

LONDON'S FINTECH SCENE

AT A GLANCE



London
& PARTNERS

MAYOR OF LONDON

London: driving innovation in fintech

London is a vibrant and diverse city with a thriving business, financial services and tech community. The city has been deemed the number one global financial centre¹ and is Europe's most valuable tech startup ecosystem, valued at \$44bn².

London has also been independently ranked by EY and Deloitte as the leading global hub for fintech. The UK also boasts the highest consumer fintech adoption rate of any western country, behind only China and India globally³.

With more than 44,000 people working in fintech roles across London, more than anywhere else in the world including Silicon Valley and New York⁴ and with the city attracting a record £1.1bn of VC tech investment in the first half of 2017, more than any other six month period⁵, London continues to triumph its position as a global fintech hub.



¹ Z/Yen 2017

² Startup Genome 2017

³ EY 2017

⁴ South Mountain Economics 2014]

⁵ Pitchbook 2017

The world's **LARGEST** financial services sector with over

43,000

financial services and insurance companies⁶



There are more head offices of banks in London than any other place in the world, employing

150,000⁸

people



London, and the wider UK, is the centre of many financial activities,

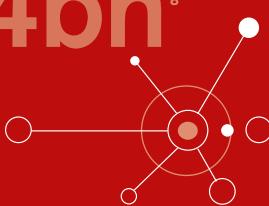
including 37% of global foreign exchange trading, 39% of global OTC derivatives trading and 29% of international insurance

⁶ D&B Hoovers, 2017

⁷ TheCityUK 2017

London is the home of Europe's most valuable tech ecosystem, valued at

\$44bn⁸



London ranks consistently top of the European Digital Cities Index⁹



London was ranked by EY and Deloitte as the leading global hub for fintech

Over half of the Fintech50 hottest fintech startups are based in London, including six of the top ten¹⁰



⁸ Startup Genome 2017

⁹ Nesta 2017

¹⁰ FinTechCity 2017

Find the best talent

London is home to an incredible pool of the world's best and brightest talent, with 44,000 people already working specifically in London fintech, more than in Silicon Valley or New York.

The city is also home to 71,000 professional software developers, the highest number of any European city and second globally only to Silicon Valley¹¹.

The UK is considered the most attractive European country to both live and work in¹² and the third most aspirational country globally, after only the US and Canada, for under 30s to work in¹³.

With London also having four of the world's top 50 universities, more than

any other city in the world and within an hour commute of the world's top two universities, University of Oxford and Cambridge University¹⁴, respectively, London attracts talent from all around the globe with 37% of the London population being internationally born.

This diversity gives London based companies access to a unique range of skills, talents and perspectives¹⁵.



11 Stack Overflow 2015
12 BCG 2014
13 WEF 2017

14 Times Higher Education 2017
15 TheCityUK 2017

London's fintech scene: at a glance



Access to customers

London provides a gateway to one of the most promising domestic fintech consumer markets in the world, with Deloitte rating the city as 'excellent' for access to fintech customers¹⁶.

The UK boasts the highest consumer fintech adoption rate of any western country, behind only China and India globally, with 52% of the population using fintech services against a global average of 33%¹⁷. Indeed, nearly three quarters of UK consumers use technological devices to manage their finances¹⁸.

The UK is consistently one of the fastest adopters of e-commerce, with UK B2C ecommerce turnover estimated at \$174.5bn, third only to China and the US¹⁹.

16 Deloitte 2017
17 EY 2017
18 Mintel 2017
19 Ecommerce Foundation 2016

Londoners also have higher levels of disposable income, compared to many European cities²⁰, and more than 95% of the UK is due to have access to 4G internet by the end of 2017, with 5G internet under development. As a result, the UK, and London specifically, will remain a key fintech consumer market.

