Insight

#15 | January 2025

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Analysis of credit union, challenger bank and fintech competitiveness

The credit union digital banking race: key players and what comes next

As Central 1 winds down its digital offering, suppliers are rushing to sign new clients

The race for credit unions to adopt next-gen digital banking platforms is heating up. With Central 1 winding down its forge and Member Direct systems, providers are competing to fill the gap and win market share. If your credit union is still evaluating options, you're not alone. Here's what you need to know about the current landscape and future opportunities.

What's changed?

In the previous Insight, we noted that Central 1 was winding down their forge and Member Direct digital banking platforms. In the three months since October's announcement alternate providers have stepped up their efforts to fill credit unions' digital needs:

- **VeriPark** added First West, Prospera, DUCA, and Coastal Community credit unions to the already-announced Beem
- **Temenos** secured FirstOntario, expanding beyond their Saven subsidiary to cover the entire enterprise
- **ebankIT** is gaining new customers through mergers
- **Intellect Design** is currently converting Vancity's platform
- **Other vendors** are exploring the feasibility of entering the market

What's next?

There are over sixty credit unions still on forge or Member Direct who have not selected or publicly announced alternate providers. Central 1 has committed to supporting a smooth (and potentially multi-year) transition. Supplier risk is extremely low. However, decisions will need to be made.

Key takeaways

- ebankIT has secured approx. 1/3 of credit unions by assets
- VeriPark, Intellect Design and Temenos are each carving out niches
- Many large credit unions continue to develop bespoke solutions in-house

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- Over a third of credit unions still need to announce where they are going post-forge/Member Direct
- This presents an opportunity for existing suppliers and new entrants
- Smaller credit unions may lack the resources and expertise to pick the right strategic partner

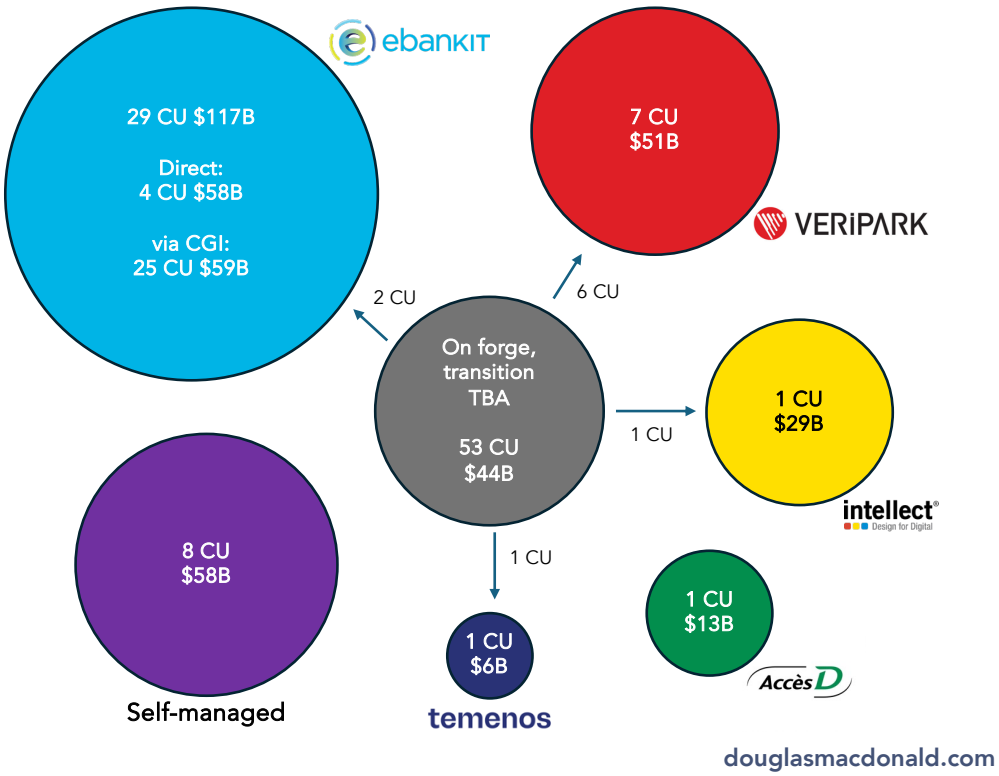
For credit unions, this is a pivotal moment. Decisions made now will define your digital strategy for years to come. Suppliers should see opportunities in the untapped market – 60 credit unions and $50B in assets remain unclaimed. If you need a clear plan to succeed in this competitive environment, I can provide actionable, tailored advice. Reach out today to explore your options.

Who are the Top 100 choosing?

Canada's 100 largest credit unions comprise over $317B in assets and serve six million members. This is approximately 98% of the sector's total assets (all figures Q2 2024).

Digital banking providers for Canada's top 100 credit unions

Installed and announced as of Jan 2025 (t=$317B assets)



Of this segment, ebankIT is the most popular digital banking vendor with an installed/announced base of 29 credit unions representing $117B in assets. Half of the assets are managed via direct relationships with ebankIT, with the other half provided via a service agreement with CGI (legacy Celero).

Second is VeriPark, with one live client and six more announced totalling $51B. Intellect Design's Vancity win gives them $29B of assets. Rounding out the vendors is Desjardins Ontario's *AccèsD* platform sourced from Desjardins Group, and FirstOntario's Temenos. Meanwhile, eight credit unions in the Top 100 have chosen to deploy in-house digital banking platforms totaling $58B in assets.

This leaves 53 credit unions on forge or Member Direct who have not publicly stated their conversion plans. Several RFP processes are known to be underway, both individually and in groups.

