Big Tech Threat – Tabletop 2

Background
The largest tech companies have made considerable headway in entering the business of banking either directly or indirectly. Recent examples include Google’s partnership with Citibank and a California credit union to provide consumer banking accounts, Apple’s partnership with Goldman Sachs to offer credit cards, to Facebook’s public foray into digital currency. This is in addition to the proliferation of “the pays,” namely Amazon Pay, Google Pay, and Facebook Pay domestically, to Alipay and WeChat Pay abroad.

While many of the BigTech firms signal toward staying on the periphery of banking they have the size, scale, and reach to pivot quickly to compete directly with the traditional banking sector. According to a recent Harris Poll, 64 percent of consumers of all ages say that they would use financial products from a BigTech firm and 76 percent of banks, particularly those with under $1B in assets, have a fear of BigTech’s encroachment in financial services. How do community banks address the increasing appetite of consumers to use BigTech for convenient banking?

Discussion Questions
1. What type of threats do these companies pose to your business or the greater economy?
2. What are you doing to retain market share, from BigTech threats or otherwise, in a more competitive and challenging environment?
3. Do the largest tech companies offer you any opportunities to extend reach into new markets?
4. Is a partnership between community banks and the largest tech companies realistic?
5. What steps should policymakers take to address threats to the economy and financial system?
6. Do you think fintech’s, particularly the largest BigTech firms described above, should be regulated the same as banks?
7. How concerned are you about BigTech “renting” charters to offer payments services?

Reading Material
- FinTech, BigTech, and the Future of Banks
- BigTech in finance: Market developments and potential financial stability implications