recurring transfers into a spending card account

- receive real time notifications showing when and where the card is used, enabling thoughtful oversight and security

These capabilities closely resemble those leveraged for youth-oriented use cases, but with a twist. The next topic to consider is the rationale for investment in family banking.

WHY HERE? WHY NOW?

Family banking is a simple concept yet delivers a highly valuable set of capabilities. In the final analysis, family banking represents an investment in value creation and customer experience for an important customer segment for most retail financial institutions: families.

There should be no doubt of the need for instilling prudent money management discipline in today's youth or of the imperative of helping safeguard today's senior citizens from EFE. The inexorable growth in digital banking and digital payments has exacerbated an age-old problem. In Celent's view, banks own this and must be part of the solution.

Consider:

- Of the US multigenerational households surveyed, 55% say they have zero visibility into elderly family members' banking habits.
- Research conducted by the Global Financial Literacy Excellence Center (GFLEC) assisted by PWC has documented that the gap between the amount of financial responsibility given to young Americans and their demonstrated ability to manage financial decisions is rapidly widening. Furthermore, their knowledge deficit could prove disastrous for them, the economy, and society.
- Only 57% of US adults are financially literate according to GFLEC research, compared to 33% of adults worldwide.

How can financial institutions demonstrably improve the financial literacy of young people within their geographic footprint? By providing families with the tools they need to manage their household finances while providing oversight and control of their children's financial matters: family banking.

The Opportunity for Financial Institutions

The primary reasons banks cite for providing a family banking experience for their customers is three-fold:

1. **Proactive retention.** This type of banking better serves existing customers/members to improve retention and ultimately ensure an improved customer lifetime value. For many institutions, families represent

20% or more of their retail banking customer base.[2] This is not a fringe or niche segment!

2. **Differentiation with an important customer segment.** Customers have many options when seeking a bank or consumer financial service that addresses a life stage, lifestyle, or other area of interest. There is an important strategic opportunity for FIs to differentiate for specific market segments and provide valuable services to retain those important customer groups. As a nascent solution category, family banking is an excellent way to differentiate your institution in today's crowded financial services marketplace. As awareness and demand for family banking grows, families will seek these services elsewhere if they can't get them from your institution.

3. **Gen Z customer acquisition.** Arguably, the best way to win over young prospects is to earn their business at an early age. Many institutions offering family banking services fund the program out of marketing budgets and track the percentage of Gen Z participants that "graduate" into traditional customer relationships.

A less obvious opportunity is the ability to **cross-service (and sell) when specific needs are detected.** Highly curated and personalized role-based digital experiences present targeted marketing opportunities. Even a rudimentary analysis of family banking user interactions will reveal when a teen is saving money for her first car or when a family is planning a big vacation. These life moments offer FIs golden opportunities for targeted, relevant product offers.

Direct product-related revenue is not a primary consideration among FIs providing family banking services. Transaction interchange (when available) and deposits tied to custodial accounts simply is not compelling in most cases.

Bank Examples

While youth accounts abound, genuine shared family banking experiences are currently a rarity among banks. That's about to change, particularly in the US, with its relative concentration of fintechs courting bank and credit union partnerships with white-labeled products. Not including those institutions, Celent could only find a handful of proprietary examples. Here are three of them.

