

First Data Plots Personal Financial Management Service

BY JOHN ADAMS

First Data is putting the finishing touches on a series of new budgeting tools that will bring big changes to its digital financial services suite. The goal: providing personal financial management tools as a natural extension to online banking.

“One of the things that we’re trying to do is make the new services a seamless part of the bank’s site,” says Russell Randolph, senior vice president and global product leader for Network, Debit and ATM Solutions at First Data (FDC). “If it feels like it belongs to the site and is a normal part of the navigation, people are more likely to try it. But if it’s not a single sign on, but a plug-in that doesn’t feel part of the user experience, it will be less likely to be adopted.”

First Data, which had previously offered an account aggregation service, is expanding its capabilities in personal financial management (PFM). It has partnered with MoneyDesktop, a personal financial management provider, to integrate that company’s PFM into First Data’s FundsXpress fx eBanking, an online banking offering that’s used by about 900 financial institutions, mostly community banks and credit unions. The new service is expected to go live during the third quarter, and Randolph spoke with BTN in an interview this week to discuss the development process as it nears the finish line.

Randolph says the PFM service was developed after consultation with clients on new customer relationship-building techniques. The result will be a Gizeo-style model in which the aggregation guts that drive the PFM will integrate directly with existing online banking services, with the providers of the tech largely in the background and not visible to the user.

Consumers using the PFM service will use their online banking login and the PFM user interfaces of the individual

institutions will be designed similar to their existing websites. “It’s not a one-off solution. It will look and feel like the client’s website, it will have the bank’s branding and be presented in the larger context of the web solutions that the institutions offer,” Randolph says.

MoneyDesktop’s PFM tool aggregates account information from more than 10,000 financial institutions and produces services such as expense tracking, budget creation, debt management, and visual reports of a consumer’s financial health. It also includes a “GuideMe” application. The GuideMe option is designed to work like a financial GPS or a personal financial coach, positioning a user’s financial location in relation to a goal or some other metric.

GuideMe then “walks” the consumer through a series of financial steps to what it calls financialZen, or a state of fiscal health. Randolph says the PFM service will be bundled with online banking (First Data would not discuss fee structure).

First Data also hopes to marry MoneyDesktop’s PFM engine with First Data’s own online processing tools to enhance the ability to accumulate data and track financial transactions, and detail how those transactions relate to a user’s financial health to guide budgeting changes. “The secret sauce is the integration of PFM into our user interface, navigation and security layers,” Randolph says.

Randolph says the MoneyDesktop PFM engine is additionally attractive because it offers a mobile app for the iPhone and also has a development roadmap that includes an Android PFM app and marketing and cross selling function. The ability to repurpose PFM for other purposes, such as CRM or marketing, is part of the next stage of development that PFM providers are pursuing. “That is really where the PFM space is going,” Randolph says.