banking technology

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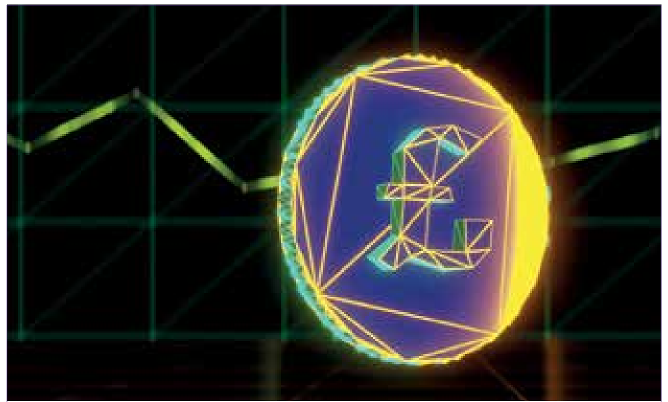


REGULARS

EDITOR'S NOTE

Tanya Andreasyan
Editor

Welcome to the April edition of *Banking Technology*, full of spring spirit!

The recent month has seen lots of transatlantic movement. US fintech Marygold has launched its UK mobile app for domestic consumers and businesses to save, invest and spend. The savings accounts are provided by UK challenger bank Griffin, while open banking, account information and payment initiation services are enabled through Moneyhub.

Meanwhile, UK business bank OakNorth is expanding into the US with the acquisition of Michigan-based Community Unity Bank (CUB). OakNorth hopes to tap into the funding needs of the country's lower mid-market (see p7).

The US market is hot on new banking and financial services initiatives. Among the latest entrants is telco giant Verizon launching a digital high-yield savings account for its mobile and 5G Home customers. Called Verizon + Openbank Savings, it leverages a partnership with Santander and its Openbank subsidiary. Customer onboarding will be managed by Openbank's digital banking platform via the Verizon mobile app, and deposits are to be held by Santander Bank.

Zolve, a start-up catering to immigrants moving to the US, has raised more funds for its financial services proposition of current accounts, credit cards, loans, insurance and money transfer services. It raised $51 million in a Series B round and $200 million credit warehouse. Founded in 2020, Zolve claims 750,000 customers and now plans to expand into Canada, the UK and Australia.

Keep turning the pages of the magazine for more fintech goodness and visit the *FinTech Futures* website for breaking news, insightful analysis and commentary, and deep dives into all things fintech.

NEWS ROUND-UP

Trump signs order to modernise how US government handles payments

US President Donald Trump has signed a new executive order to phase out paper cheques and transition the federal government to electronic payments. As of 30 September 2025, the federal government will cease issuing paper cheques for all disbursements, including intragovernmental payments, benefits, vendor payments and tax refunds.

The government will transition to electronic funds transfer (EFT) methods such as direct deposit, debit and credit card payments, digital wallets and real-time transfers.

In a statement, the White House says that treasury cheques are "16 times more like to be reported lost or stolen, returned undeliverable, or altered than an EFT", adding that in 2022, banks issued around 680,000 reports of cheque fraud, nearly double the figure from 2021.

The treasury will also "phase out physical lockbox services and expedite electronic collection of federal receipts".

Exceptions will be made for those without access to banking or electronic payment methods, certain emergency payments and law enforcement activities.

By modernising the federal payment system, the order seeks to improve efficiency and reduce the taxpayer costs associated with maintaining the physical infrastructure required for paper cheques, which is said to have cost more than $657 million in fiscal year 2024.

Deutsche Bank fined €23m by German regulator BaFin

Germany's Federal Financial Supervisory Authority (BaFin) has fined the country's largest bank, Deutsche Bank, a total of €23.05 million in three regulatory offence proceedings.

According to a statement from BaFin, a €14.8 million fine was imposed for the bank's breach of "organisational requirements" under the German Securities Trading Act in connection with the sale of currency derivatives in Spain.

"Following allegations relating to the sale of currency derivatives in Spain, Deutsche Bank AG took too long to investigate the infringements and remedy the shortcomings," BaFin says.

"The sale of derivatives led to sanctioning proceedings initiated by the Spanish National Securities Market Commission (CNMV). The company did not make appropriate organisational arrangements to speed up the investigation of the breaches of the law and to implement measures to remedy the situation."

BaFin also fined Deutsche Bank €4.6 million, claiming its Postbank business "disregarded the obligation to record investment advice".

"Exceptions to this rule were granted during the COVID-19 pandemic. After they expired, however, the company at times failed to take measures to ensure that the content of investment advice given by telephone was once again electronically recorded," the regulator says.

Moreover, BaFin claims Deutsche Bank's Postbank business "repeatedly failed to comply with the requirements of the German Payment Accounts Act" regarding the account switching service, for which the regulator imposed a fine of €3.65 million.

BaFin claims that "applications submitted to Postbank for the account switching service under the ZKG were not processed or were only processed with a delay in multiple cases".

Deutsche Bank tells *FinTech Futures* it "has fully cooperated with BaFin in all matters. Additionally, processes in the affected areas have been improved and controls have been strengthened."

Binance lands $2bn crypto investment from Abu Dhabi's MGX

Cryptocurrency exchange Binance has secured a "landmark" $2 billion investment from MGX, an AI and advanced technology investor based in Abu Dhabi. The money will be paid in stablecoins, making it the largest investment ever paid in crypto and Binance's first institutional investment. It also represents the "single largest investment into a crypto company", the two firms say.

MGX, a state-owned investment firm founded last year, will also gain a minority stake in Binance, with the deal marking its debut in the cryptocurrency and blockchain sectors.

Binance is the world's largest cryptocurrency exchange with over 260 million users and more than $100 trillion in cumulative trading volume. The company also has a substantial footprint in the UAE, employing 1,000 of its 5,000 global workforce in the country.

Amex boosts expense management offering with Center purchase

American Express (Amex) has agreed to acquire US-based expense management software provider Center. The terms of the deal, which is expected to close in Q2 this year, have not been disclosed.

Founded in 2017 and based in Washington state, Center offers an integrated corporate card, expense management and travel solution.

Amex intends to combine its corporate and small business cards with Center's software to create a comprehensive platform that includes premium card choices, rewards, and automated accounting and reconciliation.

FTC data reveals US consumers lost $12.5bn to scams in 2024

The Federal Trade Commission (FTC) has revealed that US consumers reported losses of over $12.5 billion to fraud in 2024, a sharp rise from the $10 billion in 2023. The 25% rise from the previous year was not driven by an increase in fraud reports, which remained steady at around 2.6 million.

However, the "percentage of people who reported losing money to a fraud or scam increased by double digits", the FTC says, with the proportion of those who lost money rising from 27% to 38% in just one year.

Investment scams led the losses, climbing to $5.7 billion from $4.6 billion in 2023, while imposter scams were the "most commonly reported scam category", according to the FTC. In particular, government imposter fraud losses spiked from $171 million in 2023 to $789 million in 2024.

Online shopping issues ranked as the second most reported fraud category, followed by other categories such as business and job opportunities, investment schemes and internet services. Notably, prizes, sweepstakes and lotteries dropped out of the top five this year, after holding the third spot in 2023.

The report also noted that scams involving bank transfers and cryptocurrency resulted in greater financial losses "than all other payment methods combined".

Additionally, FTC data shows that email was the most common method scammers used to contact victims for the second year in a row, with 372,000 reported incidents. Meanwhile, phone scams saw an increase in median losses, reaching $1,500 per victim.

Green Dot considers sale amid leadership shake-up

Image: Green Dot

US-based digital bank and fintech Green Dot has says it "engaged Citi to initiate a process to explore potential strategic alternatives" and that CEO and president George Gresham is leaving the company.

Gresham became Green Dot's CEO in October 2022, following the firing of then CEO and president Dan Henry. He was previously the company's chief financial and operating officer.

William Jacobs, who has chaired its board of directors since June 2016, has been named as interim CEO. Chris Ruppel, Green Dot's chief revenue officer since November 2022, will now also assume the position of president of Green Dot, as well as interim CEO and president of its Utah-based subsidiary, Green Dot Bank.

Green Dot notes that "no assurances can be given as to the outcome or timing of the strategic review process".

Tink founders building new AI-driven compliance tech venture

Image: Tink

Daniel Kjellén and Fredrik Hedberg, co-founders of Swedish open banking platform Tink, are now working on building a new venture called Freda.

Kjellén and Hedberg (pictured), former CEO and CTO at Tink, respectively, announced their departure from the company earlier this year, along with now former COO Patrik Göthlin. Founded in 2012, Tink was acquired by Visa in a €1.8 billion deal ten years later.

The ex-Tink crew say they are now "building the next generation of AI-driven legal and compliance technology" and are seeking a legal lead to join Freda's founding team. They are also recruiting product designers, engineers and associates to join them at Freda's office in Stockholm.

Crypto fintech Circle files for IPO in the US

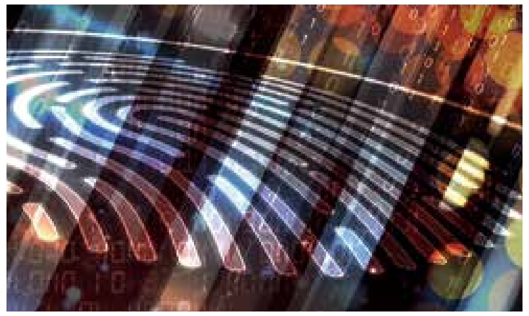
Circle Internet Group (Circle) has filed a registration statement on Form S-1 with the US Securities and Exchange Commission (SEC) relating to a proposed IPO of shares of its Class A common stock.

This marks Circle's second attempt at going public on the New York Stock Exchange (NYSE). The company previously sought to list in 2022 through a SPAC merger, which valued the fintech at $9 billion, but the move was ultimately called off in December of that year after the SEC failed to approve the deal prior to its deadline.

Circle has been laying the groundwork for this second bid, having submitted a draft registration statement on Form S-1 with the SEC in January 2024. The company joins global fintech heavyweights including Klarna and eToro, which have recently signalled their intent to list on the NYSE.

Founded in 2023, Circle is the issuer of USDC, a stablecoin pegged to the USD, with a reported $60 billion in circulation. The company offers a suite of financial solutions, including crypto capital markets access and near-instant cross-border payments.

