

New Tech and ETF Line Could Catapult Toronto-Dominion Bank (TSX:TD) Into the Stratosphere!

Description

One of the most remarkable, and underrated things about **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is the fact that it's [stayed on top of its game](#) when it comes to investing in financial technology to become a more future-proof bank in an era that's chock-full of disruptive up-and-comers.

That's not to discount the other tech efforts made by the other Big Five Canadian banks though, as they haven't cheaped out when it comes to spending on the extremely forward-looking efforts. But one can't help but notice the countless number of patents that TD Bank has filed over the years.

When it comes to the business of banking, we're about to witness profound changes as we move away from the "dark ages" of low-tech banking and into its future, which looks bright both for consumers and for the incredibly tech-savvy TD Bank given its affinity for investing in technological initiatives, most of which may not have a big payoff until many years down the road.

Could the first big tech payoff be on the horizon?

TD Waterhouse is a trusted, go-to discount brokerage that retail investors have flocked to for decades. In recent years, competition has picked up with several third-party discount brokerages attempting to "one-up" each other for the business of retail investors. Today, countless discount brokerages are applying downward pressure on aggregate commission rates.

It's not just about lower commissions, however; retail investors want top-notch wealth planning services, and they don't want to pay obscene fees for it. They need all the help they can get to meet their investment goals to whack the benchmarks they follow.

Enter TD Bank's new-and-improved WebBroker (TD's discount brokerage), which is slated to receive a significant refresh to include next-generation technologies, including a robo-advisory service and an associated line of low-cost ETFs. TD Bank has reportedly invested \$125 million on such WebBroker enhancements, which are slated to launch in early 2019, with additional features being rolled out gradually through the year.

Further, TD Bank has also entered a licensing deal with Hydrogen Technology to incorporate its proprietary tech alongside the updated WebBroker platform. These technologies aim to profoundly enhance the experience for DIY (do-it-yourself) retail investors while giving WebBroker a competitive edge over the competition.

Foolish takeaway

More and more investors have decided that they want to take control of their investments, rather than surrendering their capital to the hands of an expensive human advisor who may have their interests above their client. Robo-advisors and passive instruments like ETFs are continuing to become popular

among retail investors.

TD Bank sees where the puck is headed next, and they're leveraging technology to pull ahead of peers in the space who've been duking it out over the ability to lower costs.

With regard to tech-savviness, I think TD Bank appears to be well above the competition, and over the next few years, we could finally see its tech investments finally pay off as the big banks evolve to become more like technology companies.

Continued tech innovation will result in enhanced feature sets like the new WebBroker and will only serve to give TD Bank's industry-lagging ROE [a much-needed boost](#) moving forward.

Stay hungry. Stay Foolish.

CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Investing
3. Tech Stocks

Date

2025/08/20

Date Created

2018/09/18

Author

joefrenette

default watermark