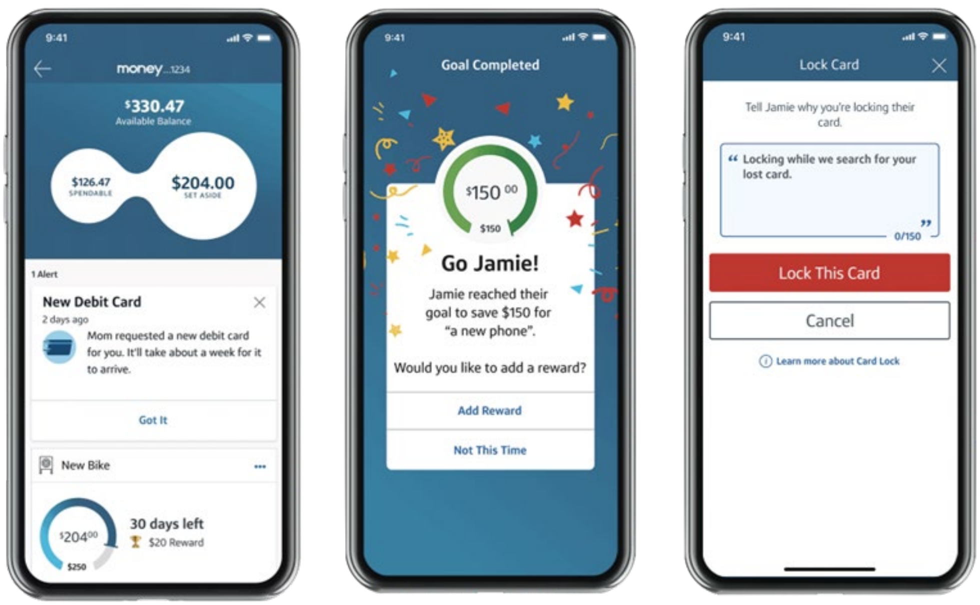
Capital One MONEY Teen Checking Account

This account provides a genuine shared banking experience for a teen and her parent(s), although it has few bells and whistles. Kids enjoy a debit card with no fees or minimum balance requirements paired with their own unique mobile banking app experience. Kids as young as eight are welcome to open a MONEY account (with parent involvement). Parents are granted visibility to their child's transactional

[2] According to the US Census Bureau, 40% of all US families had children under 18 living in their household in 2022. In 2021, youth aged 10–19 comprised 13% of the US population.

activity and the ability to lock the card. Configurable alerts are available for both parent and child.

Figure 5: One Joint Account, Two Unique Experiences



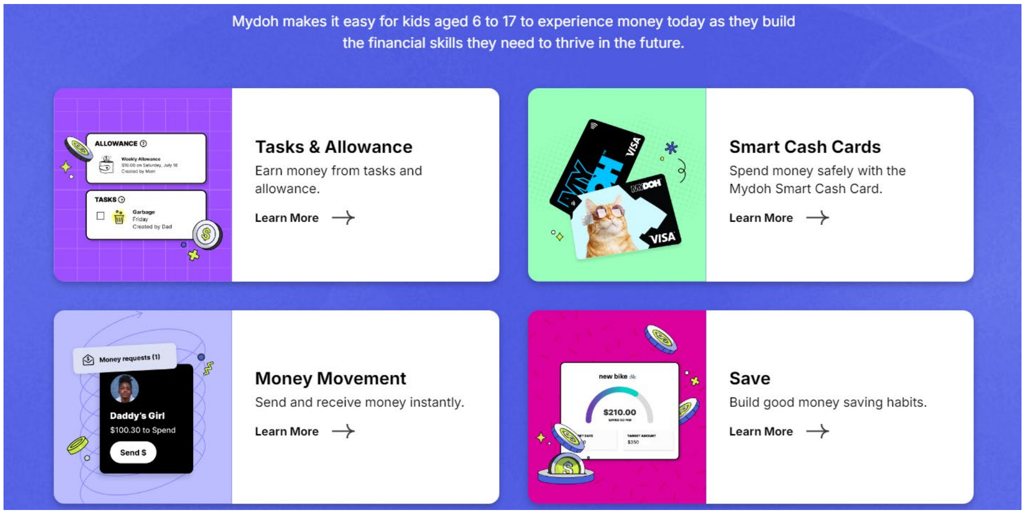
Source: Capital One

RBC Mydoh

This is a separately branded family banking application offered by RBCx, a venture of Royal Bank of Canada. Mydoh is designed for families with kids from 6 to 17 years of age. Mydoh provides a shared experience for two parents and five kids with no monthly fees. First launched in 2019, Mydoh serves 142,000 Canadians. There are several components to the offer:

- **Tasks & Allowance:** Parents can set up recurring weekly tasks for their kids on an age-appropriate basis and tie weekly recurring allowance payment to task completion.
- **Saving:** With Mydoh Savings Goals, kids can set up to three goals, save toward them, and visually track their progress. Along the way, they'll build skills that will stay with them—like commitment, patience, and persistence. Parents monitor savings progress and can chip in extra money along the way.
- **Smart Cash Cards:** A reloadable, prepaid Visa card with no interest, monthly fees, or ability to overdraft. Parents have full visibility to their kids' spending. Optionally, for $6.99, kids can get a customized card with a photo of their choice.
- **Money Movement:** Mydoh offers easy, real time money transfer from parent to child upon a child's request. Optionally, kids 14+ can set up to send and receive money from other Mydoh users.

