

From Fintech to Regulations: Infused Banking and RiskScout Uncover Shifting Trends in Cannabis Banking

PLACTITAS, NM, UNITED STATES, September 21, 2023 /EINPresswire.com/ -- Infused Banking and RiskScout have released their 2023 [pulse survey](#) into financial institutions' perspectives on the cannabis sector highlighting several evolving trends as the industry matures. When taken in comparison to a [2021 Research Report](#), several trends are notable for practitioners in both the financial services and cannabis industries.

Michael Beird, Founding Partner of Infused Banking, noted that “while more respondents this year are expressing greater optimism about being able to bank more cannabis related businesses (CRB), financial institutions are also clearly losing patience over waiting on Washington to act at a national level with stopgap measures like the SAFE Banking Act.”

Many of the study's findings fell within three key trends to watch:

Consistency and Evolution in Participation: While there's been a consistent entry of new institutions into cannabis banking, the same research indicates a potential retreat of longer-term players. This evolving landscape is further complicated by larger institutions feeling that their fees for Cannabis Related Businesses (CRBs) are more competitive than their smaller counterparts.

Smaller financial institutions express greater optimism for 2023 and beyond: When asked about expectations for growing the institution's cannabis businesses this year, 45% of banks and credit unions with less than \$5B in assets responded it's “Extremely Likely” whereas 49% of those with more than \$5B said “Neutral or No Change”. “This reflects the continued strength and commitment that many community banks and state-chartered institutions have for serving the cannabis industry currently. However, larger institutions are poised to increase their presence when the Federal government grants some form of regulatory relief, such as the SAFE Banking Act,” responded Erin O'Donnell, Founding Partner for Infused Banking.

Emerging Trends in Cannabis Support and Assurance: There's a marked increase in support for both recreational and medical cannabis from financial institutions. Additionally, while interest in business insurance for CRBs is growing, a significant portion of bankers remains undecided on its imperative, highlighting an area ripe for further education and clarity.

“The insights from the survey illustrate a need for US and state regulatory agencies to seek

alignment regardless of partisan setbacks," said Justin, CEO and co-founder of RiskScout. "With evolving institutional support, regulatory concerns, and growing assistance from Regtech, the banking-cannabis relationship is at a defining moment."

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