

## **Financial services / Office of Science and Technology.**

### **Contributors**

Great Britain. Office of Science and Technology.

### **Publication/Creation**

London : Office of Science and Technology, [1995]

### **Persistent URL**

<https://wellcomecollection.org/works/jfsjamsw>

### **License and attribution**

You have permission to make copies of this work under an Open Government license.

This licence permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Image source should be attributed as specified in the full catalogue record. If no source is given the image should be attributed to Wellcome Collection.



Wellcome Collection  
183 Euston Road  
London NW1 2BE UK  
T +44 (0)20 7611 8722  
E [library@wellcomecollection.org](mailto:library@wellcomecollection.org)  
<https://wellcomecollection.org>

# KEY POINTS

## PROGRESS THROUGH PARTNERSHIP

# 3

**FINANCIAL SERVICES**



- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15

INFORMATION SERVICE  
 17 JUL 1995  
 Wellcome Centre for Medical Science

## THE SECTOR

The financial services sector is changing rapidly and may undergo radical restructuring during the years ahead, for example, through the convergence of retailing, telecommunications and retail financial services. Technology Foresight activities focused on banking, insurance and financial markets but did not employ a precise definition of the sector. Depending upon which activities are included in the sector, its contribution to GDP ranges from 8 percent up to a figure in excess of 15 percent.

## THE FUTURE

Much of the technology required by the financial services industry over the medium term already exists - the focus is on how that technology can be used effectively.

Expansion of the free world is bringing unprecedented international competition. The cost of capital will continue to be an important determinant of competitiveness. Financial engineering techniques which can reduce the cost of capital will be used more widely.

The financial services environment of the future will have, inter alia:

- widespread use of multimedia for delivering retail financial services;
- a continuing burden from fraud;
- more sophisticated customer profiling;
- greater choice of financial products; and
- substantial reduction in the use of cheques.

## RECOMMENDATIONS

The Technology Foresight Programme is an ongoing exercise in an ever-changing industry. The findings of the Financial Services Panel will need to be updated periodically to reflect developments in the sector.

Recommendations arising from the Foresight Programme address key educational and regulatory issues which will have a long term impact on the financial services sector. They also promote a higher level of research activity.

WELCOME  
LIBRARY

P

8114

---

TECHNOLOGY *Foresight*



22501158822

## FORWARD WITH FORESIGHT

In summary, the Technology Foresight Panel on Financial Services recommends the following actions.

### **To Improve IT Education**

Financial institutions (perhaps through one of the trade associations or professional bodies) and IT companies should sponsor teachers, awards and appropriate hardware and software.

### **To Promote Competence In Finance**

The DTI, the Economic and Social Research Council (ESRC) and the Higher Education Funding Councils (HEFCs) should launch a new research programme in collaboration with financial institutions. The programme might cover areas such as the design of financial instruments, quantitative asset management and psychological responses to risk and uncertainty.

The DTI, OST, ESRC, HEFCs and professional bodies should establish a working group to develop more detailed proposals.

### **To Promote High Standards In Finance**

There should be a common minimum standard in finance which provides a foundation for the development of a widely recognised qualification in finance.

Professional bodies, large employers and academic institutions should develop and launch undergraduate courses in finance which meet the academic requirements of the minimum standard.

### **To Combat Fraud**

There should be a research programme to explore scientific and technological approaches for detecting and preventing fraud. The programme might cover areas such as data encryption, biometrics, transaction monitoring and analysis, artificial intelligence techniques for analysing behavioural patterns and high security for smart cards.

Government Departments such as the Treasury, DTI and OST should jointly commission a survey of relevant ongoing research before potential participants in the programme are canvassed and outline proposals are prepared.

### **To Promote Telecommunications Infrastructure**

The DTI, and OFTEL should, at the earliest practical opportunity, describe the regulatory framework which will be introduced for the telecommunications industry as existing Government commitments to franchisees expire.

## TECHNOLOGY FORESIGHT PROGRAMME

The purpose of the Technology Foresight Programme is to help business people, engineers and scientists become better informed about each other's efforts. It is bringing these communities together in networks - looking forward in partnership - which will help to identify emerging opportunities in markets and technologies. The Programme will also help to ensure that resources are used to best effect in support of wealth creation and improving the quality of life. The results of Foresight will inform decisions on spending by Government and industry. Foresight findings are available to small and medium sized enterprises which may not have the resources to undertake Foresight work on their own account.

The Technology Foresight Programme is co-ordinated by the Office of Science and Technology (part of the Cabinet Office). Foresight panels have been working in each of the following 15 sectors:

<b>Agriculture, Natural Resources &amp; Environment</b>	<b>Health &amp; Life Sciences</b>
<b>Chemicals</b>	<b>IT/Electronics</b>
<b>Communications</b>	<b>Leisure &amp; Learning</b>
<b>Construction</b>	<b>Manufacturing, Production &amp; Business Processes</b>
<b>Defence &amp; Aerospace</b>	<b>Materials</b>
<b>Energy</b>	<b>Retail &amp; Distribution</b>
<b>Financial Services</b>	<b>Transport</b>
<b>Food &amp; Drink</b>	

Summary leaflets (like this one) are available for each sector. Copies of these documents are available from the Office of Science and Technology, Albany House, 84-86 Petty France, London, SW1H 9ST (Fax: 0171-271-2015). Full reports for each sector are available from Her Majesty's Stationery Office.