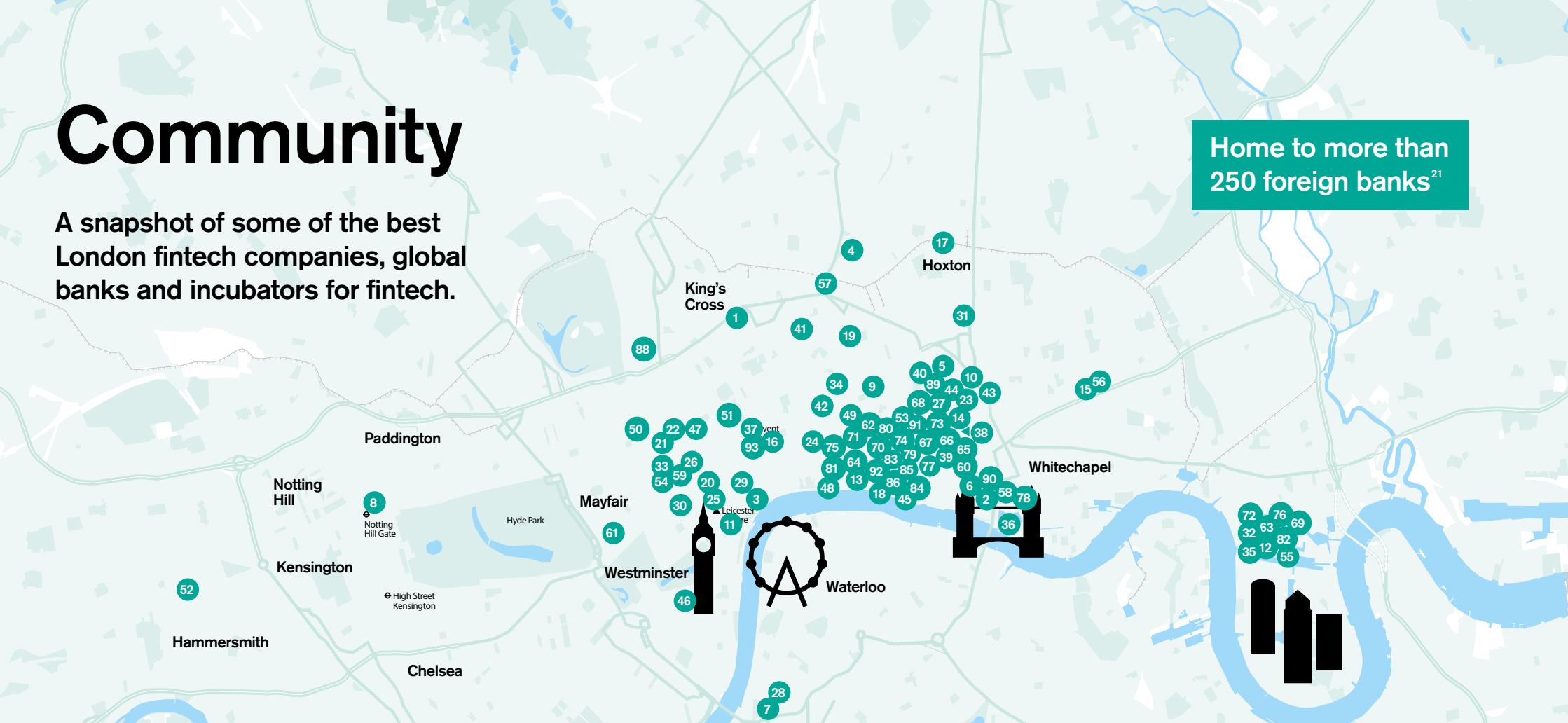
The UK ranks first in the Mastercard Digital Evolution Index (Mastercard 2017)

20 Oxford Economics 2017

Community

A snapshot of some of the best London fintech companies, global banks and incubators for fintech.

Home to more than 250 foreign banks²¹



Fintech companies

- 1 10x Banking
- 2 Algomi
- 3 Alipay
- 4 Azimo
- 5 Circle
- 6 ClearBank
- 7 ClearScore
- 8 ComplyAdvantage
- 9 Crowdcube
- 10 Curve
- 11 DarkTrace
- 12 Digital Shadows
- 13 Divido
- 14 DueDil
- 15 Everledger
- 16 Fluidly
- 17 Fractal Labs
- 18 Funding Circle
- 19 GoCardless
- 20 InvestCloud
- 21 Iwoca
- 22 LendInvest
- 23 MarketInvoice
- 24 Meniga
- 25 Monese
- 26 Monitise
- 27 Monzo
- 28 Nutmeg
- 29 Onfido
- 30 PayPal
- 31 PixelPin
- 32 Priviti
- 33 Prodigy Finance
- 34 Ravelin
- 35 Revolut
- 36 Smarkets
- 37 Square
- 38 Starling Bank
- 39 Sthaler
- 40 Stripe
- 41 Tandem
- 42 Tide
- 43 Transferwise
- 44 Vega One
- 45 WorldPay
- 46 WorldRemit
- 47 Yoyo Wallet
- 48 iZettle
- 49 Amazon
- 50 Apple
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Multinational tech companies

- 49 Amazon
- 50 Apple
- 51 Google

Incubators, accelerators and coworking

- 52 Cylon
- 53 FinTech Accelerator (Bank of England)
- 54 GCHQ Cyber Accelerator
- 55 Level39
- 56 Rise/Barclays Accelerator powered by Techstars
- 57 RocketSpace
- 58 Startupbootcamp Fintech
- 59 Wayra

Financial institutions

- 60 AIG
- 61 Arab National Bank
- 62 BAML
- 63 BBVA
- 64 BNY Mellon
- 65 Banco Sabadell
- 66 Banco de Brazil
- 67 Bank of China
- 68 Bank of Toyko
- 69 Barclays
- 70 CIBC
- 71 Commonwealth Bank of Australia
- 72 Credit Suisse
- 73 Deutsche Bank
- 74 EXIM of India
- 75 Goldman Sachs
- 76 HSBC
- 77 ICBC
- 78 ICICI India
- 79 Intesa San Paolo
- 80 Investec
- 81 JP Morgan
- 82 Mastercard
- 83 Maybank
- 84 Nomura
- 85 OCBC
- 86 RBC
- 87 Rabobank
- 88 Santander
- 89 Silicon Valley Bank
- 90 Societe Generale
- 91 Standard Chartered
- 92 Union Bank of India
- 93 Wells Fargo

Funding your fintech business

London is a city that offers unrivalled access to funding, making it the perfect place to develop and scale your business.