CFIT unveils Digital Company ID plan to tackle UK business fraud



The Centre for Finance, Innovation and Technology (CFIT), a UK organisation focused on advancing the country's fintech sector, has unveiled its Digital Company ID plan to ease the "burden of fraud on businesses".

CFIT's Digital Company ID initiative, developed in collaboration with more than 70 organisations including Lloyds Bank, Monzo and Mastercard, aims to create virtual business passports to make "securing finance and conducting day-to-day business quicker and less vulnerable to fraud".

According to a CFIT statement, the coalition has "demonstrated that the solution to countering economic crime lies in the widespread adoption of Digital Company ID", claiming that the service will "significantly reduce regulatory and administrative burdens for businesses, particularly SMEs".

CFIT has proposed seven key recommendations to "unlock the full potential of Digital Company ID". These include appointing a lead authority to oversee its implementation, forming a multi-stakeholder taskforce, developing a Digital Company ID prototype, enabling secure and reciprocal data sharing, promoting interoperability standards, reviewing the regulatory framework and building market confidence through government adoption.

FCA unveils strategy to drive growth in UK financial services sector

Image: FCA

The UK Financial Conduct Authority (FCA) has outlined its new five-year strategy to "deepen trust, rebalance risk, support growth, and improve lives", it says.

The FCA lists its four core priorities as becoming a "smarter regulator", supporting "sustained economic growth", helping consumers "navigate their financial lives" and tackling financial crime.

The initiative aims to make the body more efficient by "taking a less intensive approach for those firms seeking to do the right thing, significantly streamlining how it sets its supervisory priorities and reviewing whether it can stop requiring certain data returns".

Additionally, the regulator says it plans to invest in its "technology, people, and systems", enhance its workforce's digital capabilities and improve its handling of the 100,000 cases it assesses annually. A central feature of the transformation involves upgrading its authorisation process to make it easier and quicker to apply while reducing the follow-up requests and improving data quality.

"Too often the focus has been on the risks of a decision taken rather than the lost opportunity of taking none. We want to change that so we can spur growth and improve lives," states Ashley Alder, chair of the FCA.

The FCA will also be merging with the Payment Systems Regulator (PSR) following the government's recent decision to dissolve the latter as an independent body (see p11).

UK fintech PrimaryBid in discussions over potential sale

UK-based fintech PrimaryBid is reportedly in discussions with several interested parties over a potential sale.

Founded in 2016, PrimaryBid's platform enables retail investors to participate alongside institutional investors when a company raises capital through IPOs, follow-ons, block sales and fixed income offerings by integrating with stock exchanges and investment banks. It has helped raise approximately $2 billion for listed companies to date.

PrimaryBid previously raised $190 million in a Series C funding round led by SoftBank Vision Fund 2 in 2022. This followed a $50 million Series B in 2020 backed by London Stock Exchange Group (LSEG), ABN Amro Ventures, Draper Esprit, OMERS Ventures and Fidelity International Strategic Ventures. However, LSEG has now written down the value of its investment in the fintech by 87% (see p9).

In its latest annual report, LSEG writes that its fair value holding in PrimaryBid had decreased from £31 million in 2023 to £4 million in 2024. It is understood LSEG holds a 7.2% stake in PrimaryBid, implying a company valuation of around £56 million.

UK challenger bank OakNorth bolsters US presence via acquisition

Image: OakNorth

UK challenger business bank OakNorth has agreed on a deal to acquire Community Unity Bank (CUB) in a stock-for-stock transaction to gain a foothold in the US.

Based in Birmingham, Michigan, CUB operates as a full-service community bank, providing retail and business services. Its chief executive, Greg Wernette, will become CEO of OakNorth's US banking division.

OakNorth began operating in the US in Jmid-2023, and claims to have distributed over $700 million to businesses there to date.

Rishi Khosla, CEO and co-founder of OakNorth (pictured), says his bank is attempting to "fill the funding gap" which opened because of the 2023 demise of several US banks previously focused on serving the lower mid-market.

"As a founder-led business built by entrepreneurs, CUB appealed to us as it shares a lot of our same values with regards to customer experience," he comments.

For a healthy dose of daily news on all things banking, fintech and payments head over to the FinTech Futures online news section.

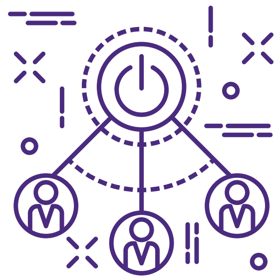
FINTECH FEED

THE NUMBER GAMES

To read more about any of these stories, visit *www.fintechfutures.com/latest-news*

$9.4 billion
in all-stock transaction to be paid by US-based fintech Rocket Companies for the acquisition of mortgage servicing company Mr Cooper Group; the merger will increase Rocket's servicing portfolio to over $2.1 trillion in home loans, covering one in every six US mortgages

$1.75 billion
to be paid by Rocket Companies for the acquisition of digital real estate brokerage Redfin in an all-stock deal; founded in 2026, Redfin has grown into a home search platform with over 1 million for-sale and rental listings, nearly 50 million monthly visitors and 4,000 employees



931
job roles – 8% of the workforce – to be eliminated by US-based fintech group Block; according to CEO Jack Dorsey, 391 employees will be leaving to reduce teams that "are off strategy", 460 workers will be let go due to performance and 80 managers will also depart to flatten the company's hierarchy; also, 193 managers will transition to "individual contributor roles"

43.5%
stake acquired by PayU, the payments and fintech arm of Dutch e-commerce giant Prosus, in Indian digital payments infrastructure provider Mindgate Solutions; Mindgate's co-founders, George Sam (business head) and Guhan Muthuswamy (chief architect), will retain majority ownership of the company

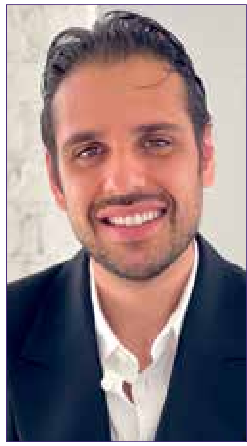
$1.5 billion
to be paid by US-based crypto exchange Kraken to acquire retail futures trading platform NinjaTrader, which the company says represents the "largest-ever deal combining TradFi and crypto"

748
open job positions have been closed by Block, with exceptions only for critical operational, leadership and offer-stage roles

$3.5 billion
is the new post-money valuation of US-based business banking fintech Mercury, following its $300 million Series C funding round led by Sequoia Capital

$50 million
raised by US-based Patriot National Bank via a series of securities purchase agreements, while CEO David Lowery is stepping down; the raise and leadership shake-up comes after the US Securities and Exchange Commission (SEC) described the bank as being in a "troubled condition"

78%
of value has been written down by LSEG in its investment in PrimaryBid, a UK-based fintech platform built to provide retail investors with access to public markets; according to LSEG's annual report, its fair value holding in PrimaryBid had decreased from £31 million in 2023 to £4 million in 2024



THEY SAID IT…

"While last year saw AI being used primarily in experimental or narrow settings, it's now playing a critical role in areas such as process optimisation and operational improvements, with enhancing IT operations, automation, improving KYC and streamlining DevOps all showing net gains in focus."

Adam Lieberman, chief AI officer, Finastra

• Read the full article on the *FinTech Futures* website here

TRENDING

PSR to be given its P45 to simplify payment system

By Tyler Pathe, reporter, FinTech Futures

The UK government has officially announced plans to scrap the Payment Systems Regulator (PSR) as an independent body, in a move aimed at cutting back regulation and "reducing the burdens on business".

A statement released by the Prime Minister's Office on 11 March stated that the regulator will be "abolished" and will "mainly be consolidated into the Financial Conduct Authority (FCA), making it easier for firms to deal with one port of call".

The statement claims that the decision "follows complaints from businesses that the regulatory environment was too complex – with payment system firms having to engage with three different regulators, costing them time, money and resource".

"The Prime Minister wants to make regulation work for the UK – and this is the latest step in his drive to create an environment that will kickstart economic growth," the statement continues. "It is only by creating growth that people will see a genuine increase in their living standards – with higher wages and more money in their pocket at the end of the month."

No immediate changes will be made to the PSR's remit or work programme, with the regulator to retain its statutory powers until the legislation has officially been passed by parliament. The government has not yet outlined a timeline detailing when this will happen.

During the interim period, the PSR and FCA will "work closely to deliver a smooth transition of responsibilities to ensure the market remains competitive", the statement adds, with the government to "set out further steps to reduce red tape in the coming days".

"The entire regulatory landscape will continue to be reviewed and finessed as part of a wider government effort to kickstart economic growth and make regulators work for the country, rather than block progress," the statement continues.

The decision confirms reports by Sky News in February that the PSR's status as an independent body was nearing its end under the government's continued audit of UK regulators.

"For too long, the previous government hid behind regulators – deferring decisions and allowing regulations to bloat and block meaningful growth in this country," commented the Prime Minister. "And it has been working people who pay the price of this stagnation."

"This is the latest step in our efforts to kickstart economic growth, which is the only way we can fundamentally drive up living standards and get more money in people's pockets. That's why it is the priority in the Plan for Change, and it's why I'm not letting anything get in its way."

'MAINTAINING EFFECTIVE REGULATION'

In a statement responding to the decision, the PSR described the move as "a pragmatic next step in simplifying and clarifying payments regulation".

"We welcome the government's commitment to maintaining effective regulation of payment systems, which was a gap before the PSR was set up," the PSR said.

"Since then, the payments sector has dramatically changed, particularly over recent years. The PSR has played a central role, supporting open banking and innovation, opening up access to payment systems, promoting competition and introducing world-leading protections for victims of fraud."

The regulator stated that it is "committed to working with government, the FCA and the Bank of England as decisions are taken on the transfer of regulatory responsibilities and, when they are, help ensure the process is smooth".

It added: "Legislation will take time, but we do not need to wait to realise the benefits of an even more streamlined regulatory approach. Doing so builds on recent work bringing the PSR and FCA closer together."

It pointed to its initiative of merging the role of manging director of the PSR, held by David Geale since June, with that of executive director of payments and digital finance at the FCA as an example of this increased closeness.

