

WELCOME TO THE UK – THE FINTECH CAPITAL OF EUROPE

Confident, competitive and creative



Teamspirit

INTRODUCTION

During Q1 2019, the UK attracted 50% of the total number of fintech deals made in Europe¹.

So why is the UK so successful at incubating fintechs? Is it the availability of capital and accessibility of the regulator? Or is it the talent pool, UK entrepreneurship and communication expertise?

We've compiled a range of facts, stats and reasons as to why the UK is the go-to destination, and why we should harness this confident environment to project forward and communicate our openness for growth.

Fintech hub rankings

The Future of Finance is Emerging²

Europe/Global

London – **1/4**

Paris – **2/15**

Stockholm – **3/17**

Tel Aviv – **4/21s**

Berlin – **5/22**

Dublin – **6/28**

Zurich – **7/29**

Amsterdam – **8/30**

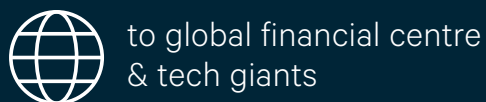
¹ KPMG Pulse of fintech report Q1 2019

² The Future of Finance is Emerging: New Hubs, New Landscapes Global Fintech Hub Report 2018

A GLOBAL FINANCIAL CENTRE

3rd globally
for value of **TOP200**
global financial institutions

Easy access



World-leading financial institutions



research universities

2nd in comprehensive strength of top universities in the world

including University College London, and Imperial College London



Global pioneer in fintech regulation

- Best fintech regulation in the world
- Pioneering regulatory innovation
- The first regulatory sandbox, which is now global with 29 regulators on board

Strong entrepreneurial culture

£1.8_{bn}

in funding last year for London tech start-ups, twice that of **Berlin** and **Paris**

Source: City AM

8.7%^{UK} **3.9%^{France}**
Germany 5.3%

total entrepreneurial activity rate in 2017

Source: Global Entrepreneurship Monitor Global Report 2017/2018

REASONS TO BE CONFIDENT ABOUT OUR POSITION

1. A prime environment for entrepreneurship



5.6 million small businesses at the start of 2018



1/3 sell to businesses or consumers outside the UK

70.1% are family-owned



81.9% have a founder still involved



SMEs advance quickly

High digital adoption

Over 40% of micro-businesses use web-based accounting software and cloud computing

E-commerce is used by 30% of firms

25% use CAD software
18% use CRM software



Source: Painting a picture of the entrepreneurship in the UK – State of Small Business Britain report 2018 (Enterpriser research)

2. Helping create opportunity



1.1 million micro-business employees



17.6% of the total workforce

1/5

new jobs last year were created by high growth small business

Total employment in SMEs accounts for

60%

of all private sector employment

Source: Painting a picture of the entrepreneurship in the UK – State of Small Business Britain report 2018 (Enterpriser research)

Source: UK Small Business Statistics, FSB 2018

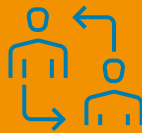
3. Our diversity is an asset

14.5%



TEA rate among non-white Britons

7.9%



TEA rate for white Britons

2x

female early-stage entrepreneurial activity rate than France



39%

are women owners or managers of small businesses on Facebook

Source: Global Entrepreneurship Monitor Global Report 2018, RBS 2018

4. A nation of the ambitious

22.1%

of UK entrepreneurs aim to build a national or international business



35.9%

of London business owners aim to achieve national and/or international recognition



66%

of women in the UK said they started a business to contribute to society

Source: Global Entrepreneurship Monitor 2018 UK Report, RBS 2018

HERE'S WHY OUR FUTURE IS BRIGHT

In the continually changing landscape, we look at the supportive structures in place that will help the UK remain number one. And while many of our European neighbours are rolling out the red carpet, with Ireland taking a lead on investment companies and Amsterdam on data, we have to look further afield to recognise the real challengers, in the US and China.

With growth now coming from Australasia and South America, diversifying what were three hubs to many more, the UK is well positioned to become the leading hub for fintechs that have a global mindset and are eradicating borders.

Regulatory leadership

- The FCA started Project Innovate in October 2014.
- Encourages the trialling of self-regulation within the industry (the first P2P industry association in the world), and prompts the industry to develop virtual sandboxes or umbrella sandboxes.

Capital drives the growth of fintech companies

- As a global financial centre, there are many global investors, such as Accel, Anthemis Group, Balderton Capital, Index Capital, Octopus and more.

Accelerators and incubators

- For instance, Startupbootcamp fintech accelerator programme
- Barclays RISE
- Techstars and Accenture's Fintech Innovation Lab
- Incubators such as Level39, Silk Ventures

Increasing digitalisation of the traditional financial sector

- In November 2016, the regulators encouraged large financial institutions such as HSBC to collaborate with start-ups.
- Among the leading UK banks, Lloyds Banking Group is currently ahead of the pack in terms of its early adoption of fintech and open banking.
- The next best is Barclays, with HSBC and RBS seemingly the stragglers.

CONFIDENT COMMUNICATORS: THE TEENAGE YEARS AHEAD

At a time when business is having to step up, the fintech sector demonstrates how a 'what if?' attitude combined with tech capabilities can cross borders. Now, after a decade of significant investment it is entering the teenage years where some maturity should be expected.

The need to codify the brand and communicate consistently is becoming imperative, with growth coming from geographical expansion as well as product development and partnerships. We should expect to see more confident and frankly grown up communications as fintechs recognise the power of brand and the vitality of their branded experience across all media channels.

Starting with a clearly defined narrative, rooted in their purpose, fintechs require better strategic communications that deliver well-orchestrated authentic campaigning and messaging. The leading fintechs are also recognising the trust that more traditional media channels such as TV, out of home and cinema help to build - often ignored to date. Stature and consistency of message are core to taking any brand to wider audiences.

So, at a time when the investment community are focusing their attention on the mega deals, being the recognised fintech brand will be mission critical to help secure further funding as the market consolidates and hones in on proven business models.

For more on our Fintech Propel proposition
visit teamspirit.uk.com or contact
hello@teamspirit.uk.com



If you would like to propel your brand, please get in touch at hello@teamspirit.uk.com.

Teamspirit is the UK's leading fully integrated financial services agency, dedicated to transforming the world of finance for the better. Working internationally from London, our specialists create compelling communications that work.