Figure 6: Mydoh Capabilities



Source: RBCx

Revolut <18

Offered by Revolut (with its recently approved banking license in the UK), Revolut <18 is a full-featured account for kids aged 6–17. Clearly positioned as a teen banking product, the app provides a shared banking experience with rich engagement opportunities between parents and their kids. Parents set allowance payments (with or without being tied to task or goal attainment) and have full visibility of their kids' spending activities.

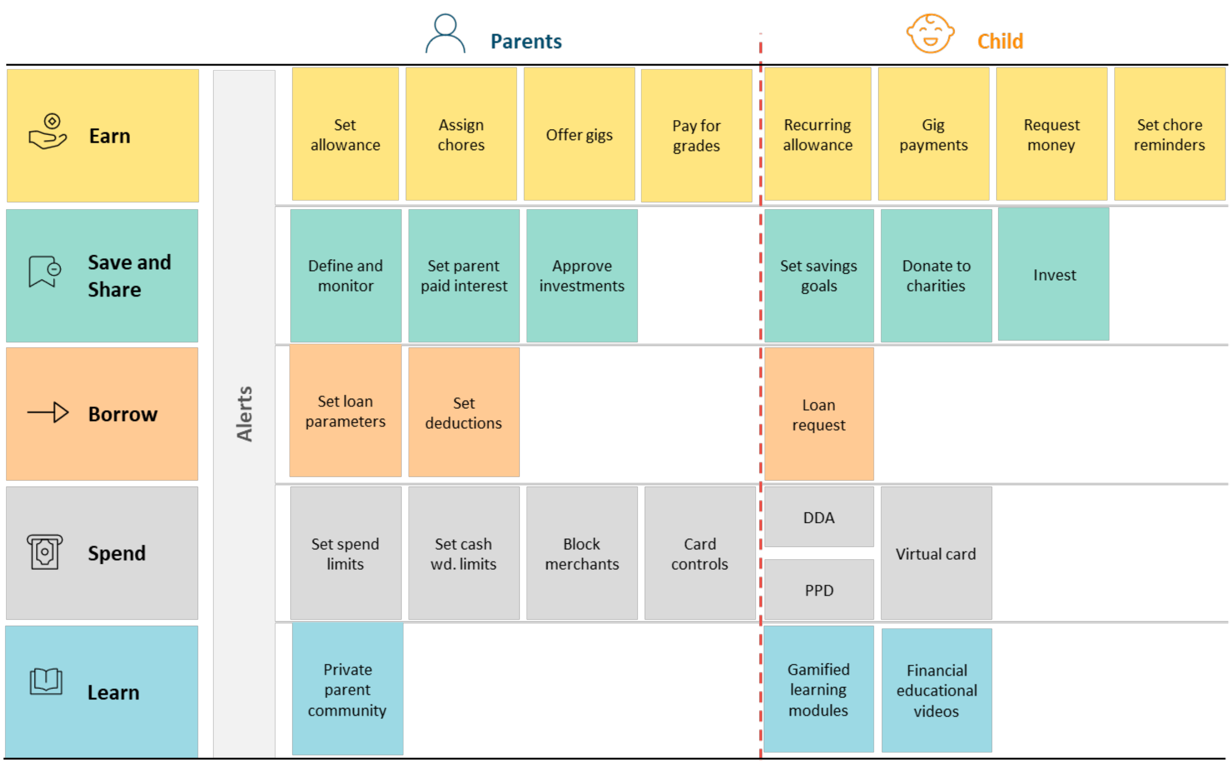
Like the other examples, kids enjoy their own unique mobile banking app experience, not their parents'. Revolut goes further by offering P2P payments, "round up to savings," merchant-funded rewards, and optional customized card graphics.

ESSENTIAL FAMILY BANKING CAPABILITIES

Essential youth-oriented family banking capabilities are relatively few, but a bevy of engagement-building features differentiate offerings.

Celent examined 11 family banking offerings and found capabilities clustered in five areas. Each offered tailored experiences with relevant differentiated capabilities separately for parents and their children. These are illustrated in Figure 8 and summarized below.

Figure 7: Essential Family Banking Capabilities Cluster in Five Areas



Source: Celent analysis

Earn

Children are continually asking their parents for money. Many parents address this by paying children a recurring allowance. Family banking apps provide parents with a convenient mechanism to set an allowance, optionally tie its fulfillment to the completion of requisite "chores," and facilitate the timely transfer of the allowance to the child's spending account.

