



## Ask an Expert – Leitha Matz

Source: <https://fintechistanbul.org/en/2019/06/19/ask-an-expert-leitha-matz/>

**June 19, 2019** - New ideas, fresh faces, brilliant initiatives pop-up across the FinTech ecosystem every day, nevertheless only some leave their mark. As the Co-Founder/COO of the German FinTech start-up, Zuper GmbH and the Co-initiator of Mind the Gap e.V., the German non-profit supporting financial education for women, Leitha Matz is an inspiring technology leader and a financial inclusion activist. We believe that her message needs to spread out, and hence, the interview.

*Interview by Elif Kocaoglu Ulbrich*

**On your profile, I can see Media, FoodTech, RegTech, and FinTech experience gained in the US, Netherlands, and Germany – quite a journey. Can you tell us how you ended up in FinTech?**

As a student, I studied journalism, but when I graduated from university, the web was just starting to gain traction and commercialise. There were a lot of interesting opportunities in online media. Everything was new and undiscovered at that time. Over the years, business impact has become more important to me. FoodTech works to provide solutions for a vital aspect of life, and similarly, FinTech has the power to create positive change. Money touches every aspect of our lives, and I wanted to be part of that movement.

**You have built a financial coach to help people save money, which recently won the “European Startup of the Year” prize at Startup Grind in London. Congratulations! Where did you get the idea for the Zuper app? How do you differentiate Zuper from the other saving solutions?**

Thank you! “European Startup of the Year” is a huge title and a real vote of confidence for the work that our team is doing. The Zuper idea started with the announcement of the European PSD2 regulations requiring open banking APIs. Alexey, our CEO/co-founder, was working on this and brought me in to focus on the product. As a team, we’ve evolved the idea and the focus of our work over time, but we always knew that we had to give the customer control of their expanding financial ecosystem and put them at the center of their financial lives. Today, people have very different expectations what service means, and it can’t be the top-down approach of yesteryear. To us, this was the piece that was missing from the financial ecosystem.



**According to your experience, what are the common mistakes that people make in personal finance? Any tips?**

Simply understanding your current net worth and monthly cash flow are great first steps toward thinking about how to improve your personal finance. That's the first thing Zuper focuses on. Healthy finance is habit-driven, so it has a lot in common with long-term goals like staying fit, learning a language or keeping your plants alive. One good day or bad day isn't as important as the lifetime trends. I think we can learn a lot from the research that's being done in behavioural science, and working with the Think Forward Initiative is one of the ways we're leveraging that. Harvard psychology professor and decision-making expert Dan Gilbert said, "The human species' ability to think forward is in beta testing" and that's really what we think about when we focus on helping people to save. We need to make sure the better choice is the easy or default choice. We need to automating the boring parts and simplify complexity.

**Zuper has been active in the market since 2016. After PSD2, the company probably had to go through some operational changes. How would you describe the transition phase? Are you planning to apply for a license in the upcoming years?**

We were in development throughout 2016, and launched in early 2017, so PSD2 was really part of our plans from the beginning. We consider ourselves a great use case for the EU open banking regulations, since Zuper leverages banking APIs to help consumers look across their accounts and get control of their financial lives. We are applying for a license, and that will help us to do even more for our users, but of course that also means we'll have to make our own open banking API available as well.

**After the German roll-out, you also launched in Austria. Are there any other expansion and development plans for the app?**

Yes, we are planning to launch in France later this year, and we'll move out across the rest of the EU as soon as we can. The next year should be a really exciting and positive one for the Zuper team and all our users.

**It came to my attention that your app uses tools to analyze the financial health scores – is this also a step towards personal financing? The financing solutions are as competitive as ever – how do you personally perceive the microloan market in Germany?**

In the US, it's normal to know your credit score. There are a few companies that score you based on credit-worthiness and give you transparency into how that number was calculated. For a while, we were giving our users a financial health score based on that idea. It was something to give our users a way to quickly evaluate their financial status. We decided to rework it, so we moved it out of the main flow of the app this year. It may return in a different form, for example, something more directly linked to credit-worthiness, but we still think it's important to give people transparency into what they're already doing well and

what could be improved. And yes, microlending is booming! I know there have been some issues in other parts of the world, but in Europe, it seems like microlending has been a wonderful tool for startups, small businesses and those fighting social and financial exclusion. Germany recognised the need for microfinance in the late 90s, and by 2004 they had established the DMI (Deutsches Mikrofinanz Institut e.V.). Of course, the downsides of microloans are real as well, particularly when it comes to personal loans: getting a loan always tends to be an out-of-the-ordinary activity for people, so it can be challenging for them understand the terms and envision potential risks. And if there's an inadequate assessment of the consumer's creditworthiness, microloans exacerbate debt.

**Let's focus a bit more on your non-profit work. In addition to your different executive and operational tasks, you are also running an organization that supports financial education for women (Mind the Gap e.V.). Why was this needed? Are there any differences based on gender, when it comes to financial topics and saving? What are your observations?**

Isn't it strange that in 2019 we're still talking about "Equal Pay for Equal Work?" You'd think that problem would have disappeared years ago. But globally, the gender-based wage gap is still estimated at 23%, meaning that women earn 77% of what men earn. The UK instituted mandatory reporting for large companies, and in the most recent reports, almost eight in 10 companies still paid their male employees more. Actually, Germany seems to have even worse discrepancies, but they only put in place a voluntary reporting of gender-based pay gaps. We also see that women who become mothers face a motherhood wage penalty, which additionally leads to retirement pension gaps. That's especially relevant, considering women tend to live about five years longer, on average. Additionally, women are often very successful in managing household budgets and accounts, but for a number of reasons, they're more likely to keep their savings in cash rather than moving it into interest-bearing investments. That's a missed opportunity that additionally results in lifetime wealth discrepancies.

**What kind of activities does Mind the Gap engage in to help women increasing financial confidence?**

Step one is to wake people up to inequality issues and to get them talking and thinking. I think of Justice Brandeis who said, "Sunlight is said to be the best of disinfectants; electric light the most efficient policeman." Once we're talking, we can share stories and uncover the issues. We all need to understand that nobody is born an expert in negotiation, bookkeeping, budgeting or saving. These are learned skills, and we can, and should all be capable managers of our finances. That initially feels uncomfortable to some people, but it's a necessary aspect of our self-care.

**Do you think the numerous amounts of financial service providers existing nowadays have the potential to create a financial confusion for people that lack financial education?**



It's a good question, and I think there is risk there. I was just reading a study by the European Parliament's Economic and Monetary Committee (ECON) on mis-selling of financial products. They concluded that the regulatory environment is not well-equipped to deal with recent trends in "high-cost credit, cross selling and peer-to-peer lending that drive over-indebtedness." So clearly there's more work to be done there.

**Zuper seems to have a very diverse team already. Do you have any initiatives actively supporting diversity and helping to close the gender salary gap?**

Yes, we're proud of that! I think it's an outcome of the distributed team we have. It gives us the opportunity to recruit from across the world, and that's one of the things that makes our team stronger. We have great discussions that bring a lot of different ideas and viewpoints to the table, and we've had that global perspective from the beginning. Meanwhile, all the content and events produced by Mind the Gap e.V. are really focused on closing gender-based gaps in salary, pensions and lifetime wealth. We're happy to support that. There are numerous studies that demonstrate that women's economic equality is not simply the right thing to do, it's also good for business and it's good for communities. When women work and are fairly compensated, economies grow.