"In the meantime, as the government has been clear, there is an important role still to do on ensuring payment systems are competitive, innovative and safe," the PSR's statement concluded.

Have high street banks lost their squeeze?

By Dave Wallace

The other day, I was rummaging around at the back of one of the kitchen cupboards and rediscovered a very old juicer that belonged to my mother.

It's a basic contraption made of aluminium but painted in bright colours. It took me back to my childhood, watching patiently as mum would juice oranges. I can still taste that citrusy nectar.

Despite being very basic, this juicer is an actual thing of beauty. I would say a design classic. And despite having more Air Miles than Taylor Swift (I travelled a lot as a child), it still works. You get an orange, cut it in half, pop it in the juicer, then squeeze using the handle. There is not a huge amount to go wrong. The leftover is just an orange peel, which can go straight into the compost. Simple, but amazing.

I then reflected on a long-gone juicer I had bought when I went through that fadish stage that middle-aged men seem to go through of triathlons, juicing and trying to eat more healthily (at least during the week).

This juicer was a beast and was my pride and joy for a few weeks. It could juice pretty much anything. But it involved some preparation. You had to peel the orange before putting it in, and what was left was pulp.

For some reason, my son explained the anaerobic qualities of pulp: it rotted rather than composted, creating an awful smell and attracting rats.

After those few weeks, it broke. The engine stopped working, precipitating a moment that can only be described as "juicer rage".

I know, I know. This is a fintech publication, not Homes and Gardens, but I am getting to it.

I mentally wrote the above as I traipsed around Henley-on-Thames, trying to get money from a cash machine. And why was I traipsing? Because Henley, which used to have every bank branch under the sun, now has none. And the town's one cash machine was out of action. And why did I need cash? Because my bank's mobile app was not working. The patient workman that I had promised to pay using that clever invoicing functionality that, when I click on it, opens up open banking, would not get paid when I had promised. The Post Office came to my rescue.

What used to be so simple is now complex, like the juicers.

The old juicer had so little to go wrong that it didn't.

The new juicer, built on the latest technology, had plenty to go wrong – and it did.

As banks retreat from the high street, taking their cash machines with them and relying on digital channels, the basics are heading out the window.

Suppose you can't get cash easily. What's the backup for people? Stuffing bank notes under our mattresses again?

As banks retreat from the high street and digital dependency grows, the basics risk being overlooked.

Regulators have recognised these vulnerabilities. The Digital Operational Resilience Act (DORA), recently enacted by the EU and influencing the UK's regulatory environment, mandates that banks build resilience into their core. Yet, recent events demonstrate gaps between regulatory ambition and operational reality. Like the reliable old juicer, simplicity and robustness in technology design are more vital now than ever before.

Rather worryingly, the UK may be going into peak bad times for banks going wrong. Banks' underlying technology is creaking at the seams. Old legacy is finally catching up as banks scramble to remain relevant and layer new tech on top of old.

In juice parlance, they have built extensively on the old juicer, and it is finally showing signs of giving up.

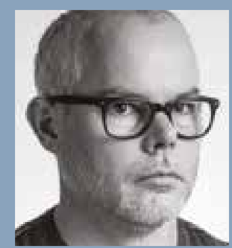
In recent weeks, a number of UK banks have faced several significant IT issues, and these incidents are part of a broader trend of IT failures within UK banks. Over the past two years, nine major banks and building societies have experienced at least 803 hours of unplanned technology and systems outages, equivalent to more than 33 days.

These recent outages have caused considerable disruption, particularly on paydays, affecting millions of customers' ability to access and use essential financial services.

As we enter into a Faustian Pact with AI and head into the future, there must be mechanisms to support customers when things go catastrophically wrong. I have written extensively about Q-Day and its potential impact on encryption. Estimates are that this is at least a decade away. But who's to say that some corporations or governments are much more advanced than they are letting on? And don't get me started on solar flares. Both are existential crises and are currently science fiction rather than fact.

But modernisation, which is a known known, opens up the potential for disaster, as the last few weeks have shown.

My advice to banks is: be more old juicer! Think carefully about edge cases and have simple solutions as backups for when things go wrong. And maybe, just for me in Henley, give us back a couple more cash machines.



Dave Wallace is a user experience and marketing professional who has spent the last 25 years helping financial services companies design, launch and evolve digital customer experiences.

He is a passionate customer advocate and champion and a successful entrepreneur. Follow him on X @davejvwallace and listen to the Demystify podcast he co-hosts.

How UK credit unions are embracing fintech to keep pace with innovation

By Tyler Pathe, reporter, FinTech Futures

Credit unions have long been the quiet champions of community finance in the UK, but with fintech shaking up the game, the sector now teeters on the brink of something big.

An increased intake of advanced technologies is enabling these member-focused institutions to rise to a new level of digitisation, expanding access to their unique appeal while providing an alternative to mainstream banks.

By embracing innovations such as AI-driven lending, digital payment solutions and mobile banking, credit unions continue to modernise at an unprecedented pace, without sacrificing their core values of trust, transparency and community support.

This digital shift is not just about keeping up; it's about standing shoulder to shoulder with the industry's biggest players while staying true to their mission of financial inclusion.

To explore this transformation, *FinTech Futures* spoke with four credit unions from across the country, each carving out its own path in the fintech revolution.

BEDFORD CREDIT UNION

Back in 1998, it came to the attention of the Holy Cross Church, a small parish church located in the historic ward of Goldington, Bedfordshire, that vulnerable residents of a nearby housing estate were falling victim to unscrupulous individuals offering fast and highly risky payday loans.

The church's largely Irish congregation sought to mitigate these risks by devising a new organisation where the local community could access essential financial services conveniently, safely and securely.

In the 26 years since, Bedford Credit Union has risen to become a mainstay of Bedfordshire's community banking landscape, serving more than 2,000 local residents and workers throughout the county with savings and loan services.

Among its flagship offerings are Save-as-you-Borrow loans, designed for members who lack the amount of savings to withdraw a standard loan, with repayments tied to regular savings habits.

The credit union also offers dividend-paying junior savings accounts for under-18 members, as well as PrizeSaver accounts, with each pound saved being entered into a monthly national draw with the chance to win up to £5,000.

Like most forward-thinking financial institutions, Bedford Credit Union has utilised the advent of fintech to enhance its varied offering, with marketing manager Katrina Allen telling *FinTech Futures* that its rate of technology intake has "advanced quite significantly" during the post-Covid era.

Latest innovations include a website portal supporting online member enrolment and digital loan applications, as well as a mobile app operated by Incuto, through which members can manage transactions, contact the credit union and request withdrawals to other accounts.

Most notably, the credit union has also launched a prepaid card service, provided by OnePay, which can be topped up automatically or by request directly from payslips, or from monthly benefit payments from their credit union account.

Allen explains that the OnePay partnership arose when its previous card provider went into administration towards the end of last year.

She shares that Bedford Credit Union "struggled a little bit to find a company that would take on a smaller organisation" before landing on OnePay.

"The exciting thing with OnePay is that it is working with Incuto to bring more integration," Allen explains. "So rather than working with two separate companies and two separate bits of software, it will become more and more integrated, and we will be able to request prepaid debit cards through the Incuto app."

Despite recognising the clear advantages of fintech, Allen explains that progress has been somewhat impeded by budget constraints. Bedford Credit Union operates first and foremost as a not-for-profit organisation, managing savings in excess of £1.45 million and a loan book of around £575,000.

"We would love to have a more advanced app, and we do understand the desire for people to have a more

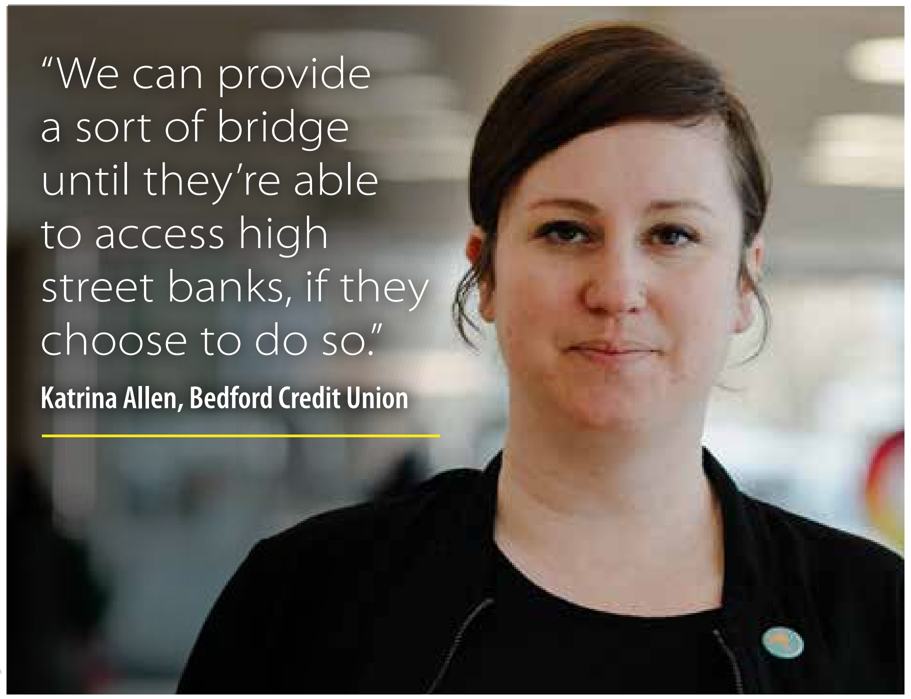


Image: Katrina Allen

advanced app, but obviously it comes down to budgets for such a small credit union," she says.

"We're watching and waiting to see what other larger organisations are doing, and hopefully it filters down to us and if we can find funding to support that. And that's the same with a new website as well."

Despite not having the same size budget as larger institutions, Allen recognises how one of the major advantages of credit unions in the UK is trust.

"Trust is really what we can offer," she says. "What we get time and time again is that people can ring up and speak to a real person. If they come down to the office, they'll see that same person there.

"It's a personal conversation you're going to have about your finances. We will look at people's affordability. We won't try and sell them a loan that they can't afford to pay back just because on paper it looks OK. That's really invaluable to people, and especially to those that just can't access high street banking. There are a lot of people that are shut out from that, and we can provide a sort of bridge until they're able to access high street banks, if they choose to do so."