For children, family banking apps provide visibility to allowance payments and often provide mechanisms to request additional money from parents.

When implementations involve transferring money between accounts held with the same financial institution, funds may be available in real time.

Some differentiated solution options:

- BusyKid provides a chore chart where the chores and allowance are preset by the age of the child but easily editable by parents.
- Several solutions permit allowance to be paid only if all chores are completed or facilitate deductions for incomplete chores.
- Incent provides cash for grades out of the box, providing parents a convenient and powerful way to incentivize kids to study hard.
- Greenlight facilitates rapid, low-friction gig payments by displaying a QR code on the youth's app once a gig is completed (for a neighbor or friend to pay), which links to an online commerce portal that accepts Venmo, creating a one-way deposit transaction.
- Greenlight facilitates payments for completion of modules within its Level Up financial literacy game.

Save and Share

Systematic savings is critical to financial wellness and is best learned at an early age. Similarly, sharing is a broadly held value many parents wish to develop in their children. Accordingly, family banking apps provide convenient ways for parents to encourage children to save and share while monitoring their children's progress in doing so. A minority of family banking solutions also offer children a way to learn how to invest and begin doing so (with parental oversight).

Some differentiated solution options:

- BusyKid and Incent allow parental matching on child savings to incentivize the habit of saving.
- FamZoo allows parents to allocate a percentage of each allowance payment to savings or sharing virtual accounts.
- BusyKid, FamZoo, Greenlight, and Incent allow youth to select from specific charities through Charity Navigator and make contributions with parents' involvement.
- In addition to its support for investing in fractional shares, Rego Payments provides each child a way to practice investing with a pretend sum of money. Basically, it's a paper-trading account.

Borrow

Indisputably, responsible borrowing is an important money management skill. Many family banking apps provide parents with a way to teach responsible borrowing to their children long before they would qualify for a bank loan. In several apps, parents receive a loan request from their child and can associate an interest rate and payment terms, while the child receives a notification once the parent responds to the loan request. More than one app allows parents to configure an ongoing deduction from allowance to pay off the loan.

Some differentiated solution options:

- FamZoo allows parents to configure automatic deductions from recurrent allowance transfers to share (e.g., charity donations) and to repay family loans by a negotiated amount.
- Incent allows kids to request family loans as well as propose a duration and recurring repayment terms for parents to react to and hopefully approve.

Spend

Parents' visibility and their ability to control their child's spending is a core feature of most family banking apps. Solutions are divided between providing prepaid debit spending facilities (most B2C fintech solutions) and traditional demand deposit accounts with the parent(s) as guardians. Most solutions offer both physical and virtual card options. While capabilities vary widely, all provide both parents and children a dashboard, which provides a historical view of spending by category and savings activity (goals and progress toward them). Most offer basic card controls (e.g., the ability to disable a card if lost or stolen) and spend limits parents can configure.

Some differentiated solution options:

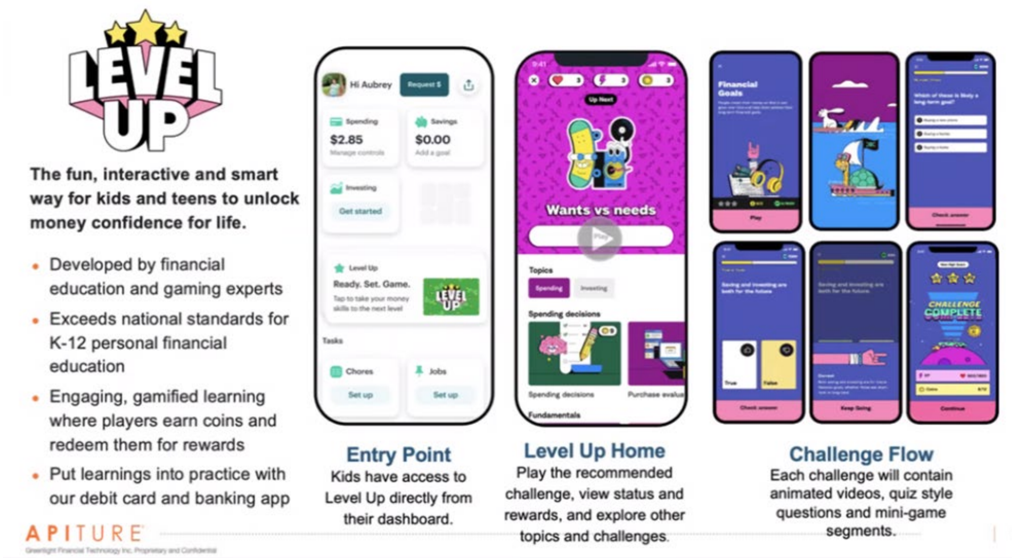
- FamZoo optionally alerts parents each time a child's transaction is denied along with the reason for the denial.
- Greenlight offers optional customized debit card graphics.

