# Jason Simon outlines how AI, DeFi, and CBDCs will reshape global FinTech by 2025



Jason Simon, a distinguished expert in FinTech and digital payments, has projected strategic trends poised to transform the global financial technology landscape by 2025 and beyond. Drawing on his extensive expertise in blockchain technology, agile methodologies, and digital currencies, Simon’s insights provide a valuable roadmap for navigating an ever-evolving financial ecosystem.

One of the cornerstones of Simon's vision is the integration of artificial intelligence (AI) and machine learning (ML) within financial services. These technologies are revolutionising operations by optimising processes, enhancing customer engagement, and improving fraud detection mechanisms. In Simon's words, “AI and ML are no longer optional; they’re essential tools for financial institutions aiming to stay competitive and responsive to customer needs.” This aligns with broader industry trends highlighting AI's role in algorithmic trading, regulatory compliance, and risk management, underscoring its transformative impact across various facets of financial services.

The advent of decentralised finance (DeFi) and smart contracts represents another significant shift. Simon notes that these innovations are actively democratizing access to financial services by removing intermediaries, creating a more inclusive and efficient financial landscape. Echoing this sentiment, recent analyses of DeFi indicate its potential in fostering transparency and accessibility, although they also point to challenges in integrating traditional legal frameworks with these new technologies. Smart contracts, while offering promises of automation and efficiency, face hurdles such as commitment problems and reliance on external data sources, highlighting the complexity of their widespread application.

Central bank digital currencies (CBDCs) are also gaining traction among governments globally as they seek to modernise their monetary systems. Simon highlights that “CBDCs represent a significant shift towards digital economies,” providing numerous benefits, including reduced transaction costs and improved monetary policy implementations. As nations consider the potential of CBDCs, their design, deployment, and implications for the traditional banking system remain critical points of discussion.

Stablecoins—cryptocurrencies pegged to fiat currencies—are seen as crucial in bridging the gap between conventional finance and the burgeoning cryptocurrency market. Simon observes that “stablecoins are becoming integral in reducing volatility and fostering trust in digital transactions.” This perspective is further validated by ongoing discussions about how stablecoins can facilitate smoother transactions, providing consumers and businesses with greater confidence in their digital dealings.

Moreover, the push for blockchain interoperability is highlighted as vital for enhancing ecosystem connectivity. Simon asserts, “Interoperability is the key to unlocking the full potential of blockchain technology.” This reflects a growing recognition within the industry that seamless communication between different blockchain networks is essential for maximising efficiency and enabling innovative applications across sectors.

As the regulatory landscape evolves, Simon emphasizes the need for balanced regulations that both protect consumers and foster innovation. Effective regulatory measures are essential to ensuring security within the FinTech sector while enabling businesses to innovate freely. The ongoing dialogue about regulation’s role further stresses the importance of adapting to the rapid changes characteristic of digital finance.

Embedded finance and real-time payment solutions are also reshaping user experiences. Simon points out that these integrations are crucial in meeting consumer demands for convenience and immediacy. The rise of embedded finance highlights how financial services can be seamlessly integrated into non-financial platforms, driving engagement and simplifying transactions for end-users.

Agile methodologies, according to Simon, are essential for financial institutions aiming to thrive amid volatility. He asserts, “Agility in operations is crucial for FinTech companies to innovate and respond to evolving customer needs effectively.” This focus on adaptability echoes concerns within the industry about the pace of technological advancement and competition, emphasising the necessity for companies to remain nimble.

Robust cybersecurity measures are more critical than ever in light of increased digital transactions and the accompanying threats. Simon underscores the importance of investing in advanced security protocols to maintain consumer trust in digital financial services. As financial institutions grapple with the challenges posed by sophisticated cyber threats, including those driven by generative AI, the interplay between technology and security becomes increasingly paramount.

Finally, Simon champions the role of technology in promoting financial inclusion, asserting, “Leveraging technology to promote financial inclusion is not just a moral imperative but also a significant market opportunity.” As technological advancements continue to expand access to finance for underserved populations, the industry must focus on creating equitable solutions that cater to diverse needs.

In summarising these elements, Simon provides a comprehensive view of the FinTech landscape, highlighting the transformative trends that will shape financial services in the coming years. As organisations adapt to these shifts, the emphasis on innovation, inclusivity, and security will be critical to their success in an increasingly digital world.