THE TRANSPORT CREDIT UNION

While the majority of UK credit unions are known to operate across a certain geographical area, there exists an even more specialised group of institutions focused on the financial needs of specific industrial sectors.

The Transport Credit Union is one such example. Based in Glasgow, Scotland, the financial cooperative was set up in 1981 to serve the staff of major passenger transport companies across the UK.

"We were started off through a group of local bus drivers putting some money together," explains COO Ciára Robinson. "They started with £8 each and grew it from there organically."

In the years since, the credit union has grown to now serve around 11,000 members, while managing approximately £34 million in assets.

These members can access four different dividend-earning savings accounts through the credit union, as well as a range of loan products.

"The thing we pride ourselves on with our loans is that our interest rates are fixed," Robinson explains. "So the price you see is the price you get. We don't price the person, we price the loan."

Much like Bedford Credit Union, Robinson points to 2020 and the rise of the Covid-19 pandemic as being "a pivotal point" for the credit union's technology intake, as this was the year that its digital transformation was fully set into motion.

"We were underprepared for having to work remotely, and we had to work at warp speed to catch up," she says. "We had always had plans to modernise and start our digital journey to align with the banks.

"However, we didn't expect to have to do it so quickly, and it's an unanticipated cost because we had to upgrade servers, upgrade our cybersecurity, everything that you can imagine."

Fast forward five years, and Robinson emphasises that The Transport Credit Union retains "quite a positive outlook towards technology", and embraces "anything we can implement that is going to enhance the member journey and make things a little bit easier".

Robinson reveals that the organisation is "currently investing in some new server and IT infrastructure", as well as developing "more automation in terms of our loan consideration process", which is currently supported by an online members portal and mobile app.

"I wouldn't say we're anywhere near implementing AI, but we've been engaging with a range of info sessions and getting some insight into where that might take us in the future," she adds.

Despite an evident willingness to progress its technology initiatives, Robinson explains that, as a not-for-profit organisation, "resource is always an issue" for the UK credit union sector.

"Whether it's physical bodies and staff, or money, being not-for-profit, everything we do and reinvest has to be for the benefit of our members," she says.

She recognises how this not-for-profit status means that "growth doesn't materialise in the same way as other financial services", and that the sector's current profile is "still pretty modest in the UK. There are a lot of core things that credit unions can offer and support, such as local authorities and government projects for financial inclusion, so in that way the sector really remains an untapped resource."

Robinson continues: "There is a definite gap in the financial services market that credit unions could fill. And while it can be hard to keep up with the progression of the digital world, credit unions shouldn't be left behind.

"Credit unions can be a bit of an unknown for people, they don't know who and what we are, and it would be good to be able to change this, from grass roots onwards."

> "We've been engaging with a range of info sessions and getting some insight into where [AI] might take us in the future."
>
> **Ciára Robinson, The Transport Credit Union**

GREAT WESTERN CREDIT UNION

Credit unions play a vital role in providing accessible financial services, particularly in regions in which big, traditional banks may not always be able to meet community needs.

Great Western Credit Union (GWCU) is one of several institutions seeking to bridge this gap in the UK's rural South West. The organisation is the result of the 2021 merger between Bristol Credit Union and Wyvern Savings and Loans Credit Union, and is currently being led by CEO James Berry.

At the heart of its community focus is a range of different lending and savings products, including personal, advantage and consolidation loans of up to £15,000, as well as Cash ISAs, business and fixed-rate savings accounts, all of which can also be supported through a payroll integration.

Serving residents and workforces throughout Bristol, Bath, Gloucestershire, Wiltshire, Somerset and Dorset, GWCU is the largest credit union in the region and currently serves about 21,000 members.

Aside from the merger, this reach has been expedited by GWCU's "forward thinking" approach to fintech, which Berry tells *FinTech Futures* culminated in the 2020 development of its self-managed digital banking platform.

"Really the key [to the platform] was a realisation that a lot of our members were keen to use us in a way that worked for how they did things in other places, and that meant being much more available digitally," Berry says.

The former Bank of Ireland exec cites ease of use as a key factor of the platform's design, which he says is an active step away from previous digital services that are "obviously designed by bankers".

"We quite deliberately set out to not take that approach, to really try and simplify stuff as much as possible, and to make it as easy to use as the other systems that people were likely to be using," he says, likening the end result to an almost social media-like platform.

Five years on from launching the platform, Berry confirms that GWCU's current technology initiatives are "looking at AI in particular".

He adds that among its latest initiatives is a generative AI chatbot "with a view to extending our servicing capabilities beyond our standard working day".

"While we're not available on the end of an e-mail or on the phone, our chatbot will be able to pick up the slack and answer people's questions in a way that reflects how people speak," Berry explains.

He confirms that the service will be "live within a couple of weeks", and will be followed by plans to embed an agentic co-pilot within the credit union's member portal.

"When people are verified through to the secure area," Berry continues, "rather than them having to figure out how to do something, they can just ask the the agent to do it for them.

"So for example, members should be able to just ask for money transfers without having to click through manually, and then that request will be able to happen in the background, supported by the agent."

While these enhancements are in the pipeline, Berry, who has worked at GWCU for 17 years, agrees that such a trajectory isn't shared by all across the sector.

"There are some still who are probably not as digitally enabled as they would like to be," Berry explains. "And that's usually a matter of resources."

However, he does not view this solely as a disadvantage: "I've always tried to view it as both a negative and a positive in that we also don't have the legacy tech and we don't have the huge bureaucracy that goes with being such a big organisation."

Berry continues: "We can be nimble and get things done more quickly, as well as, of course, our ability to focus on serving members rather than maximising profit."

ADVANCE CREDIT UNION

At the centre of the UK is the West Midlands, and one of the credit unions at the centre of the West Midlands' community is Advance Credit Union, a non-profit financial cooperative serving 6,000 members throughout the B postcode area – Redditch, Birmingham, Sutton Coldfield and everywhere between.

Image: GWCU/Jon Craig

Founded in 1989, Advance specialises in savings accounts and community loan services for anyone living or working within this area, with a strong focus on supporting the financially vulnerable and excluded.

This effort was most recently noted through the launch of the credit union's new credit builder loan, which "specifically addresses people that might not otherwise be able to take out a loan due to an adverse credit score history", non-executive director Helen Toft tells *FinTech Futures*.

"We were having to decline loans to people who wanted to come to us because their credit score was not at the right level," she says, speaking on the force behind the fix.

These credit builder loans are joined by smaller scale loans offered to "people that are potentially considered higher risk by other, more mainstream banks and building societies", Toft continues.

"And we support them on their financial journey to make sure that they are using an ethical loan provider such as ourselves, rather than the more unethical alternatives."

Advance has long embraced the benefits of fintech to support its members, but this approach is evolving. "We are on a journey," Toft says. "We've always used credit union technology, but the innovation pathway we're now on is something we hadn't previously considered."

That journey took a major step forward when Advance was invited to the Financial Regulation Innovation Challenge, an initiative led by Fintech Scotland and SuperTech West Midlands.

Initially unsure whether its size would be a limitation, the experience instead proved that innovation isn't just for large financial institutions. "We can lead in this space almost because of our size and setup," Toft explains.

One key outcome has been Advance's partnership with Inicio AI, an AI-driven tool that helps members in arrears, as well as those wanting to take control of their finances, analyse their income and spending, while identifying unclaimed benefits.

"It has already making a difference," she says, adding that the credit union's journey is far from over and hinting that more

"Technology is at every step. And particularly with Consumer Duty regulation, we see it as an enabler to ensure we continue to do right by our members."

Helen Toft, Advance Credit Union

fintech collaborations are on the horizon.

Toft reveals how Advance is now in the process of reviewing its entire technology stack, exploring how digital tools can enhance every aspect of its operations, from raising awareness and attracting new members, to streamlining loan and savings processes.

"Technology is at every step," she explains. "And particularly with Consumer Duty regulation, we see it as an enabler to ensure we continue to do right by our members. As a credit union, we are naturally member-first, our members are our stakeholders.

"Now, we just need more people to realise they could benefit from joining, because the alternatives available to them might not be as supportive as we are."

Admitting that before she assumed the non-executive director role, her awareness of UK credit unions was "very minimal", Toft says she now sees signs of increasing recognition among the public.

She points to initiatives like the affordable annual bus passes programme, where credit unions in Manchester have teamed up with TfGM and Andy Burnham to make bus travel cheaper and easier to access through loan programmes, as proof of their potential for significant positive change.

Toft believes that "now is the time" to raise credit unions' profile, not just with consumers, but within financial services generally. "We joined the Financial Regulation Innovation Challenge to show fintech that we're viable partners," she says.

With support rising through initiatives like Fair4All Finance, Toft sees an opportunity for credit unions to expand their role in ethical finance. "There's a groundswell; we just need to build on it."

RECOGNISING VALUE

Credit unions may not have the scale, recognition or budgets of big banks, but their agility, ethics and deep community ties give them a unique selling point.

By embracing fintech, they're proving that innovation isn't just for major financial players, and that smaller and more nimble players evolve and innovate to drive real change for everyday people.

As technology continues to reshape all corners of the industry, credit unions have a unique opportunity to expand their reach and improve accessibility of financial solutions to those who need them most.

The challenge now? Making sure more people – and fintechs – see the value credit unions bring in an increasingly digital world.

I'M JUST SAYING…

The need for speed

By Dharmesh Mistry

"It still amazes me how many banks are not working on improving or replacing their cores and the systems around them."

Dharmesh Mistry

'If only' is a common sentence starter for many of us that didn't see a huge change coming soon enough to take advantage.

We would not be alone, as there are some spectacular quotes you can find littered throughout the last century or so:

- **1903 –** The President of Michigan Savings Bank who said of Henry Ford's motor car company: "The horse is here to stay, but the automobile is only a novelty, a fad."
- **1938 –** Darryl Zanuck, executive producer at 20th Century Fox (with over 100 movies under his belt): "Television won't be able to hold on to any market it captures after the first six months. People will soon get tired of staring at a plywood box every night."
- **1943 –** Thomas Watson, CEO of IBM: "I think there is a world market for maybe five computers."
- **1995 –** Clifford Stoll, a journalist for Newsweek writing about the internet: "The truth is, no online database will replace your daily newspaper, no CD-ROM can take the place of a competent teacher, and no computer network will change the way government works."
- **2007 –** Steve Ballmer, CEO of Microsoft: "There no chance that the iPhone is going to get any significant market share. No chance."