In the 12 months to June 2017, the year following the referendum to leave the EU, London's tech sector as a whole recorded £1.8bn of VC investment across 544 deals. This was more than twice as much as Europe's second placed Berlin over the same period. £1.1bn of this tech investment was invested in the first six months of 2017, marking a record six months for London and signalling no softening in tech investors' appetite.

Of this tech investment, fintech in particular attracts more than any other tech subsector in London. More than £2bn of VC investment has landed in London based fintech firms over the past five years, with 2017 proving to be a strong year, echoing the overall tech trend. Indeed more was invested in London fintech firms in the first quarter of 2017 than any quarter in 2016²².



A snapshot of 2017 London fintech investments

Starling Bank	setl.io
\$101m	\$40m
Iwoca	BillFront
\$57m	\$35m

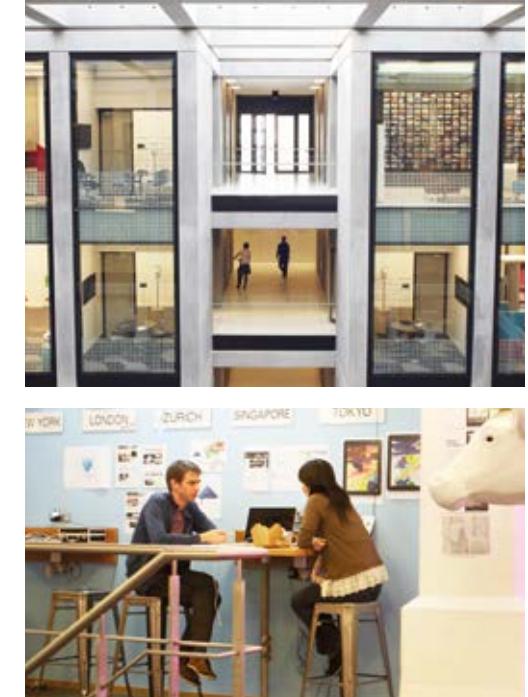
²² Pitchbook 2017



At a country level, the UK attracts more fintech investment in total than any other country in Europe.

In Q2 2017, it accounted for almost three quarters of all European fintech investment (\$1.4bn out of a European total of \$2bn)²³. Looking back over the past five years, the UK has accounted for 38% of all European deals involving fintech, and 44% of every pound invested in European fintech has landed in the UK, making it by far the largest recipient of fintech investment in Europe²⁴.

As well as its dominant market share, UK fintech investment has shown a faster rate of growth than the rest of Europe. From 2009 to 2014, it grew at a rate of 51% per year, compared with 39% for the rest of Europe²⁵.



Attracting investment

The London & Partners London VC Club facilitates introductions to London's leading investors allowing start ups and scale ups to grow more quickly.

If you're a start up or scale up seeking investment, joining the London VC Club will enable you to put your company in front of London's leading Corporate Venture Capital (CVC) firms, Venture Capital (VC) firms, crowdfunding platforms and angel network.

Find out more at
business.london/invest/grow/vc-london

²³ KPMG 2017
²⁴ CB Insights 2017
²⁵ Accenture 2014

A supportive fintech environment

London is a hugely supportive ecosystem for fintech with various programmes designed to make it easier for firms to scale.

The sector is regulated by the Financial Conduct Authority (FCA), who have carefully built a programme of support for fintech firms through Project Innovate.

Project Innovate offers firms direct support in understanding the regulatory landscape and how it applies to them in particular, helps them prepare applications for regulatory authorisation and helps fintech firms to expand overseas. The FCA also operates a sandbox through Project Innovate, which allows fintech firms to test their products in the real market but without being subject to the full regulatory requirements.

Such programmes offer fintech firms a uniquely rich environment to test and develop their products and services.

In addition to a top quality regulator, London is also home to Innovate Finance, a body dedicated to representing the interests of the UK's fintech community. London fintech firms are able to access a range of support services through Innovate Finance, which acts as a single point of access to policy makers, regulators, investors, customers, educators, talent and key commercial partners. It provides crucial support for its 250 members, whilst giving them a public voice.

Overseeing London's, and indeed the UK's, fintech industry, is a central government highly committed to supporting its firms. A fintech work stream sitting within Her Majesty's Treasury is dedicated day-in-day-out to identifying measures that could support trade and investment in UK fintech.



Contact us

London & Partners is the Mayor of London's official promotional agency. We are the experts on doing business and provide free and confidential services to help you expand and scale your fintech business in London.

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