Learn

Most solutions provide a learning facility for children covering basic money management concepts. These come preproduced as "bite-sized" modules so they can be consumed by children with short attention spans. Many are gamified. Greenlight (Figure 9) and some others provide unique content, while others offer integrations to third party content available with an additional license.

All solutions emphasize that a primary way children learn is by hands-on experience under the watchful eye of a parent. Parents also learn in the process.

Figure 8: Greenlight's Financial Literacy Game



Source: Greenlight

Some differentiated solution options:

- FamZoo provides parents a private online community to collaborate on coaching their kids toward better money management habits.
- Incent provides free practice investing, allowing kids to explore what might result if they invested real money.

Alerts

Alert options within family banking apps are many and wide-ranging. Parents can be as involved or passive as they wish by configuring alerts as they see fit. Parent apps also typically provide visibility into all aspects of each child's saving, spending, and investing via a configurable dashboard.

VENDOR LANDSCAPE

The vendors included in this report span geographies, client segments, and size. The landscape is vibrant, with relatively young and mature vendors competing head-to-head across market segments and geographic regions.

Family banking is a nascent product category, with healthy evolution spawned by external investment. Today's vendor landscape is dominated by fintechs. Many are small, privately held, and in some cases family-business launched to meet growing demand and a void in bank-offered solutions. Celent considered 12 vendors in this report. Figure 10 displays the headquarters for each of them.

Figure 9: HQ Locations for Vendors Covered in This Report

Sources: Vendors, Celent

To understand this fast-moving vendor landscape, Celent looks at three taxonomies: geographic footprint, business model, and functionality.

Geography

Most vendors cited in this report operate in North America (NA), with fewer supporting clients in Europe, Asia-Pacific (APAC), and Latin America (LATAM). Table 1 details the profiled vendors and their current geographic regional coverage.

Additional direct-to-consumer fintech vendors (that are not profiled) are also shown for perspective.

Table 1: Profiled Vendors and Regional Client Footprint

Vendor	Product	NA	EMEA	APAC	LATAM
Amdocs	Amdocs Family-First Banking	■■	■■	—	—

Key: ■■ = In production in regions; — = Not in region * Not profiled

Note: other participating vendors removed from this excerpt

Sources: Vendors, Celent analysis

Note also that even if a system is shown as implemented in only one global region, the vendor may still be capable of supporting implementations in other regions. Financial institutions interested in a particular system may wish to contact the vendor for further discussion and due diligence on their interest and ability to support a new market.

Business Model

Most fintech solutions have direct-to-customer business models based on recurring monthly or annual pricing plans delivered by their own branded mobile apps. Some began as B2C offerings and later introduced white-labeled offerings for partner financial institutions, with or without integration to the institutions' mobile banking apps. A minority of offerings are built specifically for financial institutions. Those solutions fall into two categories: solutions that enable institutions to stand up their own differentiated, native capability (Amdocs, i-exceed, and Tagit); and white-labeled offerings (Incent and Rego). Table 2 compares go-to-market approaches among vendors.

Table 2: Family Banking Vendors and Primary Business Model

Vendor	Product	Native	White Label	B2C
Amdocs	Amdocs Family-First Banking	●		

Key: ● = Supported * Not profiled
Note: other participating vendors removed from this excerpt
Sources: Vendors, Celent analysis

Just a few digital banking platform vendors have out-of-the-box family banking solutions. Finacle and Oracle have piloted solutions for native family banking capability, but do not have solutions generally available. Tagit has a client in production and is selling a prerelease product slated for general availability in late 2024.

Functionality

Generally, fintech solutions are considerably more feature-rich than those provided by digital banking platform vendors. In part, this is likely a function of their tenure in the market. As it has been mentioned, digital banking platform vendor solutions are few and brand new. Celent fully expects those solutions to become more well-rounded in short order, particularly as more competitive offerings come to market—another virtual certainty, in Celent's opinion.