I recently spoke with Charleyne Biondi from Moody's, who has just published a really good outlook report on AI. She highlighted that such is the pace of innovation that only a month after her report, there have been significant technology announcements that have already changed the landscape: Nvidia's Digits supercomputer, Google's Willow quantum chip, DeepSeek's efficient AI model, and most recently Microsoft's Majorana 1 quantum chip. All of these developments are arriving faster than previously predicted.

Despite this, we have all had conversations along the lines of: "Yes, but AI won't replace humans for…", or "With AI, we may lose some jobs, but we will create just as many new ones, if not more", or "Who would trust an AI agent to manage their money?"

However, one thing is for sure: as technology gets better, faster, cheaper and smaller (in size), we will use and rely on it more. But what does this mean for banks and fintechs?

At the risk of sounding like a broken record, we all have to rethink our businesses and look at how fundamentally different the technology supporting us needs to be. This is because the majority of us are using aging technology that simply cannot compete with modern capabilities. It still amazes me how many banks are not working on improving or replacing their cores and the systems around them with new technology that simply achieves things that were not possible before. For example:

- Gone are the days of analysing data offline overnight to create campaigns. In comes real-time digital engagement that takes into consideration data from a multitude of sources and responds at the point of engagement.
- Still using hard-coded patterns for fraud detection? In comes AI-driven fraud prevention with explainable AI for traceability.
- Batch processing – yes, there are still some pesky mainframes running overnight reconciliation processes for accounting. In comes real-time transaction processing and reconciliation.
- Still suffering system outages even though your software runs in the cloud? Now cloud-native core systems can not only achieve maximum resilience, but also better scalability and cost efficiency.
- Processes running across separate systems with humans bridging the gap introducing unnecessary friction? In comes agentic banking to accelerate processes so much that we actually build in friction because we need at least some.

In the early 90s, I was involved in a huge programme of work for business process re-engineering (BPR) at a bank. However, at that time, we didn't have the technology drivers nor the pace of innovation we have today. Yet outside the main project, a water-cooler conversation I had led to the creation of a prototype demonstrating how much better it would be for both the bank and for customers if we had a single customer view. At the time, this was true innovation driven by imagination of the art of the possible with technology. The CEO of the bank loved it, but the BPR project deemed it too radical, and the idea was eventually dismissed as being unrealistic. Needless to say, we all know how single customer view eventually played out.

Bill Gates once said: "We overestimate what will happen in the next two years, and underestimate what will happen in the next ten." However, I would argue that the progress in the last two years has already exceeded the expectations of experts.

I am again just saying that technology is moving at a pace faster than ever. So now is not a time to question whether or when it is possible. Now is the time to innovate. Go big and go bold or go home!

Dharmesh Mistry has been in banking for more than 30 years and has been at the forefront of banking technology and innovation. From the very first internet and mobile banking apps to artificial intelligence (AI) and virtual reality (VR). He has been on both sides of the fence and he's not afraid to share his opinions.

He is an entrepreneur, investor and mentor in proptech and fintech. Follow Dharmesh on X @dharmeshmistry and listen to the Demystify podcast he co-hosts with Dave Wallace.

The evolution of private equity: AI and tech disruption

By John Martin, founder and CEO, Plutus Consulting Group

Private equity (PE) is not just changing – it is being completely reinvented.

As AI and technological innovation sweep through the industry, PE firms face a stark reality: adapt or be left behind. The winners in this new landscape are not just embracing technology – they are utilising it to create unprecedented competitive advantages.

AI: THE NEW KINGMAKER IN PRIVATE EQUITY

The private equity landscape is experiencing a Darwinian inflection point, where computational power is rapidly supplanting human intuition as the primary driver of investment success. This shift is more profound than mere efficiency gains – it represents a fundamental rewiring of how value is identified, created and harvested.

Firms that have fully integrated AI into their operational DNA are consistently outperforming those relying primarily on traditional methods, with the performance gap widening each year. As algorithms become increasingly sophisticated, they are not just supporting investment professionals – they are fundamentally changing what it means to be a successful PE firm.

The most advanced firms now view their technological capabilities as their core intellectual property, often investing more in their AI infrastructure than in their traditional investment teams.

Traditional PE success relied on human expertise and relationships. Today, algorithms are becoming the kingmakers, separating market leaders from the also-rans.

Some examples include:

Deal sourcing: from hunting to harvesting

- EQT's Motherbrain platform has analysed over 10 million companies, directly leading to investments like Epidemic Sound and Mollie – both seeing massive valuation jumps post-investment.
- Bain Capital's AI platform identified a healthcare services company completely missed by traditional methods, delivering 30% above projected returns.
- Firms like Blackstone and KKR now identify acquisition targets before they even hit the market.

Due diligence: from months to minutes

- Thoma Bravo used natural language processing (NLP) to analyse 50,000+ customer contracts in days, not months. This uncovered opportunities traditional methods missed, with a 15% increase in customer retention within just one year.

THE TECHNOLOGICAL REVOLUTION

AI is not the only force reshaping private equity as new technologies are creating entirely new operational paradigms, which include:

Blockchain: transforming transactions

- KKR tokenised part of its Healthcare Strategic Growth Fund on the Avalanche blockchain.
- Apollo Global Management cut transaction settlement times by 60%, with legal costs decreasing by 30% on select deals through the use of smart contracts.

Democratisation: new capital frontiers

- Platforms like Moonfare and iCapital have connected PE firms with $150 billion+ from individual investors.
- Carlyle Group has increased its individual investor base by 45% since 2021, showing that PE is becoming increasingly accessible.

THE NEXT FRONTIER

As AI continues to reshape private equity's fundamentals, forward-thinking firms are not just optimising existing processes – they are pioneering entirely new approaches that redefine what is possible in the industry. The most visionary PE leaders recognise that we are witnessing the early stages of a multi-decade transformation.

Those who move beyond tactical AI applications toward strategic reinvention will create sustainable competitive advantages that may prove impossible for laggards to overcome. The next frontier is not about incremental improvements – it is about fundamental reimagination of the private equity model itself.

Investment horizons are extending, enabling more profound transformations, and algorithmic approaches are creating entirely new value pathways. And most significantly, technical expertise is being deployed with unprecedented precision.

The firms leading these innovations are not just changing how they operate – they are rewriting the rules of private equity success, which incorporates:

AI-driven sector specialisation

- Vista Equity Partners identified success patterns across hundreds of software companies. This approach has helped generate approximately 3x returns on invested capital since 2000.
- Welsh, Carson, Anderson & Stowe analysed Medicare claims data to spot inefficiency patterns, leading to a 4x return on telemedicine investments.
- KKR now uses AI to identify sub-niches within industries that show outsized growth potential.
- TPG's competitive intelligence platform tracks 50,000+ private companies, creating detailed ecosystem maps that reveal acquisition targets with strategic positioning advantages.

> "The greatest risk is not in embracing technology too aggressively – it is in moving too cautiously while competitors race ahead."
>
> John Martin

Longer holding periods

- Blackstone's "core" PE strategy and CVC's Strategic Opportunities platform now deploy 8 to 15-year investment horizons.
- Hellman & Friedman's 9-year investment in Renaissance Learning enabled multiple phases of AI implementation. This patience delivered a 5x return on investment.
- Extended holds allow for multiple waves of technological transformation, creating exponential rather than linear value growth. Longer holding periods also enable firms to attract top-tier technical talent with long-term incentives aligned to full digital transformation cycles.

Algorithmic value creation

- Leading firms now deploy proprietary algorithms that analyse operational data from portfolio companies, automatically identifying efficiency opportunities.
- Machine learning systems now transfer successful operational tactics across different portfolio companies, creating a network effect of value.
- PE-backed companies using AI pricing algorithms are seeing margin improvements of 4% to 7% within the first year of implementation.
- Predictive models are enabling portfolio companies to anticipate disruptions and adapt before competitors, turning potential crises into market share opportunities.

Fractional expertise deployment

- Firms like Carlyle have built networks of technical specialists who can be deployed across portfolio companies for targeted transformation projects.
- Industry leaders are creating AI-powered knowledge repositories that catalogue expertise and learnings from thousands of previous portfolio company engagements.
- Several top firms have established specialised teams of AI experts who can quickly address specific technical challenges across their portfolios.
- Sophisticated firms now algorithmically identify when successful technologies from one industry can be applied to disruption opportunities in another.

THE FUTURE: WINNERS AND LOSERS IN THE NEW PE LANDSCAPE

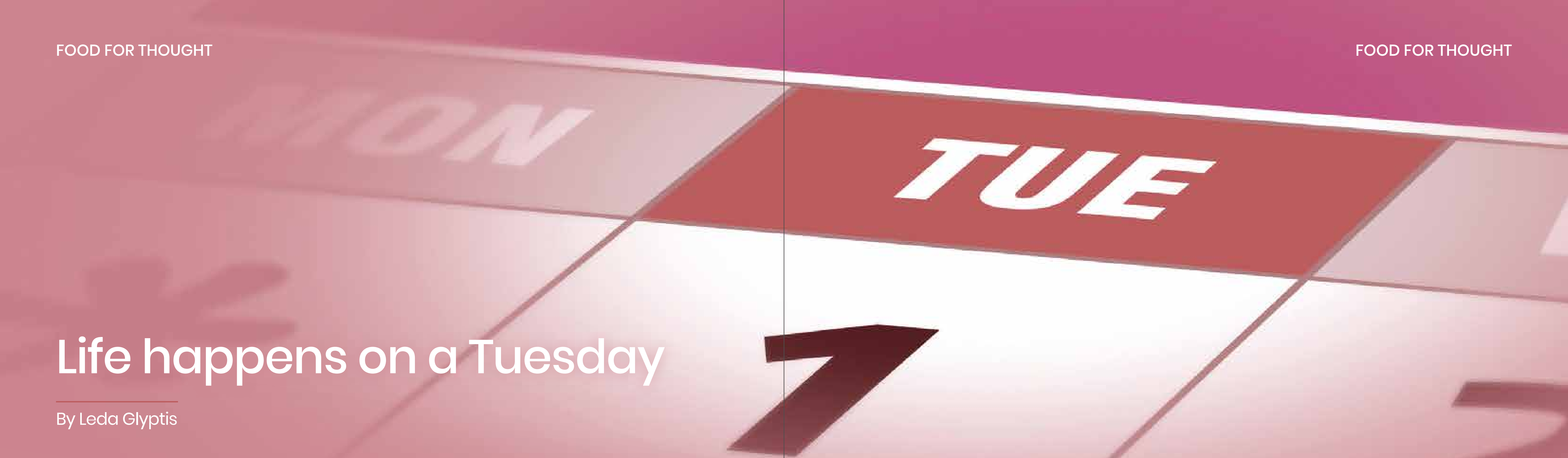
The private equity industry is not just evolving – it is undergoing a Darwinian revolution. The firms that will dominate tomorrow's landscape will not just be those with the most capital or the best networks – they will be the ones that successfully transform themselves into technology-powered investment engines.

