

Fintech and Telco companies

7 reasons why fintech and telco companies should adopt the European Union Digital Wallet



With the introduction of the EU Digital Wallet (EUDI Wallet), new possibilities are being opened to the public and, therefore, to service providers who can rise above their customer expectations. Under the revised eIDAS2 regulation, the EUDI Wallet must be made available to every EU citizen by 2026, ensuring universal access to secure and interoperable digital identification across member states.

Therefore, embracing this innovation early can position fintech and telco companies at the forefront of the digital revolution, offering significant advantages beyond mere compliance.

01. Streamlined customer experience

The EUDI Wallet promises a unified platform for managing multiple forms of identification and financial transactions. By integrating early, companies can offer their customers a seamless experience, eliminating the need for multiple logins and streamlining processes such as account verification, payments, and customer support. This consolidation not only enhances convenience but also fosters customer loyalty and satisfaction. It's only a matter of time before customers expect these possibilities to be part of the standard.

02. Enhanced security and trust

Security is a critical concern in both fintech and telecommunications sectors. The EUDI Wallet is designed with robust security features, including encryption, biometric authentication, and secure digital signatures. Early adoption allows companies to leverage these advanced security measures, significantly reducing the risk of fraud and identity theft. By being early adopters, companies can demonstrate their commitment to safeguarding customer data, building trust and credibility.



03. Innovative service offerings

Adopting the EUDI Wallet ahead of competitors opens doors to innovative service offerings. Fintech companies, for instance, can explore new financial products for onboarding, remote sign-in possibilities and customer verification – all of which utilize the wallet’s secure authentication capabilities for transactions and digital signatures.

Examples:

A When purchasing online, users often need to fill out their personal and payment information. Automatically filling out payment and shipping information using verified data from the wallet can significantly reduce cart abandonment rates, offering a smoother shopping experience.

B Customers applying for loans or mortgages often have to undergo a lengthy credit check and provide several documents (proof of income, identity, credit history). With the EUDI Wallet, pre-verified data such as employment status and credit scores can be securely shared with the lender, speeding up the approval process.

C Signing legal contracts or agreeing to terms often requires physical signatures or external tools. The EUDI Wallet can allow users to apply legally binding digital signatures to contracts, agreements, or other official documents directly from their wallet.

D Digital Identity-based Microloans. A fintech company could develop a microloan platform where users can quickly apply for small, short-term loans using their EUDI Wallet to verify identity, employment status, and creditworthiness in real time. The platform can assess risk instantly using pre-verified financial data, bypassing lengthy credit checks.

E Cross-border Financial Products Marketplace. A digital marketplace could be created for cross-border financial products, like insurance, investment opportunities, or mortgages, where users can seamlessly access services from different EU countries. The EUDI Wallet would verify their eligibility (income, credit history, residency), making cross-border applications as simple as local ones.

Telco companies can integrate the wallet into their service platforms for streamlined customer verification and billing processes. This early integration can also facilitate cross-border services, making it easier for companies to expand their reach within the EU.

04. Regulatory alignment

The EUDI Wallet aligns with the EU's eIDAS regulation, which mandates secure and interoperable digital identities across member states. Early adoption ensures that fintech and telco companies comply with current and future regulations, avoiding potential legal and operational challenges. By integrating the digital wallet now, companies can future-proof their operations, making them adaptable to evolving regulatory landscapes and technological advancements.

05. Strategic partnerships and market positioning

Being an early adopter positions companies as leaders in digital transformation, attracting potential partnerships and collaborations. Fintech and telco companies integrating the EUDI Wallet early can benefit from strategic alliances with other businesses and governmental entities. This can lead to co-branded initiatives, joint ventures, and early access to market insights, enhancing their competitive edge and market positioning.

06. Operational efficiency and cost savings

The digital wallet's integration can streamline operational processes, from customer onboarding to transaction management. By adopting the EUDI Wallet, companies can reduce administrative burdens, cut down on paperwork, and automate various functions. This efficiency lowers operational costs and improves service delivery and speed, resulting in better overall performance.



07. Consumer adoption and market demand

As digital identities become increasingly crucial, early adoption of the EUDI Wallet can align companies with growing consumer expectations for secure, convenient digital solutions. By integrating the wallet early, fintech and telco companies can capture and retain tech-savvy customers who prioritize cutting-edge, integrated services. This proactive approach helps meet market demand and stay ahead of competitors who may be slower to adopt.

Conclusion

For fintech and telco companies, the EUDI Wallet stands for more than just a technological advancement; it is a strategic opportunity to enhance customer experience, bolster security, and innovate service offerings. Early adoption not only positions these companies as leaders in the digital space but also ensures regulatory compliance and operational efficiency. Fintech and telco companies can now drive future growth, attract new customers, and secure a competitive advantage in a rapidly evolving market by embracing the EUDI Wallet.

Nortal is a leading digital transformation company with experience building more than 40% of the Estonian e-government and intertwining digital identity and trust services. Nortal operates in more than 20 countries and employs over 1,700 specialists who carry out high-impact projects worldwide.

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