

## Witherspoon Explores Regulatory Concerns with Bank-FinTech Relationships in *Law360*

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Stinson LLP attorney [Tom Witherspoon](#) authored an article for *Law360*, "Banking Compliance Takeaways From Joint Agency Statement."

Witherspoon examines the increasing regulatory focus on banks partnering with FinTechs and other nonbank entities to offer deposit services, highlighting the importance of compliance and risk management in the evolving FinTech landscape. Federal bank regulatory agencies recently issued a warning to banks about the operational, compliance and growth risks associated with these increasingly complex customer relationships following the recent Synapse Financial Technologies bankruptcy, which revealed end users' deposits had been put at risk.

Witherspoon notes the guidance from the agencies appears to target the growing complexity of customer relationships in regard to bank deposits, underscoring the need for risk management frameworks and responsible innovation, and urging banks to adopt best practices and ensure adequate internal controls. He also emphasizes the significance of the agencies' guidance for banks considering partnerships with FinTechs or other nonbank entities to increase deposits.

"At a time when technology is changing traditional bank business models, partnerships between banks and fintechs represent an opportunity for certain banks," Witherspoon writes. "As with any new business line, banks will need to bring on additional resources for these partnerships to be successful."

Witherspoon's practice focuses on payments, consumer financial products, and other bank and financial regulatory matters, with an emphasis on compliance, financial transactional and litigation matters. He helps banks and other financial institutions navigate the complexities of federal and state law and regulation applicable to their operations, relationships, product development and compliance management.

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