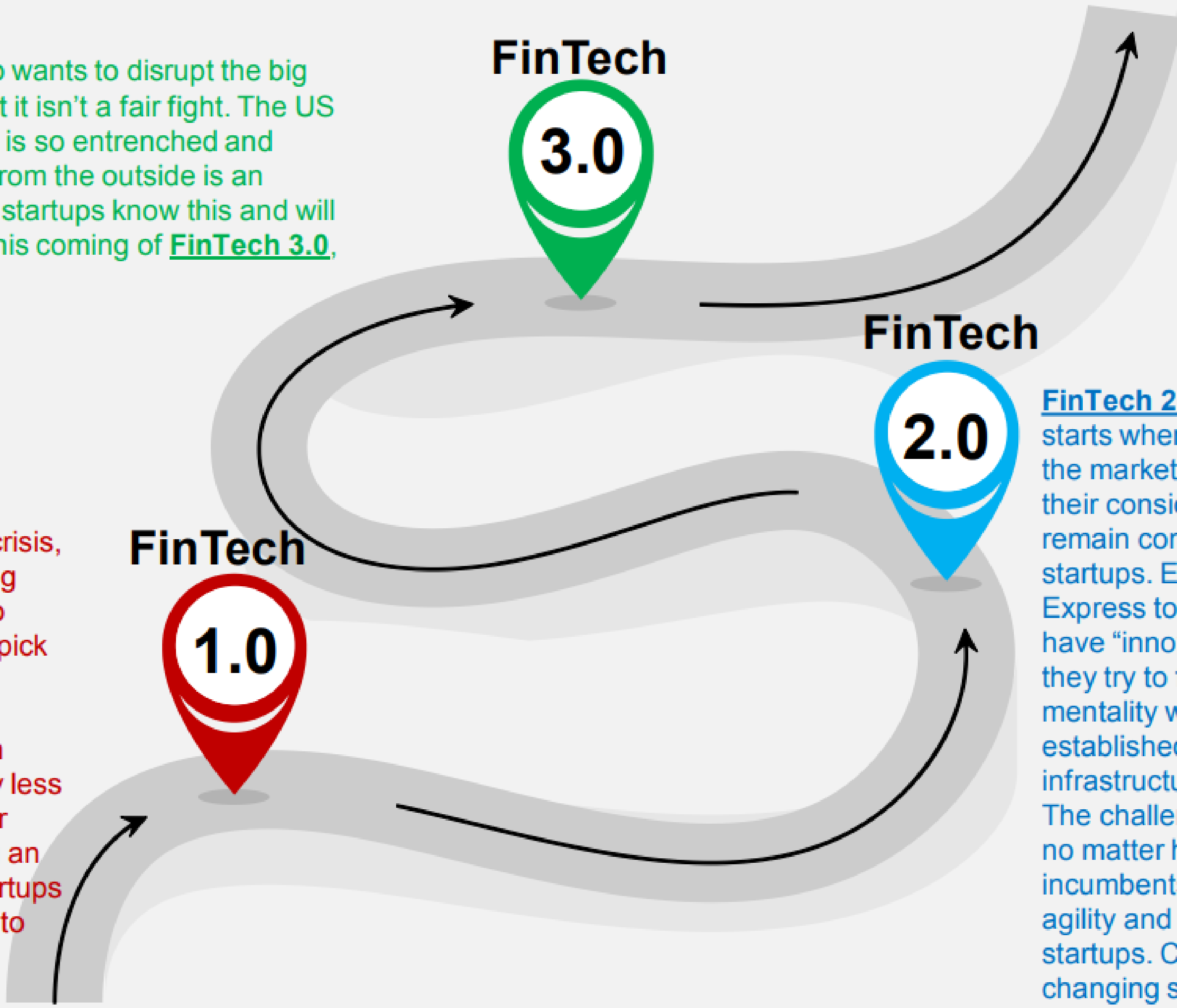
Almost every FinTech startup wants to disrupt the big banks, but the problem is that it isn't a fair fight. The US banking sector (and globally) is so entrenched and protected that challenging it from the outside is an exercise in futility. The smart startups know this and will use it to their advantage. In this coming of **FinTech 3.0**, FinTech startups will partner.



At the end of 2008 financial crisis, new regulations and changing consumer demands began to emerge as the world tried to pick up the pieces of the "great recession."
These changes made certain lines of business significantly less profitable for banks and other financial institutions, creating an opening for tech-enabled startups and brought up **FinTech 1.0** to step in and fill the void. This coupled with the changing demands of consumers and the democratization of big data, led to a FinTech renaissance of sorts.

FinTech 2.0 based innovation starts when incumbent players in the market were trying to leverage their considerable resources to remain competitive amongst startups. Everyone from American Express to Bank of America now have "innovation centers" where they try to foster the startup mentality while leveraging their established brands and infrastructure.
The challenge, of course, is that no matter how hard they try, incumbents can never match the agility and risk appetite of startups. Corporate politics, changing strategies, and an overwhelming desire to protect the brand serve as hindrances to innovation.