The long tail

Beyond the Top 100 are an additional 80 or so credit unions, each less than $300M in assets. Forge and ebankIT are the most popular providers. Notably, all the small credit unions in Atlantic Canada source their forge platform via a group contract with League Data.

For small and mid-sized credit unions, transitioning to a new digital platform can feel insurmountable. Resource limitations make it harder to assess vendors or make strategic decisions. Collaboration among credit unions, centrals, and shared service providers will be key to leveling the playing field.

Decisions, decisions

Digital banking is a critical technology for financial institutions. The digital layer sits between core systems and members. Digital platforms provide integration to key functionality like loan origination and payments, and generate critical reporting.

When evaluating vendors, start by asking these key questions:

- How will the solution improve the member experience?
- Is the solution built to support open banking and real-time payments?
- How easy are third-party integrations, and are partners already available?
- Is the solution scalable, flexible and customizable?
- Is the solution secure and compliant?
- What kinds of data analytics and reporting will be available?
- How complex and risky is the conversion process?
- How will the choice of vendor impact potential mergers?
- How much will the system cost to deploy and operate?

Some credit unions may also choose to develop and deploy systems in-house. Self-driving institutions must balance the ability to develop customized solutions with the cost, complexity and deployment risk of going it alone.

Is there room for a new entrant?

Central 1's exit has opened the door for new providers to enter the market. In the past three months several existing providers and potential new entrants have explored the feasibility of providing an alternative. Is there a market?

The current situation is conducive to competition – with some qualifications. Over sixty financial institutions with a critical mass of $50B in assets are on the market. They could be joined by one or more credit unions currently using an in-house solution or who are unhappy with their current supplier.

To succeed a new entrant must be able to demonstrate superior functionality, reduced risk and/or lower price. Potential differentiators could include:

- Differentiating the credit union by building a new solution around open banking
- Customizing for specific credit union needs
- Offering a lower cost of operation for small credit unions

Potential suppliers must also keep in mind that many credit unions looking for a new solution may end up merging into larger institutions with an established provider. Scale is also critical, as individual credit unions are unlikely to offer a compelling business case. Credit unions exploring options can offset this risk by going to market as a group, potentially as part of a larger infrastructure consolidation play.

Current and planned moves, >$1B credit unions

Shown below is a list of all credit unions over $1B in assets as of Q2 2024. Institutions who have publicly announced a change in vendors are listed.

Credit Union	Assets ($B)	Current Provider	Moving To	Notes
Vancity	29.0	Member Direct	Intellect Design	Commercial is Member Direct
Meridian	27.1	Internal		
Coast	21.8	ebankIT direct		Commercial is ebankIT
Servus	21.1	ebankIT direct		Commercial is internal
First West	14.4	forge	VeriPark	Commercial is Member Direct
Desjardins Ontario	13.2	AccèsD		
Access	12.7	ebankIT via CGI		
Steinbach	9.8	ebankIT via CGI		Commercial is Member Direct
Beem	8.5	forge	VeriPark	Interior savings and G&F both forge
Alterna	8.1	ebankIT direct		
Affinity	8.0	Internal		
Prospera	8.0	forge	VeriPark	
DUCA	7.7	forge	VeriPark	
Connect First	7.2	ebankIT via CGI		
Conexus	7.0	ebankIT direct		
Assiniboine	6.2	ebankIT via CGI		
Libro	6.1	Internal		Commercial banking internal
FirstOntario	6.1	forge	Temenos	Saven sub-brand is on Temenos
UNI	5.4	Internal		
Blueshore	5.3	forge	VeriPark	Assume merging with Beem
WFCU	5.2	Internal		Rapport sub-brand is on Forge

Cambrian	4.9	Internal		Commercial is internal
Innovation	4.0	VeriPark		
Coastal Community	3.4	forge	VeriPark	
YNCU	2.6	forge	*Will need to move*	
Vision	2.5	ebankIT via CGI		
Caisse Alliance	2.5	ebankIT via CGI		
Kawartha	2.3	forge	*Will need to move*	
Kindred	2.2	forge	*Will need to move*	
Cornerstone	2.1	ebankIT via CGI		Exploring merger with Conexus
Caisse (MB)	2.0	forge	ebankIT via CGI	Merged with Assiniboine
Synergy	2.0	ebankIT via CGI		
Sunrise	1.9	forge	*Will need to move*	
Northern	1.9	forge	*Will need to move*	
Kootenay Savings	1.7	forge	*Will need to move*	
Fusion	1.6	ebankIT via CGI		
Provincial	1.5	forge via LD	*Will need to move*	
Westoba	1.5	forge	ebankIT via CGI	Merged with Assiniboine
Tandia	1.5	forge	*Will need to move*	
East Coast	1.5	forge via LD	*Will need to move*	Merged in Provincial
Ukrainian	1.3	forge	*Will need to move*	
Prairie Centre	1.2	ebankIT via CGI		Now Prosperity credit union
Mainstreet	1.1	forge	*Will need to move*	
CUA	1.1	ebankIT via CGI		
SASCU	1.0	forge	*Will need to move*	
Buduchnist	1.0	forge	*Will need to move*	
Total	**288.2**			

What's next?

Change can be intimidating, but it's also a chance to unlock new potential. Whether you're exploring vendors, preparing for RFPs, or planning bespoke solutions, I can help your credit union stay ahead of the curve.

Let's chat!

Need help making strategic technology choices? Need to correct an error? Start the conversation by reaching out to me via **email** or on **LinkedIn**.

Opinions expressed are personal and not attributable to clients, employers or other parties. Please direct corrections and other feedback to insight@douglasmacdonald.com.

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