

# The main problems of fintech

In recent years, we can observe a serious increase in the number of fintech companies. This trend is observed all over the world. But despite this, we can still see a huge number of problems with banking. This is due to outdated systems and processes that need to be eliminated immediately.

We can see investor interest in fintech. They are ready to invest their money to develop this direction. More and more entrepreneurs are trying to put this model of work into practice. But most where to find good specialists. This list <https://itexus.com/list-of-top-10-fintech-development-companies/> of the best companies that specialize in fintech will help you with this.

Picture 1 of The main problems of fintech

## The main problems of the fintech industry

Let's take a look at the most pressing problems that hundreds of companies face when working with fintech.

### **Eliminate bureaucracy and promote digitalization**

An overabundance of bureaucracy is one of the biggest problems faced by companies in the fintech sector, but it is the products of this industry that can provide relevant solutions.

As for the obstacles to the expansion of fintech, they are associated with excessive bureaucracy, with the lack of government policies that promote the development of entrepreneurial ecosystems. This problem can be encountered in almost every country in the world.

The traditional type of financial infrastructure has many disadvantages and complexities. Opening a bank account is very difficult, not to mention getting a loan.

Lengthy bureaucratic processes that require too much paperwork are "a threat to both employment and economic growth" and that in other parts of the world systems are structured differently: they promote financial growth rather than hinder it.

### **Fill the gaps in traditional financial services**

Despite the expansion of fintech companies, the world has yet to take more steps towards a complete modernization. As statistics show, a large percentage of transactions are still made using cash. Perhaps this ratio arises due to the lack of development of fintech.

One of the goals of fintech companies is to change exactly this and teach the population to live easier and more efficiently. We live in a deeply digitized world. An important part of the global economy is digitally driven, and

the financial sector is no exception. In recent years, the number of companies that combine technology with finance has grown exponentially (due to the pandemic as well), leading to the birth of what we today know as the famous fintech industry.

Fintechs have come in to fill certain gaps that traditional financial players have not filled.

## **Access to financial services for all**

### Picture 2 of The main problems of fintech

Traditional banks usually served the wealthy even in the most urbanized countries. A large proportion of residents still do not have a bank account, debit or credit card, and if they do, the user experience is rather mediocre due to the lack of digitization and technological infrastructure.

Therefore, the main mission of fintech is to improve the quality of financial services through digital payments, where enterprises have the opportunity to integrate fintech solutions to enhance the dynamics of regional trade.

Lack of access to financial services for the entire population is a serious problem. At this point in time, mostly only large companies or individuals with high purchasing power can access financial services.

Fintech companies have the potential to revolutionize the financial industry by addressing the disadvantages of traditional enterprises with simple and fast-to-implement digital solutions accessible to the entire population. These financial solutions and tools must be available to both individuals and businesses so that they can grow and develop.

So we can say for sure that the fintech industry and its popularity will grow in the future. Despite some difficulties and problems in this area, it will be the best opportunity to accomplish some financial transactions and operations.

You finished reading the article "**The main problems of fintech**" edited by the [TipsMake](#) team. We hope this article has provided you with many useful tech tips and tricks. You can search for similar articles on tips and guides. Thank you for reading and for following us regularly.