The question for every PE firm is no longer whether to embrace AI and technological innovation, but how quickly they can integrate these capabilities into their DNA. As the performance gap widens between tech-enabled firms and non-tech-enabled players, limited partners will increasingly flow capital toward those demonstrating technological leadership.

In this new reality, the greatest risk is not in embracing technology too aggressively – it is in moving too cautiously while competitors race ahead.

For an industry built on identifying value others miss, the most valuable opportunity now may be the technological transformation of private equity itself.

FOOD FOR THOUGHT



Life happens on a Tuesday

By Leda Glyptis

Every major corporate I speak to right now tells me, with a sigh, that they need to do 'more with less', like that's some sort of huge departure from the way things have normally been.

The reality of every big organisation I have ever worked with since starting my career over 20 years ago (gulp… maybe if I keep saying it, it will get less scary…) is that although they are huge, there is never any people or any money to do things that aren't the things currently being done.

It's not even a dirty little secret. It's a pristinely polished vast truth.

And why is that?

Two reasons.

The first is that, when we learned those nice shiny lessons about the importance of vision and strategy (in our business schools and our executive retreats), and when we fed those lofty goals with expensive reports from expensive consultants and serious-looking board presentations, as we did… we forgot one little thing.

OK. One little sentence covering a vast thing. And that is that planning for the future and getting to the future are not always part of the same strategy.

You see… strategy the way we think about it inside our offices is *always* about the future.

Always.

It's always about looking forward to the places we could and should be going to.

It also always comes with a realisation that where we are is not where we want to be. It even gives us a way to get from A to B. Of course it does. But that way is high level and rarely looks at the operational realities of how big organisations choose to travel, once we get going. It never says, "When you get on the journey, be aware that the road is long, and you should not carry unnecessary weight with you." It never says, "Take periodic looks at what you are carrying, what you are dragging. Don't take everything into the future. The whole point is to do the opposite of that."

We know that.

Of course we know that the whole point of going into the future is to no longer be… here… in this place constrained by legacy. But what we don't know is at which exact moment between 'now' and 'then' do we start shedding said legacy.

It could be that most business school professors have never worked in a legacy bank, and it just doesn't cross their mind. It could be that we don't pay the expensive consultants to give us a 'sunsetting plan' for the legacy infrastructure, deciding to do that part in-house, only we never really do, so that timeframe is implied rather than stated so nobody works towards it and with so many other things happening, it is always easier to just, you know… carry on.

And your strategy looks ahead. To this amazingly promising future we are travelling towards.

Is it the strategy's job to look right behind you, not at the things you are leaving behind but at the things you are not? At all the things you carry that slow you down?

Is it the strategy's job to force you to look left and right at the things you are doing *right now*, using up all the people and all the money you need to execute the strategy? Using the resources to do other things?

Is it the strategy's job to do anything other than look ahead at where you should be going?

No. It is your job. Because the reality is the strategy is meant to inspire and guide you. And the destination perhaps is not wrong.

How far towards it you will move… or how fast you will go… and how painful it all is… won't be about strategy. It will be about the words we only say under our breath: legacy, BAU and hierarchy.

We come to the table year after year and effectively say to our teams: "Welcome to the madhouse, now off you go to do less with more and let us know how you got on with it all."

If that sounds like madness, that's because it is.

And if you are thinking, "I know it happens in my organisation, but it's not my fault", I beg to differ.

If you don't want to go among mad people, to paraphrase the Cheshire Cat in Alice in Wonderland, stop operating among them.

And I don't mean resign. I mean resist.

How? So glad you asked!

Don't do more with less. That is both thankless and mathematically implausible.

Do *better* with less.

That is both beneficial and possible. And an altogether higher order of mission.

If your resources are becoming constrained and there's a whole host of things you need to do in line with your strategy and vision, take a long hard look at all the things you carry. Look at your legacy, look left and right at all the things you do. And reflect on whether, maybe… just maybe… you don't actually need to carry on carrying on doing all of them.

Spend some of your time and resources ditching, and stopping, and ceasing, and desisting.

Then, with the resources and time you still have left, you will be doing less… but more of the things you need. You will be achieving better. Getting further. Getting more out of less. Which is actually just as good as doing more and infinitely better than doing more just by working longer.

That is probably going to take you far enough without considering the second thing… I did say two things, remember?

Go easy on the heroics.

Life happens on a Tuesday. What you are able to do on an average Tuesday in February and then repeat every Tuesday, every day in fact, for as many Tuesdays as you will be lucky to see… that's life. Not the grand finale, not the lofty start. But the work and effort level sustainable on an average Tuesday.

Can your strategy be executed alongside everything that needs to happen on an average Tuesday?

If not, you have two choices.

Go back to the drawing board for a reality check. Or carry on as you are.

I will see you back here in a year's time, with your strategic goals as unattainable as ever and your resources depleted a bit further.

We can revisit that whole 'more with less' idea then if you like. Or we can have another go-round. Your choice entirely.

#LedaWrites

Leda Glyptis is *FinTech Futures'* resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption. She is a recovering banker, lapsed academic and long-term resident of the banking ecosystem. She is also a published author – her first book, *Bankers Like Us: Dispatches from an Industry in Transition*, is available to order now.

All opinions are her own. You can't have them – but you are welcome to debate and comment!

Follow Leda on X (@LedaGlyptis) and LinkedIn (Leda Glyptis PhD). Visit our website for more of her articles.

FINTECH FUNDING ROUND-UP

London-based digital wallet fintech **Curve** has secured a **£37 million** investment in a funding round led by venture capital firm Hanaco Ventures. The round was supported by existing backers Fuel Ventures, IDC, Outward VC and Lord Stanley Fink, who was named as Curve's board chair in January.

Founded in 2015, Curve offers a digital wallet that merges various payment cards into a single smart card, currently serving over six million customers worldwide.

Shachar Bialick, Curve's founder and CEO, says the money will be invested in customer experience, new partnerships and accelerating the firm's path to profitability. It will also support the launch of new products, including Curve Pay, a digital wallet alternative for Android and iOS users designed to compete with Apple Pay and Google Wallet.

Rain has secured **$24.5 million** in a fresh funding round led by Norwest Venture Partners and supported by existing shareholders Coinbase Ventures, Vinyl Capital, Canonical Crypto, Latitude Capital and Lightspeed Venture Partners. Galaxy Ventures, Goldcrest, Hard Yaka and Thayer also participated as new investors.

Founded in 2021, Rain provides "infrastructure for stablecoin interoperability across fiat rails", enabling enterprises to issue physical and digital cards for B2B and consumer markets.

The platform integrates with custodial solutions, self-custody wallets and fiat accounts, and claims to have grown "more than 15x in the last twelve months", processing transactions in "over 100 countries".

US-based **Worth** has secured **$25 million** in funding, led by TVV Capital and participation from Silicon Valley Bank, Ingeborg, Florida Funders, Deep Work Capital and Florida Opportunity Fund.

Launched a year ago, Worth provides AI-powered workflow automation solutions for underwriting and onboarding, leveraging a proprietary database of over 242 million small businesses and analysing more than 1,100 data points in real-time. The platform is the brainchild of Stax Payments founders Sal Rehmetullah and Suneera Madhani, and aims to improve efficiency in risk management and compliance for financial institutions, lenders and other fintechs.

Multiply Mortgage, a US-based fintech offering mortgage services through employee benefit programmes, has raised **$23.5 million** in a Series A funding round led by Californian VC Kleiner Perkins.

Building on a $3.5 million seed round closed in 2022, the raise brings Multiply's total funding to $27 million, with this latest investment being supported by A*, Box Group, Mischief and Workshop Venture Partners.