## Reference Map:

* Paragraph 1 – [[1]](https://www.webwire.com/ViewPressRel.asp?aId=338972), [[2]](https://www.numberanalytics.com/blog/ai-financial-services-trends-2023)
* Paragraph 2 – [[1]](https://www.webwire.com/ViewPressRel.asp?aId=338972), [[3]](https://www.annualreviews.org/content/journals/10.1146/annurev-financial-110921-022806), [[4]](https://www.fcb.ai/unveiling-the-future-7-game-changing-trends-in-financial-services-and-ai-for-2023/)
* Paragraph 3 – [[1]](https://www.webwire.com/ViewPressRel.asp?aId=338972), [[2]](https://www.numberanalytics.com/blog/ai-financial-services-trends-2023), [[5]](https://www.ft.com/content/7cea944c-2863-43c7-ae9f-c28c76f2f7b7)
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* Paragraph 9 – [[1]](https://www.webwire.com/ViewPressRel.asp?aId=338972), [[4]](https://www.fcb.ai/unveiling-the-future-7-game-changing-trends-in-financial-services-and-ai-for-2023/), [[2]](https://www.numberanalytics.com/blog/ai-financial-services-trends-2023)

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## Bibliography

1. <https://www.webwire.com/ViewPressRel.asp?aId=338972> - Please view link - unable to able to access data
2. <https://www.numberanalytics.com/blog/ai-financial-services-trends-2023> - This article discusses seven key ways artificial intelligence (AI) is transforming financial services in 2023. It covers areas such as algorithmic trading, process automation, regulatory compliance, fraud detection, and customer experience enhancement. The piece highlights how AI is revolutionising trading strategies, streamlining back-office operations, improving compliance processes, and enhancing customer interactions. It also addresses the impact of AI on risk management and the future of financial services, providing insights into the evolving role of AI in the industry.
3. <https://www.annualreviews.org/content/journals/10.1146/annurev-financial-110921-022806> - This review article examines the mechanics and applications of smart contracts and decentralised finance (DeFi). It discusses the benefits of smart contracts, such as overcoming commitment problems, and highlights limitations like accessing external information and integrating with traditional legal enforcement. The article also explores prominent DeFi applications, including token issuance, decentralised exchanges, and protocols for loanable funds, providing a comprehensive overview of the current state and challenges of DeFi.
4. <https://www.fcb.ai/unveiling-the-future-7-game-changing-trends-in-financial-services-and-ai-for-2023/> - This article outlines seven transformative trends in financial services driven by artificial intelligence (AI) in 2023. It covers enhanced customer experience through hyper-personalisation, fraud detection and prevention, automated financial planning and wealth management, smart risk assessment and underwriting, regulatory compliance and anti-money laundering, automated claims processing, and the integration of IoT and telematics. The piece provides insights into how AI is reshaping various aspects of the financial industry, offering a forward-looking perspective on these developments.
5. <https://www.ft.com/content/7cea944c-2863-43c7-ae9f-c28c76f2f7b7> - This article discusses the increasing reliance of financial institutions on artificial intelligence (AI) to enhance cybersecurity measures in response to escalating cyber threats. It highlights how banks are deploying AI-based defenses to counter sophisticated cybercriminal tactics, including the use of generative AI to create convincing deepfake audio and video. The piece also addresses the challenges of keeping pace with rapidly evolving cyber threats and the importance of human oversight in AI-driven security systems.
6. <https://www.reuters.com/legal/legalindustry/is-blockchain-next-big-thing-insurance-companies-2024-10-09/> - This article explores how blockchain technology is transforming the insurance industry by enhancing efficiency, accuracy, and transparency. It discusses the integration of smart contracts on blockchain, enabling automation of processes through programmable rules that self-execute upon verified conditions. The piece highlights applications such as parametric insurance, where smart contracts automatically compensate policyholders based on event occurrence, and platforms like Nexus Mutual that use blockchain to pool insurance coverage, assessing claims through member consensus.
7. <https://www.ft.com/content/0675e4d9-62a1-4d6c-9098-a8cb0d1e32ed> - This article examines the challenges faced by European fintech executives in adopting artificial intelligence (AI) within financial services, citing fears of job losses, regulatory concerns, and institutional inertia. It highlights that while AI has the potential to boost productivity and reduce costs, only a small percentage of retail banks are prepared to implement it extensively. The piece discusses successful examples of AI implementation, such as AI-enhanced customer service at NatWest and improved anti-money laundering measures at N26, and emphasises the need for the industry to embrace AI to drive growth and compliance.