

---

# Digital Transformation in Financial Services: Discussing the Impact of Fintech and Payments Innovation

---

MASSEY HENRY TALENT NEWSLETTER  
DECEMBER 2023



[WWW.MASSEYHENRY.COM](http://WWW.MASSEYHENRY.COM)



# PREFACE

In this article, we examine:

- **Key themes that emerged from a recent panel discussion hosted by Massey Henry on the impact of fintech and the payments ecosystem on financial services.**
- *The significance of fintech and payments innovation within the financial services sector, including regulatory, consumer, and executive talent implications.*

As with all Massey Henry thought leadership, this work is independent, reflects our own views, and has not been commissioned by any business, government, or other institution.

Massey Henry is a leading Canadian executive search and advisory firm, offering solutions to today's complex executive recruitment challenges, with a focus on the financial services sector.



FOR MORE INFORMATION,  
PLEASE CONTACT:

**Michael Henry**  
Managing Partner  
[michael.henry@masseyhenry.com](mailto:michael.henry@masseyhenry.com)



## FROM OUR NETWORK

*As a Board Director with Payments Canada, and from my experience leading one of Canada's largest credit unions, the influence of fintech and payments innovation on the financial services industry has been significant. **I was delighted to attend Massey Henry's recent panel discussion, which explored the nuances of these areas, including its impact on regulators, customers, and executive talent.** Ultimately, collaboration between institutions and innovators will be critical in navigating the unprecedented changes we will continue to see in the coming years.*



**Robert Paterson**

President & CEO, **Alterna Savings**  
Board Director, **Payments Canada**

# INTRODUCTION

Over the past several years, Canada has witnessed significant changes in the financial services industry. Innovative service offerings, new technology, and an increasingly competitive environment have rapidly transformed the financial service experience for Canadians.

The accelerated digital transformation affecting the broader financial services industry, combined with efforts underway to modernize payments, has initiated substantial change at the consumer level. This has resulted in innovations such as mobile payments, cryptocurrencies, open banking, and other leading-edge financial products driven by the customer experience.

However, Canada is not alone in the technological revolution facing the financial services industry. For example, in the payments sector alone, global revenues are projected to exceed \$3 trillion by 2026 ([McKinsey 2022](#)). The current speed of transformation offers new opportunities for incumbents and market entrants alike to acquire new customers and provide impactful solutions. Yet, this shift, accelerated in part by the pandemic, has also created unique opportunities and challenges for consumers, market participants, and regulators alike.





At a recent panel event hosted by Massey Henry, two prominent Canadian business leaders – **Tracey Black**, President & CEO of Payments Canada, and **Yung Wu**, CEO of MaRS Discovery District and Board Director at OMERS – joined **Anthony Ostler**, President & CEO of the Canadian Bankers Association, for an insightful discussion on the dynamic impact of fintech and the payments ecosystem within an evolving financial services industry.



Several key themes emerged from the panel discussion, all of which provide insight on how companies and leaders can better address the unique digital transformation challenges and opportunities affecting the financial services sector, and most relevantly, its implications on executive talent.

# TRUST

Continued consumer trust in the payments system and in the management of personal financial data is critical to the long-term success of digital transformation in the industry.

*The integrity of Canada’s banking and payments ecosystem is world leading; it is therefore imperative that digital innovation stays true to the foundational principals of consumer trust.*

To achieve this objective, it will be necessary to balance the dynamic tension between innovation, traditional financial institutions, emerging fintech companies, and consumer expectations.

Market participants from all sectors will need to work collaboratively through mutually beneficial partnerships to achieve this balance. Such partnerships will promote open dialogue and provide the opportunity for financial services innovation to evolve within the context of Canada’s commitment to consumer protection.

## CONSUMER EDUCATION

*Underscoring the significance of building and maintaining consumer trust, the panelists discussed the importance of promoting consumer education to help Canadians better navigate the increasingly complex role of financial services technology.*

*In particular, to ensure long-term success, supporting young Canadians by equipping them with the knowledge and skills to manage the digital future of financial services will be critical — especially in regard to data security.*



# REGULATION

The panelists also addressed the importance of achieving the right balance in regulatory policy – **ensuring appropriate frameworks are in place to guarantee the safety and security of the financial system while enabling innovation to flourish.**

Fintech and broader digital innovation are particularly important to the future of the Canadian economy, but to move forward progressively, the right incentives and safeguards need to be in place.

Effective regulatory frameworks can be better achieved through a collaborative effort between market participants, regulators, and policy makers.

