

**Dr Ram Ramdas**Founder & Chief Evangelist
Wonderlend Hubs

## In the next 5 years, what will be top 3 trends driving the evolution of the BFSI & FinTech industry?

- Al/ML-Powered Credit Scoring:
  The retail credit and MSME
  lending sectors are expanding
  rapidly, yet borrowers still lack
  access to formal credit. Al/MLdriven credit scoring models are
  enhancing risk assessment and
  expanding financial inclusion.
  These innovations help address the
  credit gap for MSMEs and first-time
  borrowers, improving access to
  loans.
- Blockchain & Al Agents: No
  Code tech is empowering
  lenders to constantly calibrate
  their credit systems based on
  everyday learning and cater
  to the 'underserved' segment.
  Blockchain-powered credit records
  are enhancing transparency and
  security in credit assessment.
  Al agents can further raise the
  bar in the credit assessment &
  incentive automation domains in
  terms of efficiency, effectiveness &
  customer experience.



Lending institutions are seeking to adopt AI/ML-powered incentive automation to optimize salesforce & collections performance. Dynamic commission structures, real-time tracking, and granularized performance-based rewards are being used to motivate DSAs (Direct Selling Agents), loan officers, and bank sales teams, driving efficient sale of financial products, even as they need to remain compliant with evolving regulatory changes.

## Traditional credit scores often exclude underserved populations. In the coming years, how will alternative credit scoring models bridge this gap?

- Beyond Traditional Scores: The retail credit and MSME lending ecosystems are increasingly using alternative credit models to assess borrowers without formal credit histories. FinTech platforms leverage transactional data, location intelligence, employment patterns, and digital spending behaviour to extend credit beyond conventional credit bureau-based assessments.
- Al/ML & Behavioural Analytics:
   Al/ML models analyze location intelligence, spending habits, payment patterns, and psychometric factors to assess an individual's financial discipline. Some lenders use risk profiling to gauge a borrower's creditworthiness, enhancing loan

- accessibility for underserved populations.
- Embedded Credit in Digital
  Ecosystems: E-commerce
  platforms, digital wallets,
  and ride-hailing services are
  integrating embedded credit
  solutions, allowing users to access
  pre-approved loans based on
  transaction history.

With rapid changes in regulation, especially concerning data privacy, FinTechs, and digital payments, what regulatory challenges will impact the BFSI & FinTech industry?

- Data Privacy Compliance: India's
   DPDP Act introduces stringent
   consent-based data usage rules,
   forcing FinTechs to redesign Aldriven credit assessment models
   while ensuring compliance with
   data privacy norms.
- RBI's Digital Lending Framework:
   RBI has tightened regulations
   around digital lending, mandating
   that only regulated banks and
   NBFCs can disburse loans. This
   directly impacts Al-driven lending
   models and incentive-based loans.
- Standardization of Al in Credit Decisioning: Regulators may introduce guidelines to ensure fairness and transparency in Al-driven credit assessment. Addressing biases in credit decisions and ensuring that automated systems do not discriminate against certain demographics will be a key challenge for FinTechs.