Table 3 compares functionality among vendors offering either native or white-labeled solutions for financial institutions. Vendors with strictly B2C business models are not shown.

Table 3: Vendor Functional Comparison

		------ Native -----			---------- White label ----------					
		Amdocs	i-exceed	Tagit	BusyKid	FamZoo	Greenlight	Incent	NuMoola	Rego
Earn	Set allowance	●								
	Direct deposit for teens	●								
	Assign chores	●								
	Chore calendar & reminders	●								
	Offer gigs and accept payments	●								
	Request money	●								
Save & Share	Define & monitor savings	●								
	Set parent paid interest									
	Set savings goals and monitor	●								
	Round-up to savings									
	Interest paid on savings									
	Cash back on spending									
	Make charity payments									
	Fund investments									
Borrow	Request loan									
	Set loan parameters									
	Set recurring deduction									
Spend	Optional custom card graphics									
	Set category level spend limits	●								
	Set store level spend limits									
	Set cash withdrawal limits	●								
	Block specific spending categories	●								

	Block specific merchants	●
	Card controls	●
Learn	Gamified child learning	
	Financial education videos	●
	Private parent community	
	Practice Investing	
Support	24/7 customer support	
	Support during normal working hours	

Sources: Vendors, Celent analysis. Legend: ● = Supported in one or more plans
Note: other participating vendors removed from this excerpt

Vendor profiles follow next.

VENDOR PROFILES

Table 4 lists vendors profiled in the full report, along with each respective product suite. All vendor-supplied information cited in the following profiles was accurate as of July 31, 2024.

Table 4: Alphabetical List of Vendor Profiles

Solutions for Native Capability	
Vendor	**Product Suite**
Amdocs	User Lifecycle Management
i-exceed	Appzillon Family Banking
Tagit	Mobeix Family Banking
White Labeled Solutions	
Vendor	**Product Suite**
FamZoo	FamZoo
Greenlight	Greenlight
Incent	Youth Digital Banking
REGO Payment Architectures	Family Digital Wallet

Sources: Vendors and Celent
Note: other participating vendors removed from this excerpt

Amdocs

Amdocs helps retail banks and other financial service providers capitalize on their true value. With experience across multiple highly regulated industries, Amdocs brings end-to-end capabilities and insight to a range of technology initiatives. Amdocs has helped 50+ banks realize their customer experience, product innovation, and quality goals. A global firm, with operations in 90 countries and more than 30,000 employees, Amdocs supports 1.7 billion daily digital journeys across industries.

Table 5: Amdocs Snapshot

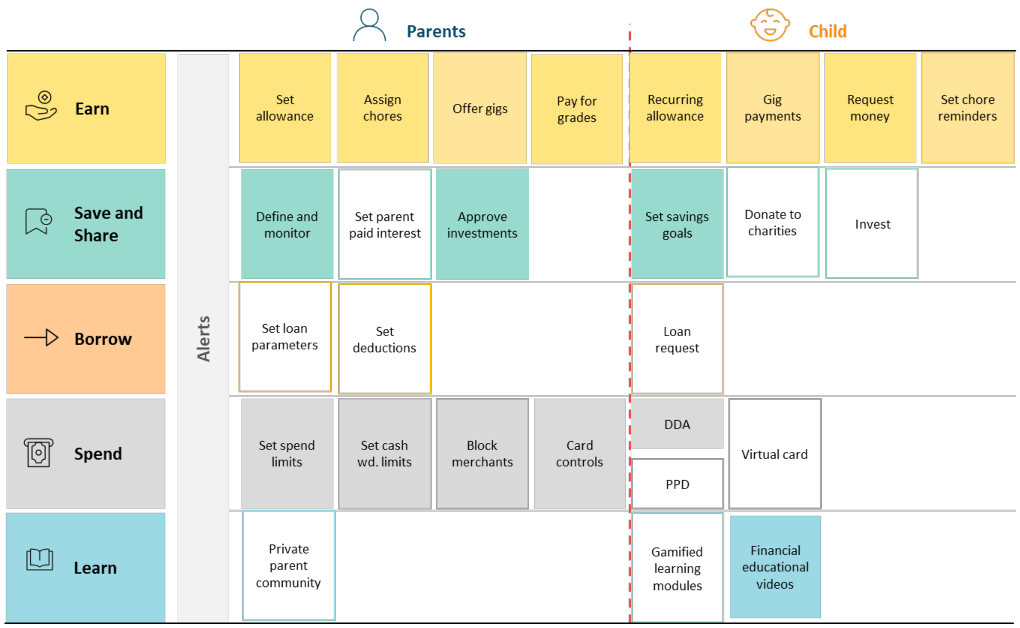
Company Information	
Year Founded	1982
Offices	Chesterfield, MO HQ
Number of Employees	30,000+
Revenues (USD)	$4.89 Billion (FY2023)
Financial Structure	Public (Nasdaq DOX)
Mergers and Acquisitions	UXP Systems (2018), projekt202 (2017)
Product Information	
Name	Amdocs User Lifecycle Management
Year Released	2023
Current Release and Date	On prem V9 (2024)
Target Market	Tier-1 - 3 banks wishing to deliver proprietary, native capabilities
Installed Base	6 deployments among financial services and communications industries
Deployment Options	SaaS (public or private cloud) or on premise
Notable Clients	Leading bank in Finland; Telia, Liberty Global, Vodafone Germany, Astro, Maxis
Fintech Partners	None