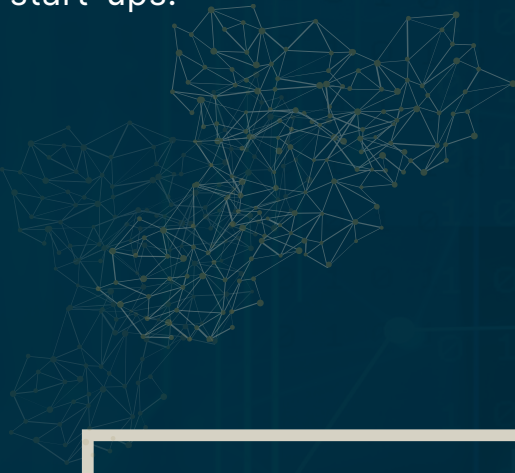
Additionally, efforts to better understand the implications of technological innovation and more frequent information sharing will help avoid regulatory and policy responses that could produce unintended consequences.



# TALENT




**Ultimately, talent fuels the economy.** Considering that the global pace of data consumption continues to increase, it will be important to hire leaders who understand the consumer experience and are informed about changes taking place in the broader consumer and data ecosystem.

Canada has become a destination for global technology talent, but capital constraints and economic pressures may limit long-term viability. To ensure that Canada remains competitive, policy-makers and market participants will need to support favourable conditions to ensure talent attraction and capital allocation. This includes support for emerging technology companies and start-ups.



**Demand for executive talent in the fintech and payments industries remains high** and ultimately presents challenges in supporting the development of innovative technologies and service offerings.

**Our panelists highlighted a few key 'soft' skills that will help leaders be better prepared for this dynamic shift:**

-  Effective listening and questioning
-  Curiosity
-  Collaboration

# THE BOTTOM LINE

As technology transforms the financial sector, Canadians are witnessing significant changes to their financial service experience: increasingly digitized payments, the introduction of new innovative financial products, and the growing prevalence of cryptocurrencies and open banking.

**It will be critical for organizations and leaders to balance the unique opportunities presented by the digital future of financial services with the novel challenges these changes pose for consumers, market participants, and regulators.**

## Key Panel Takeaways

1

**Maintaining consumer trust**, ensuring the right regulatory frameworks are in place, and providing Canadians with necessary education on data security will be of critical importance.

2

**Establishing a partnership** between financial institutions and entrepreneurs is mutually beneficial, and the collaboration of these groups is vital for striking a balance between innovation and regulation in the developing fintech space.

3

**Hiring the right talent and leadership** is imperative for developing innovative policies reflective of the changing financial services landscape, as well as Canadian consumers' evolving needs. Executives and decision-makers will need to be knowledgeable about the consumer experience and attuned to the dynamic changes taking place.





# About Massey Henry

Massey Henry is one of North America's leading executive search and board advisory firms focused exclusively on the financial services sector. With an experienced team of industry leaders and executive recruitment specialists, the firm combines innovative technology with sector expertise to provide clients with full-scope talent assessment, coaching, succession planning, and executive search services.

## What Makes Us Different?

**Financial Services clients are our only priority.**

Unlike traditional search firms, we are not generalists. Whether corporate and commercial banking, insurance, asset management, or fintech, we are a specialized firm that understands the nuances within the financial services sector, allowing us to build a deep network of vetted candidates from coast to coast.

## Financial Services Expertise

**We have led executive searches across the spectrum of the financial services industry, including:**

- Retail and Commercial Banking
- Insurance and Reinsurance
- Asset & Wealth Management
- Capital Markets
- Family Offices
- Credit Unions
- Private Equity
- Fintech
- Payments
- Corporate and Investment Banking

**Some of the roles we have supported include:**

- Board Chair and Directors
- Chief Executive Officer
- Chief Risk Officer
- Chief Product Officer
- Chief Human Resources Officer
- Chief Financial Officer
- Chief Compliance Officer
- Chief Client Experience Officer
- Chief Payments Officer
- Chief Investment Officer
- Chief Operating Officer
- Executive Vice President, Digital & Strategy
- Vice President, Cybersecurity
- Vice President, Finance

# OUR TEAM



**Michael Henry**  
Managing Partner



**John Sanders**  
Senior Partner,  
Board and CEO Services



**Elaine Lajeunesse**  
Partner and Co-Head,  
Leadership Practice



**Alex Bunyan**  
Partner and Co-Head,  
Leadership Practice



**Charlotte Berry**  
Partner



**Linda Mundt**  
Engagement Manager



**Gaurav Pokharel**  
Head of  
Communications



**Sue Mahon**  
Director, Search  
Delivery and  
Operations



**Darlene Botman**  
Project Coordinator



**Cathy Dao**  
Business Analyst



**Rhiana Safieh**  
Project Coordinator



Want to read more  
insights unique to  
financial services  
executives?



VISIT:  
[WWW.MASSEYHENRY.COM](http://WWW.MASSEYHENRY.COM)



FOLLOW US ON LINKEDIN:  
[@MASSEY HENRY](https://www.linkedin.com/company/massey-henry)