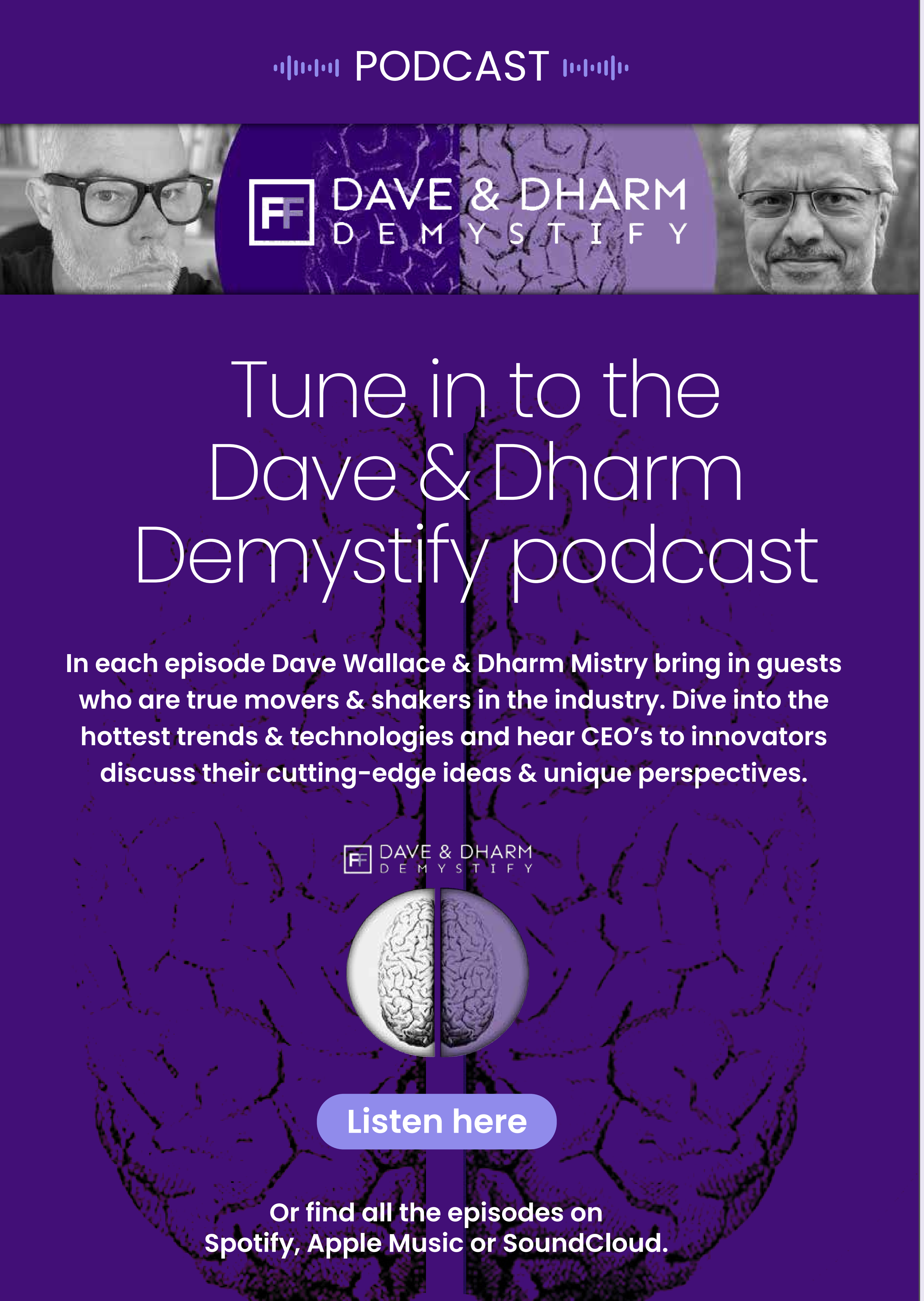
In conjunction with the Series A announcement, Multiply also confirms that its services are now available to employers across 45 US states, as well as the District of Columbia.

These services enable employees to access discounted mortgage rates of up to 0.75% alongside personalised purchasing guidance, available through Multiply's AI-native mortgage origination platform.

Business banking fintech **Mercury** has raised **$300 million** in a Series C funding round led by Sequoia Capital at a new post-money valuation of $3.5 billion. Sequoia was joined in the round by other new investors Spark Capital and Marathon, alongside existing backers Coatue, CRV and Andreessen Horowitz.

The new valuation is more than double what Mercury previously achieved at the close of its $120 million Series B in 2021. Since then, the company expanded its B2B services, introducing its first corporate credit card in 2022, followed by software services for bill payments, invoicing, automated accounting and expense management. It also launched consumer services through Mercury Personal last year.

Now serving more than 200,000 clients, Mercury will use the new funds to continue its product development, explore acquisitions and ensure "long-term financial flexibility", according to co-founder and CEO Immad Akhund.



Mexican fintech **Plata** has achieved unicorn status after securing a **$160 million** Series A funding round at a $1.5 billon valuation. The equity round was led by New York-based investment firm Kora and further supported by Moore Strategic Ventures, along with a group of unnamed US and European investors.

Founded in 2022, Plata specialises in consumer credit products, including BNPL, cashback and top-up services. The company offers an app for managing expenses, transferring money and paying bills, along with a Mastercard-powered credit card that recently surpassed one million active users.

With a workforce of 1,500 employees, Plata transitioned from a credit product provider to a fully licensed banking institution in December 2024. The fintech has developed its own core banking system and says it is "committed to operating as a fully digital bank".

Plata has now secured a total of $750 million in debt and equity to date, including a $200 million warehouse facility from Fasanara Capital.

US-based **Lumber** has raised **$15.5 million** in a Series A funding round, led by Foundation Capital and supported by Tishman Speyer, while existing investors 8VC, Carbide Ventures, Sure Ventures and FirsthandVC also participated.

The round builds on a $5.5 million seed round in 2023. Through the investment, Lumber has now also entered a partnership with Tishman Speyer, a US real estate giant whose portfolio includes Rockefeller Centre and The Spiral in New York.

In 2023, Lumber raised $5.5 million in a seed round and debuted with a gamified time-tracking application designed specifically for construction contractors. It has since also launched a compliance-focused payroll application, real-time pay calculation engine, payment cards, employee benefits and HR tools, and currently serves over 100 business clients across the US.

The latest funding will be used for the deployment of AI agents throughout its platform and tripling its current headcount. It currently employs 40 people in the US, Argentina and India, with future hires to focus on marketing and engineering.

Paris-based wealthtech **RockFi** has raised **€18 million** in a Series A funding round led by Partech. The round received renewed participation from Varsity and Pennylane founders Arthur Waller and Félix Blossier, and builds on a pre-launch €3 million round closed in April 2024.

RockFi combines independent private bankers with a technology platform that provides real-time global reporting and analytics on financial assets.

The service is available to investors with a minimum investment of €250,000 and offers access to a broad range of financial vehicles, including private equity through partnerships with firms such as Morgan Stanley, BlackRock and Goldman Sachs.

Since its commercial launch, the start-up claims to have acquired 500 customers and reports a 25% increase in monthly activity while maintaining a team of 50 employees, including 25 private bankers, across six offices in France.

RockFi plans to invest heavily in technology, recruit 60 new private bankers and double its engineering team to 24 people in the next 12 months.

Crypto payments start-up **Mesh** has raised **$82 million** in a Series B funding round led by Paradigm, with an undisclosed majority of the investment settled in PayPal USD (PYUSD) stablecoin. Yolo Investments, MetaMask parent company Consensys, and Revolut CEO Nik Storonsky's QuantumLight Capital were among the additional investors to support the round.

Founded in 2020, Mesh has now raised over $120 million in total funding, including a $6.5 million largely stablecoin-based investment made by PayPal Ventures in February 2024. The start-up, based in the US, is also backed by Galaxy Ventures and MoneyForward.

Mesh partners include MetaMask, Shift4 and Revolut, enabling digital asset payments and conversions (automated by Mesh's proprietary SmartFunding technology) for a combined 400 million users across 100+ countries worldwide.

Israel-based **Grain** has secured over **$50 million** in funding to launch its new platform designed to help commerce companies optimise FX for cross-border transactions.

The company was founded in 2022 and emerged from stealth after raising $18 million in seed funding and a more recent $33 million Series A round, which was led by Bain Capital Ventures. Also participating in this latest round were existing investors Aleph, Vesey Ventures and Hanaco Ventures. Claiming to have already processed over $1 billion in annual transactions during its stealth phase, the start-up says it will double its workforce to 50 people by year's end.

This is just a snapshot of the fintech funding activity worldwide. For more info on these and many other deals, head over to the *FinTech Futures* website!

MOVERS AND SHAKERS

Lindsay Soergel

Fintilect, a UK-based banking tech provider, has appointed former NCR exec **Lindsay Soergel** as its new CEO.

Soergel takes over from Rami Cassis, who has led the company for the past eight months following its rebrand from ieDigital, which unified two recent acquisitions, Abaka and Connect FSS, under a single identity.

Cassis, whose family office Parabellum Investments owns Fintilect, will continue to serve as chairman, a position he has held since 2019.

The incoming CEO joins from growth marketing consultancy Ratio, where she has served as chief client officer for the past nine months. Before that, she served as chief product and marketing officer at conversational and generative AI firm Kasisto. Her 25-year career also includes leadership roles at Headspace, Equifax, PNC and NCR, where she rose to VP of marketing and solution strategy.

London-headquartered payment solutions provider **Guavapay** has named **Guy Noble** as its new UK CEO.

The appointment comes following the recent departures of group CEO Kamal Hasanov and chairman of the board Orkhan Nasibov.

Noble joins Guavapay following a short stint as chief operating officer (COO) of Banking as-a-Service (BaaS) provider and card issuer NymCard. He also briefly served the same position for PSP Monavate and has also previously worked at Lloyds Bank and NatWest.

Martina King has stepped down as CEO of UK-based fraud detection firm **Featurespace** after 12 years in the role, following its acquisition by US payments giant Visa last year in a deal valued at around £700 million.

Jason Blackhurst, currently SVP of innovation and strategic partnerships at Visa, has been named as King's successor, stepping into the role of SVP, head of Featurespace and acceptance risk solutions at Visa.

He will relocate from the US to Featurespace's headquarters in Cambridge, UK, to lead a team of 400. Visa has secured a six-year lease on the office and plans to collaborate with the University of Cambridge.

Blackhurst brings more than 30 years of financial services experience, having previously worked product and operational roles at Bank of America and Vesta.

Canadian identity verification solutions vendor **Trulioo** has appointed industry veteran **Vicky Bindra** as CEO. He takes over from Steve Munfond, who is leaving after five years in the role.

Bindra previously served as COO and chief product officer (CPO) at payments processor Nuvei. His nearly 30-year career includes leadership stints at Citi, Mastercard and Visa, and he also served as CEO of Pine Labs and CPO and group president at FIS.

Natech Banking Solutions, a core banking software vendor in Greece, has hired **George Nikolaropoulos** as its new chief technology officer (CTO), while **George Rogkakos** has been promoted to CPO.

George Nikolaropoulos

Nikolaropoulos joins from consumer research firm GlobalWebIndex (GWI), where over a six-year career, he most recently served as SVP of engineering and country lead for Greece and Czechia.

Meanwhile, Rogkakos has now assumed the role of CPO, a new position created by Natech as part of its "shift towards a product-first strategy". He has worked across a variety of leadership positions since first joining the vendor as a software engineer in 2014, including chief innovation officer and products director.

The vendor says the executive structure is now complete and there are plans to expand internationally.

Patrick Butler is set to take charge of **Clowd9**'s risk strategy, governance framework and sustainability initiatives as the decentralised payments processing platform's new head of risk and governance.

