Headless Banking is the Future

The world is shifting towards headless banking. In the future, walking to the bank or visiting a bank's website or app will be a thing of the past. Instead, web and mobile-based applications like Uber, Facebook, Amazon Web Services (AWS), or Hubspot will be the main route through which customers interact with money.

It's totally conceivable that in the next decade, you will not need to interact with a bank in whatever form so as to engage with banking products and services. Cloud-based applications will completely take over and provide us with the banking services we need - natively. Whether it is social media, mobile wallets, online shopping places, travel apps, interacting financially with services will all be in-house and seamless. And tech companies that do not jump on the train risk being phased out of the game.

What's Headless Banking?

Headless banking is a concept derived from 'headless computing', which means a computer application that operates without an interface. A headless system is usually embedded in various servers or a host application.

Headless computing is now being applied in banking in this way: headless banking applications embedded into other internal bank systems and customer-facing applications such as mobile apps and web portals.

With the rise of convenient applications such as Uber, AWS Lyft, Care.com, and gig economy apps such as Fiverr and Upwork, banks and other financial institutions that are not embedding their services into these user-facing apps are going to be at a disadvantage. On the other hand, those that take advantage of these new capabilities will have an edge over the competition.

Headless banking is a win-win for both banks and consumer-facing apps. It provides banks the opportunity to market their services on a wide range of platforms that the majority of the population interacts with on a daily basis. On their part, user apps can provide unprecedented banking and overall convenience for their users.

Headless Systems and Communication Channels

Today, the vast majority of customers shop online. These customers expect to find a 'one-stop solution' in whichever portal or application they're interfacing with. Banks that provide this are the ones that will stay ahead of the curve.

With a headless system, banks can consolidate all their content and services in a backend repository while creating the best display of that content on a portal, mobile application, website, chatbot, and other user-facing devices.

Headless Banking: Uber

Uber is a high-profile example of a mobile app that's already on board when it comes to headless banking. The ride-hailing company [announced](#) 'Uber Money' in the 2019's Money 20/20 Conference. Uber Money is a headless banking platform through which drivers will have immediate access to their earnings,

as opposed to having to go to the bank or waiting for weekly cashouts via InstaPay. Uber Money integrates a debit account and card, credit card, and mobile wallet.

Through the app, Uber is in a position to bank underserved drivers. Also, drivers have a quickly accessible and seamless platform to send money back home. The perform even plans to integrate lending. Uber money will assess drivers' cash flows to make well-informed lending decisions. In this regard, Uber is already ahead of the competition by capitalizing on the headless banking trend.

Final Word

If this trend is anything to go by, the future of banking is headless. It's not far-fetched to contend that every app worth its salt will integrate headless banking one way or another. Very soon, there will be no need to physically visit a bank or log in to their website or app. Customers will only interact with their usual, everyday apps and seamlessly interact with embedded banking services with the banks powering everything from the backend.