Fintech: Smaller financial services need way to innovate without risk

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According to a [recent report](http://www.professionaladviser.com/professional-adviser/news/2448314/fca-criticised-for-failure-to-understand-cost-of-compliance)by the National Audit Office (NAO), nine out of 15 firms said that the cost of complying with FCA conduct regulations were now “much more” than in 2008. So what is needed for the smaller financial services firm to innovate without the risk of a PPI-style backlash?

The National Audit Office (NAO) also suggests that the FCA:

* does not know the extent to which its actions **incurred costs for financial services firms**, particularly smaller ones, and;
* That the FCA’s actions could “**hamper innovation**” as any new product could subsequently be regarded as mis-sold.

These are pretty weighty conclusions. So how can smaller financial services firms overcome the cost of regulation? How can we instil these firms with the confidence they need to go to market with niche products – without being dogged by the fear of a PPI-style backlash?

Sandbox environment

A key solution surely lies in a smart and risk-free way to try and test new services and products.

Indeed, the FCA recognises this, and has plans to introduce a ‘sandbox’ for this very purpose. However, a launch date has not, as far as we know, been set.

The good news – there is another way and it’s here **right now!**

A risk-free way to try & test products and services

LEAP from [Flovate Workflow Technologies](http://flovate.com/" \t "_blank) enables business – not just financial services firms – to try, test and, once they are confident, deliver complete new products and services. This business process management platform has several benefits:

* This **zero-code process management tool** makes it easy to visualise and build these new innovations without needing IT commitment
* Products can be built by the customer-facing and operations managers themselves – **empowering** the smaller firm
* The software is **component-based**, meaning products can be built at unprecedented speeds – days, not weeks/ months
* **Agile approach** supports rapid iteration and feedback loops to ensure the product is constantly assessed against market needs and regulatory changes.

Why not give LEAP a try? You could get your new process up and running in weeks! [Contact us for a free demonstration.](http://flovate.com/contact-us/)