The UK-headquartered paytech secured B-Corp certification in May 2023, and plans to leverage Butler – a board adviser since 2020 – to ensure company alignment with "values of transparency, accountability and environmental stewardship".

It has also disclosed plans to scale its real-time payment capabilities into "new markets" beyond its current operations in North America, Europe and Asia Pacific.

Butler, a former investment banker, has previously held a variety of compliance-focused positions across Bank of America Merrill Lynch, Barclays and Royal Bank of Scotland, and also served as VP of strategic projects at HSBC.

UK challenger bank **Zopa** has appointed **Jeremy Penzer** as its new chief analytics officer (CAO). He will lead a team of 80 experts in credit decisioning, valuation and data science, as Zopa prepares to "release a raft of new products and services".

The digital bank has revealed, that "in recent months", it has been testing its current account offering in beta, as well as a new "GenAI proposition".

Penzer brings more than 18 years of experience in financial services. After a career in academia, he joined Capital One, where he spent more than 15 years. Most recently, he served as head of data science for Europe at Visa, from September 2023.

Zopa offers an array of financial services, including credit cards, savings accounts, BNPL retail and car finance, unsecured personal loans and point-of-sale (POS) financing.

Since its formation in 2020, the challenger claims to have accumulated over £5.5 billion in deposits, serving 1.4 million customers, with £3 billion in loans on its balance sheet.

With nearly 900 employees, Zopa raised £68 million in an equity funding round at the end of last year.

UK-based **Royal London** has hired **Lee Ellis** as its new group chief digital officer.

Ellis joins from Barclays, where he has worked for the last decade, most recently as CIO of consumer banking. In this role, he led the delivery of a core banking platform and adjoining digital products, including the launch of a co-branded credit card with Amazon last year. Prior to joining Barclays in 2015, Ellis served as programme director for the Financial Conduct Authority (FCA), and as a programme manager for Lloyds Banking Group.

Pedro Sousa Cardoso

Pedro Sousa Cardoso has stepped down as chief digital officer (CDO) of retail banking and wealth management at UAE-based banking group **Emirates NBD**.

As part of his remit, Cardoso led Liv Digital Bank, the UAE's first and largest digital bank, launched in 2017.

Cardoso originally joined Emirates NBD in 2013 as head of multichannel, CRM and digital transformation, before leaving in 2017 for Standard Chartered, where he served as global head of digital commerce and regional digital head of ASEAN and South Asia. He then returned to Emirates NBD as CDO in 2021.

Royal London is one of the largest mutual life, pensions and investment companies in the UK, and currently holds around 8.5 million life and pension policies. It also offers long-term savings, protection and asset management services, with £169 billion in assets under management.

Beem Credit Union in Canada has appointed **Oscar Roque** as its new chief product and innovation officer. He takes over from Sue Britton, who was in this role since the credit union launched through the merger of Gulf & Fraser and Interior Savings last year.

Oscar Roque

Beem CU now serves more than 193,000 members across 66 locations in British Columbia, offering personal and business banking as well as investment and wealth management services.

Roque joins from Canadian paytech firm Interac, where he has held numerous leadership positions such as VP of transformation and head of product for Interac Verified. His background also includes stints at Microsoft, Giesecke & Devrient and BMO, as well as chairing Seneca Polytechnic's fintech programme advisory committee for the past five years.

Finova, a UK-based mortgage and savings software provider, has appointed **Sebastian Mrotzek**, former chief information and technology officer at UK challenger bank Redwood, as its new director of operations, effective immediately.

Mrotzek was at Redwood Bank for four years. He also previously served in senior roles at Lloyds Bank, Barclays, Citi, HSBC and Accenture.

This appointment is part of the leadership shake-up at Finova, following its acquisition by Bain Capital Tech Opportunities and subsequent merger with Iress' UK Mortgage Sales and Originations business.

Founded in 1996, Finova serves 3,500+ mortgage brokers, 200 financial institutions and 60 lenders in the UK.

Solifi, a fintech software provider for secured finance, has **Karan Oberoi** as its new CPO.

Oberoi brings 17 years of experience, most recently serving as CPO at Dutch banking tech provider Backbase since July 2021. His background also includes tenures at T-Mobile, where he led various product initiatives, as well as US paytech giant Diebold Nixdorf, overseeing global domains in cybersecurity and big data analytics.

Founded in 2021 and based in the UK and US, Solifi offers cloud-based software solutions for asset finance portfolio management. It received majority investment from PE firm TA Associates last year and has recently appointed a new CEO, Dan Corazzi.

For more news on appointments in the industry, head to the Movers and Shakers section of the *FinTech Futures* website.

"ACQUIRING AGENCY"

Cartoon by Ian Foley

AI assistants first came to general awareness with IBM Watson, which gained fame by winning Jeopardy! in 2011, and then Siri and Alexa popularised AI assistants for everyday use.

These assistants helped us by following commands and responding to requests, acting as a reactive tool for tasks like searching, scheduling or automation. While the world of AI agents can also be traced back to the 1970s, it was DeepMind's Alpha Go beating the Go world champion in March 2016 that put it on the map.

With the arrival of ChatGPT, AI models could now understand complex prompts, adapt to context and generate dynamic responses, making AI agents more versatile and responsive.

We are now at the point where these 'agents' can autonomously make transactions and adapt their tasks to suit an overall objective working with other agents in a swarm.

A simple way to think about this is that AI assistants are task specific, while AI agents are on a path to agency, where they think more independently.

Ultimately, AI agents will replace all AI assistants, but it will be a human 'trust' or 'comfort' factor that will determine the pace of this change.

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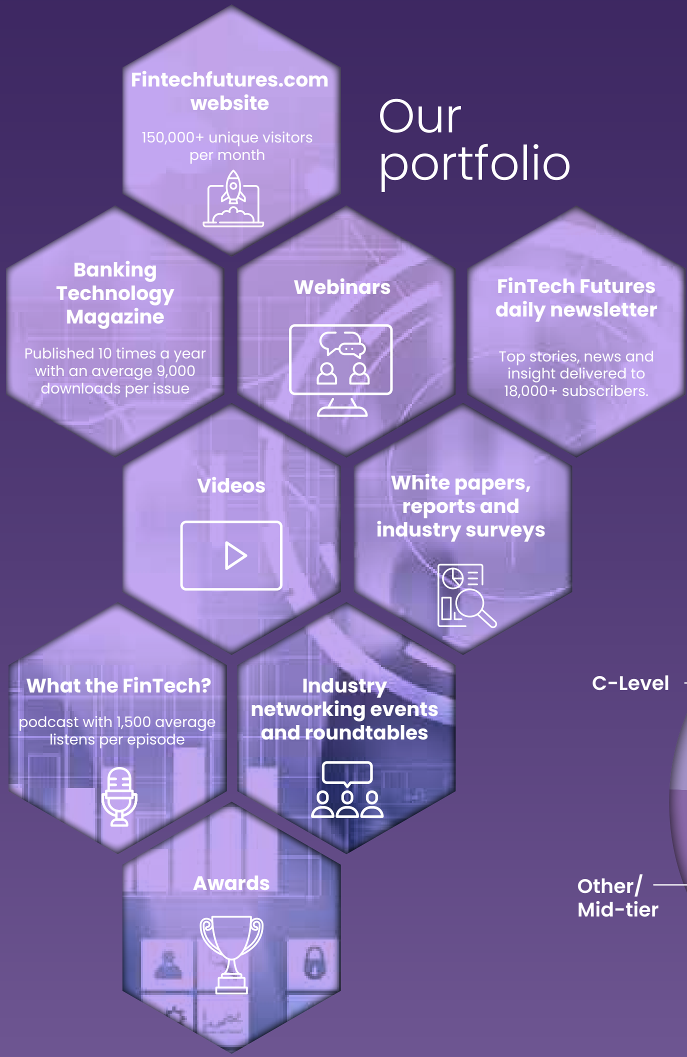

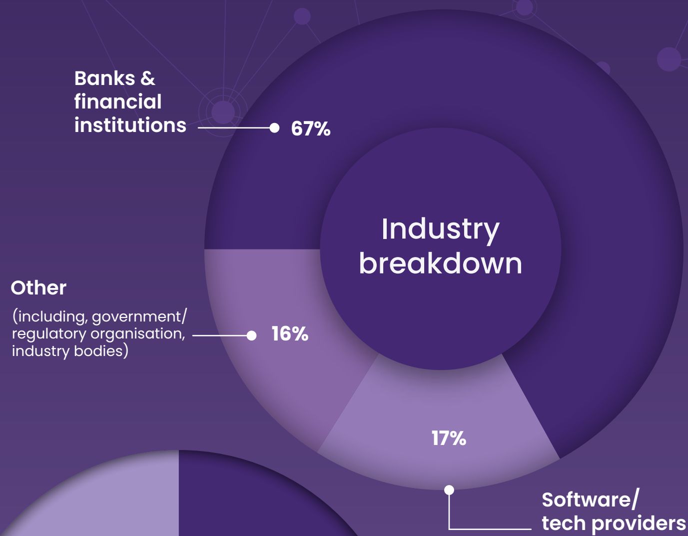

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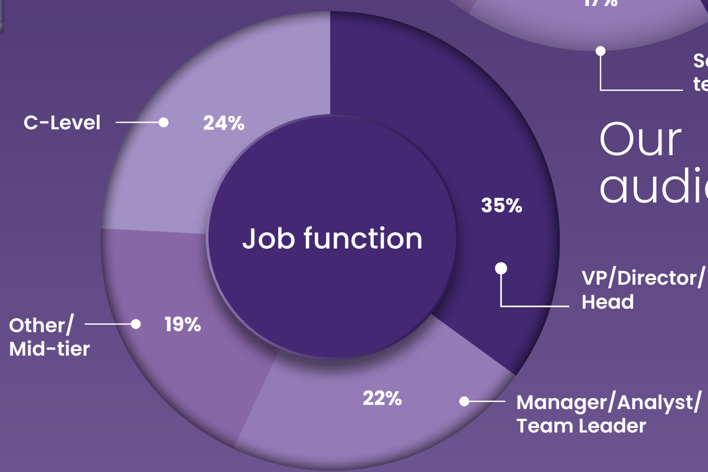

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