Jack Henry and Mastercard Expand Collaboration to Address Financial Fragmentation

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Companies use open banking to enable community and regional financial institutions to provide accountholders a consolidated view of their financial experiences across providers

MONETT, Mo., Oct. 20, 2022 /PRNewswire/ -- Jack Henry™ (Nasdaq:JKHY) announced an expansion of its existing relationship with Mastercard® that will enable credit unions and banks to provide their accountholders the ability to securely see all of their financial accounts – within and outside their primary financial institution – in one place. Together, the companies establish a partnership that makes secure, API-based data-gathering affordable for community and regional financial institutions.

Jack Henry will provide this consolidated view of data through Mastercard's open banking platform with certain services delivered through Finicity, a Mastercard subsidiary. This will help enable consumers and businesses to make more informed financial decisions and place community and regional financial institutions at the center of their accountholders' financial lives.

It's not uncommon for a Gen Z or millennial couple to do business with 30 to 40 financial providers. This complexity makes it difficult to track finances easily and accurately. Through this collaboration, financial institutions can offer their accountholders secure access to external providers and financial data -- consolidating, categorizing and enriching that data in a simplified digital experience. As part of Jack Henry's commitment to reducing the barriers to financial health, these services will be available to more than 700 financial institutions on Jack Henry's digital banking platform.

Jess Turner, executive vice president of Global Open Banking and API at Mastercard, said, "Consumers and small businesses need financial experiences that meet their unique needs. Together with Jack Henry, we can drive innovation and financial inclusion at scale, enabling community and regional financial institutions to maintain their competitive advantage of service and trust. This is a big step toward reducing financial fragmentation by providing people with a real-time picture of their financial health through their bank or credit union."

Financial fragmentation continues to complicate accountholders' financial lives. According to the Financial Health Network's (FHN) latest Pulse report, consumer financial health declined in 2022, the first time in the report's five-year history. FHN estimates that 176 million Americans, or 70% of the population, are not financially healthy and 80% of consumers want their financial institutions to help them improve their financial health. This is a major opportunity for financial institutions to empower accountholders with a complete view of their financial lives.

Mark Schwanhausser, director of digital banking at Javelin Strategy & Research, added, "Financial fragmentation is more than a trend – it's a steady, unstoppable, tectonic shift. It poses a threat to every financial institution and fintech provider that aspires to win the biggest 'share of wallet.' In this era of financial fragmentation, they must also win 'share of mind' – but that is unlikely unless they enable customers to monitor and manage the big financial picture."

In a recent presentation, Ben Metz, chief digital & technology officer at Jack Henry, commented, "By working with industry leaders like Mastercard, we're helping community and regional financial institutions become the hubs of the fintech ecosystem, and we are providing accountholders with safer, comprehensive access to their data and finances. This partnership will also simplify account opening, streamline account funding, and significantly advance our lending capabilities. Overall, it's a pivotal improvement in banks' and credit unions' digital front door experience."

About Jack Henry & Associates, Inc.®
Jack Henry™ (Nasdaq: JKHY) is a well-rounded financial technology company that strengthens connections between financial institutions and the people and businesses they serve. We are an S&P 500 company that prioritizes openness, collaboration, and user centricity – offering banks and credit unions a vibrant ecosystem of internally developed modern capabilities as well as the ability to integrate with leading fintechs. For more than 45 years, Jack Henry has provided technology solutions to enable clients to innovate faster, strategically differentiate, and successfully compete while serving the evolving needs of their accountholders. We empower approximately 8,000 clients with people-inspired innovation, personal service, and insight-driven solutions that help reduce the barriers to financial health. Additional information is available at www.jackhenry.com.

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