Source: Vendor

Amdocs Family-First Banking is an option for institutions seeking a proprietary native offering with complete flexibility in both function and user experience. Family-First Banking is based on Amdocs User Lifecycle Management solution and supports both youth- and senior-oriented use cases.

Functional Map

Figure 10: Amdocs Functional Map



Source: Vendor and Celent analysis. Shaded areas indicate supported functionality.
Note: Functionality reflects product concept.

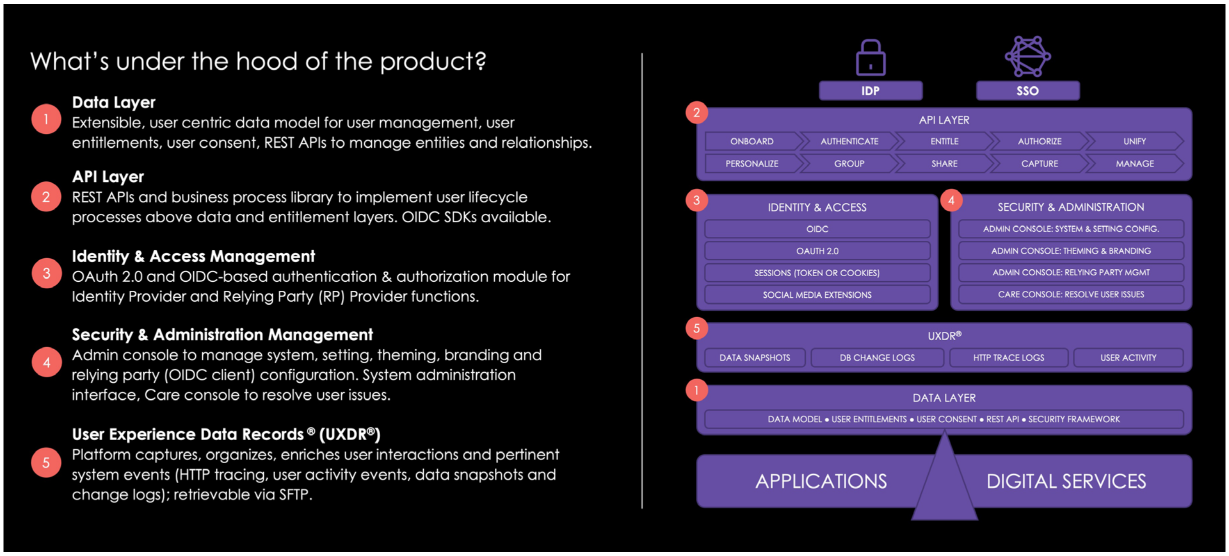
Product

The foundation of family banking is a shared experience based on role-based access and personalization. Amdocs has deep experience providing for clients in both financial services and telco verticals.

Amdocs Family-First banking is a solution concept, using Amdocs' User Lifecycle Management (ULM) out-of-the-box capabilities for digital identity management (see **Figure 11**). Family-First Banking is delivered by bundling a core Amdocs product and solution consulting, including the user experience, to build what a bank would want to create.

