METHODS OF IMPROVING DIGITAL CREDIT PLATFORMS

TURAEV FERUZBEK OLIMJON UGLI

Annotation

The observed scale and speed of convergence of information technologies in all spheres of society have a direct impact on the formation of a system of economic relations, in which digital data is a key production factor. The use of artificial intelligence and cloud, disruptive 2 technologies makes it possible today to create units of value of goods with significantly lower labor costs. This indicates the transition of the traditional model of economic development to digital. The digital economy is forming a new way of life and the basis for the development of public administration, the economy, business and the social sphere. The following article looks into the methods of improving digital credit platforms.

Key words: digital economy, FinTech company, artificial intelligence, digital currency, cyber security.

A special place in the implementation of the digital economy program is occupied by the financial sector. At the same time, banks, as a key depository institution that traditionally provides the transformation of savings into investments and loans, according to experts, will experience serious competition in the context of the development of the FinTech[3] sphere and the penetration of new "digital" BigTech companies into the market. In part, increased competition is due to the fact that developed financial and technological companies offer already customized products and services. "Therefore, the increase in professional participants in credit relations and lending channels expands the ability of end consumers to select the best option from existing alternatives in terms of the ratio At the same time, those lenders who ensure the effective use of accumulated and constantly updated arrays of consumer data, both current and potential, will have a competitive advantage. big data technologies (BigData) and artificial intelligence.

The credit market is changing every day. New FinTech participants are entering the market, and traditional economic organizations are learning to "survive" in the new digital world, mastering advanced technologies and growing consumer interest. The parties come to the realization that their further cooperation is inevitable, since the world does not stand still, and in any case they will have to cooperate for the development of advanced technologies. Not everything goes smoothly in cooperation between industries. The banking sector and FinTech face the following problems: misunderstanding of the advantages and disadvantages of each other, the difficulty of finding candidates for partnership, the difficulty of answering the question of whether this cooperation can provide the parameters necessary for the market (level of personalization, speed, conceptuality). Serious competition comes from large companies (Google, Amazon, Facebook, Apple Alibaba and Tencent), which are actively developing in the field of FinTech. Modern equipment combines the ability to quickly process and analyze the ever-growing volumes of consumer data. New technologies have the advantage of versatility, efficiency and correctness in handling established tasks.The main differences between a FinTech company and traditional banks are an innovative way of thinking, flexibility, customer focus, and the active development of digital technologies. Most traditional companies do not have these advantages. The disadvantage of FinTech companies is the fact that they are not always able to scale up due to lack of brand recognition, credibility and lack of capital. FinTech companies mainly develop in narrow directions or in areas that are poorly developed by traditional financial institutions. Traditional economic companies enjoy a large customer base and have a large capital, but their technical support is far behind. The polarity of relations between new and old companies changes from competition to cooperation.

There is no single approach to successful cooperation, as market participants choose from among various interaction models the most suitable for achieving their strategic goals. Many financial institutions try to stimulate economic innovation from within the organization, but most of them work from the outside through accelerators and venture capital funds.

Startups should not be included in the structure of banking organizations, because this can ruin new companies. It is important to find complementary solutions using progressive technologies, and you should also test and experiment in search of relevance and acceptance by customers.Companies such as Google, Amazon, Facebook, Apple, Alibaba and Tencent are the main competitors of FinTech companies and the banking sector in terms of speed of development and customer acquisition. Big tech companies are placing more emphasis on leveraging sizable amounts of customer data, leveraging their consumer goodwill and high engagement to introduce enhanced financial services. These giant companies are extremely efficient and made on digital platforms, and have been able to find methods to reduce operating costs. With the emergence of fresh business models based on the use of big data, FinTech has the opportunity to undermine the stability of hardened money intermediaries and banks. Digital data has every chance of being processed with the support of artificial intelligence algorithms that benefit from modern computing power.

FinTech services are the best at assessing creditworthiness and improve the interaction between users and their financial offer providers. FinTech firms provide a large share of US bank loans. Shadow banking has been actively developed, which is explained by the increase in regulatory burdens on banks, as well as the active introduction of FinTech. FinTech companies are the best at selecting consumers for their services, using the latest statistical models, which are built on the basis of databases that regular banks do not have access to. Digital technologies have affected the following areas: lending, payment systems, financial consulting, insurance. FinTech has the potential to reduce the cost of intermediation and increase financial inclusion, and is able to overcome the information asymmetry that underlies the banking business.

Banks and payment systems Visa and MasterCard still dominate the market for transactional payments. At the same time, non-commercial methods of transferring funds through PayPal, Apple or Google systems are gaining popularity. It should be noted that mobile payments are actively developing in African countries, which is becoming a testing ground for new payment systems.

In digital currencies - cryptocurrencies, encryption methods regulate the formation of currency units using blockchain technology. The technology consists of a publicly accessible digital database in which transactions can be verified using a record block system in a decentralized way. This allows the value of the P2P network to be transmitted without intermediaries to verify the transaction, while a large number of computers authenticate each transaction in sequence.

FinTech companies have a very favorable position in the market, a great desire to receive guarantees from the state. Depending on how new technologies will be introduced into business, their regulation and the application of state guarantees depend. The main problem comes from the full entry of the main digital Internet giants into the market: Amazon, Apple and Google are actively developing FinTech, but have not fully strengthened their presence in the market, having enormous potential - access to a huge number of databases and control of the financial services web interface . Amazon is actively developing lending, its market share is growing every year, active sales of financial services even go through social networks.

Objectively, the development of FinTech creates a number of serious risks for financial stability and the monetary policy mechanism. New systems may have hidden flaws that cannot be discovered during testing, which can lead to financial failures. Due to such failures, when the system does not properly verify each consumer, the use of payment systems can be complicated by unwanted credit transactions. When evaluating algorithms, users can massively refuse to use modern innovations, as they will consider themselves and their funds or data to be insufficiently protected. Products such as uninsured deposits can be considered as areas of particular concern as such a product is more prone to fraud. Cyber security is the biggest concern of the FinTech industry. The development of electronic platforms and the transition to electronic records and accounting provokes more cases of cyber attacks. In addition, it is necessary to create a system for training people in financial literacy and, in general, increase interest in obtaining financial education. Private cryptocurrencies impose restrictions on the use of official currencies and make it difficult to monitor cash flows, which often causes problems of monetary policy. Fluctuations in the prices of virtual currencies and the likelihood of them collapsing due to a loss of confidence could potentially harm banks and markets as a source of services. At the same time, there is an operational risk in which transaction failures appear, but despite this, digital currencies in direct transactions between users remain safe.

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