ULM overlays legacy systems to enable digital access for each user, across core and partner services, while powering lifecycle processes necessary to shape unique role-based user experiences. Without building separate parent and child mobile apps, for example, banks could use ULM to create personalized role-based capabilities, user journeys, and graphical treatment based on entitlements within a single digital property.

Figure 11: Components of Amdocs User Lifecycle Management



Source: Amdocs

Selling and Servicing

Selling and servicing of a resulting family banking offering would be the responsibility of the financial institution.

Celent Opinion

Any institution seeking to create its own family banking solution will be doing some building on top of out-of-the-box capabilities. Amdocs' ULM provides the basis for flexible role-based personalized user experiences and highly targeted sales messaging and would require potentially significant customization by the financial institution, depending on their business goals.

Figure 12: Product Assessment

Noteworthy	Opportunities
• complete flexibility of function and user experience • ability to offer both youth- and senior-oriented family banking offerings • add ULM as a layer on top of existing technology stack	• extensive user journey customization required compared to more out-of-the box solution approaches • secure access functionality from core systems rather than replacing them

Source: Celent analysis

PATH FORWARD

Family banking is not yet a hotly competitive capability, but it will be shortly. Wise financial institutions will lead the market.

Recommendations

After analyzing the vendors and solution landscape in this report, Celent offers several recommendations for banks to approach their own family banking strategy.

- **Embrace the banking industry's role in financial education.** Recognizing the need, banks can either abdicate financial education to fintechs, or they can embrace it. Even when viewed narrowly through the lens of self-interest, it is in banks' best interest to be associated with building good money habits. More broadly, moneywise customers are the ones to win.
- **Personalize for stronger engagement.** Today's family banking solutions allow your institution to differentiate functionally. Don't stop there. The rich customer data available invites carefully targeted marketing messages to both parents and teens (at the right age, of course). This becomes an ongoing relationship opportunity—the car loan, first home loan, or new business loan opportunity that exists as the child ages through their late teens and 20s. The bank has no shot at those opportunities without first solidifying the primary financial services relationship. Automating this retention and marketing gives the bank valuable at-bats.
- **Measure what matters.** Determine goals that provide impact. Beyond macro impacts like improved customer and deposit retention, goals could include more frequent engagement, expanded relationships, accessible content, self-service utilization, or other measures such as graduation or number of youth customer deposits still with the bank at age 18, 21, 24, etc. Ultimately, an investment in engagement banking should return measurable value to the organization, and digital experience owners need to report that effectively.
- **Incorporate family banking into a wider financial wellness program.** To multiply customer value and encourage ongoing engagement, plan to combine family banking with educational content and programs for financial health improvement. The regular, frequent, proactive engagement with customers that follows a natural progression to deepen the relationship can be automated and delivered at scale, but the bank should also incorporate education and marketing in other areas, such as in the human service channel, during routine transactions and at relationship milestones.

- **Consider fee-for-service approaches.** Specialized tools such as identity theft protection and cell phone insurance are two areas where FIs can offer centralized services of high value for customers. Other opportunities exist, whether offered out of the box in vendor solutions or not.

What's Next

In future reports, Celent will continue to examine how pacesetter banks are succeeding with engagement banking.

LEVERAGING CELENT'S EXPERTISE

If you found this report valuable, you might consider engaging with Celent for custom analysis and research. Our collective experience and the knowledge we gained while working on this report can help you streamline the creation, refinement, or execution of your strategies.

Support for Financial Institutions

Typical projects we support include:

Vendor short listing and selection. We perform discovery specific to you and your business to better understand your unique needs. We then create and administer a custom RFI to selected vendors to assist you in making rapid and accurate vendor choices.

Business practice evaluations. We spend time evaluating your business processes and requirements. Based on our knowledge of the market, we identify potential process or technology constraints and provide clear insights that will help you implement industry best practices.

IT and business strategy creation. We collect perspectives from your executive team, your frontline business and IT staff, and your customers. We then analyze your current position, institutional capabilities, and technology against your goals.
If necessary, we help you reformulate your technology and business plans to address short-term and long-term needs.

Support for Vendors

We provide services that help you refine your product and service offerings. Examples include:

Product and service strategy evaluation. We help you assess your market position in terms of functionality, technology, and services. Our strategy workshops will help you target the right customers and map your offerings to their needs.

Market messaging and collateral review. Based on our extensive experience with your potential clients, we assess your marketing and sales materials—including your website and any collateral.

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July 2017

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