UK FinTech Census 2019

A snapshot: two years on
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Introduction

The UK FinTech sector continues to be a driver of innovation and growth for UK financial services, as well as for the economy. The UK Government and other regulatory bodies are committed to maintaining a leading position in the international FinTech sector through their FinTech and digital skills agenda, with policy measures such as HM Treasury’s FinTech Sector Strategy, HM Government’s ‘FinTech Bridges’ and the regulatory sandbox from the Financial Conduct Authority (FCA). However, it is paramount to maintain an up-to-date understanding of the UK FinTech landscape to ensure programmes are achieving desired outcomes and to highlight new challenge areas facing UK FinTechs. That is why we are very pleased to present the 2019 edition of the UK FinTech Census.

EY first conducted the UK FinTech Census back in 2017, having been commissioned by HM Treasury to survey the FinTech sector. The report helped build greater awareness and understanding of the sector and provided a platform for FinTechs to express their views on areas such as talent, capital and investment. Building on the foundations from 2017, we once again reached out to FinTech firms in the UK to gain a first-hand perspective of the opportunities and challenges that these businesses are facing. This report shares the insights provided to us by FinTechs across a broader and more diverse market than in 2017 – with financial software, SME lending, and payments and remittances topping the list. The report also highlights the changing needs of the sector and will hopefully serve as a catalyst for future policy recommendations, regulation and innovation.

The 2019 EY findings reveal a theme of consistency and continued momentum over the past two years. Key statistics in this report offer insights into demographics, revenue growth, investment, talent and skills, gender diversity, regulation and future expansion. Whilst there is still work to be done as we move into 2020, the overall results are very positive.

We hope that this report will become a detailed reference point for policymakers, regulators, the Government and the wider financial services sector in developing supportive government policy and promoting the UK’s FinTech agenda.
The UK FinTech Census 2019 tracks the development of the FinTech sector across the UK, and the results are heartening. Since we first undertook this study in 2017, we have seen strong performance from UK FinTechs, with many scaling their businesses to reach millions of customers, achieving record investment rounds and embarking on international expansion.

Strong consumer demand and the ability to attract leading global investors show that UK FinTechs continue to lead the way in successfully disrupting and enhancing financial services, which is good for the consumer, the broader financial services sector and, ultimately, the UK economy. Despite the challenges that all UK businesses are facing, the sector continues to demonstrate resilience.

As we move into 2020 and beyond, open banking will continue to shape the financial services landscape, driving continued innovation from both start-ups and incumbents. We hope this census will continue to inform policy makers, regulators and industry leaders on the challenges and opportunities facing FinTechs. Great progress has been made over the past couple of years and renewed momentum will ensure the UK retains its title as the centre of world FinTech.

In recent years, FinTech has changed the way consumers and businesses interact with financial services. For consumers, FinTech offers increased competition and better, cheaper products more suited to their needs. For businesses, FinTech has enormous potential to improve access to finance and streamline back office complexity and cost.

With a significant consumer adoption rate, strong government support, a flexible regulator and record amounts of investment into the sector, the UK is well placed to continue harnessing the benefits of a dynamic FinTech sector. It comes as no surprise that the UK remains the best place in the world to start and grow a FinTech, and the government is committed to maintaining the UK’s leading-edge internationally in this important sector.

The FinTech Census 2019 comes at an important time in the development of UK FinTech, as increasing numbers of FinTech startups seek to scale and firms that have successfully established in the UK look internationally for opportunities to bring their propositions to new markets.

I am grateful for the important work undertaken by EY in compiling the 2019 Census, which will serve as a useful tool to inform government policy going forwards.

Omar Ali
Managing Partner, UK Financial Services, Ernst & Young LLP

John Glen MP
Economic Secretary to the Treasury
The 2019 Census underlines both the progress and strength of UK FinTech, providing a comprehensive overview of the current state of play in the UK’s fastest growing sector.

Whilst it is clear that the UK remains the global leader for innovation in financial services, this research further illustrates what FinTech firms need to continue to grow, and what the sector needs to support further economic prosperity.

The Census highlights several key features that support the growth of UK FinTech businesses, as well as acknowledging the importance of the progressive approach to policy and regulation taken by the UK. These features include continued investment, which is at record levels and shows no sign of slowing down, as well as the UK’s ability to continue to develop and attract the best talent available.

However, competition to the UK’s global prominence in FinTech remains fierce — all the more so with the backdrop of Brexit — so we need to collectively harness the full potential of our FinTech sector to retain our competitive advantage.

Enabling UK FinTech businesses to take advantage of the global opportunities for economic success means we need to ensure that those same firms are able to attract and retain the best talent, whilst we develop our domestic skills base.

Ensuring that investment is reaching those companies that require capital to scale, wherever they are located across the UK, will in turn lead to greater opportunities for economic growth across the country.

Encouraging our FinTechs to overcome the barriers they face, both in the adoption of innovative technologies, or those that block access to certain business services, will improve the experience of financial services for a broader range of consumers.

We welcome the ongoing support from regulators, who themselves encourage innovation, and have created an environment where new ideas and services can not only be developed, but thrive too.

We recognise that truly innovative companies are also diverse companies, and this Census demonstrates there is still some way to go within the UK’s FinTech workforce.

If we can achieve all this, then our FinTech start-ups, as well as those seeking to scale, will continue to not only lead the way in the global marketplace for technology and financial services but also build on our advantageous position as the global leader for FinTech.

Charlotte Crosswell
CEO, Innovate Finance
Scope and methodology

The EY FinTech team invited UK FinTech companies to participate in the UK FinTech Census between February and May 2019. The outreach included using previous EY research on the FinTech sector, along with additional contacts found via websites, LinkedIn and wider social media. We then publicised the Census through direct mailings to EY clients, outreach by Innovate Finance and a campaign across social media. In total, 224 FinTech companies responded to the survey, and they reflect the key verticals making up the UK’s FinTech community.

For this research, we have defined a FinTech as an organisation that undertakes one or more business activities that relate to the use of innovative business models and technology to enable, enhance or disrupt financial services. This definition includes those undertaking business-to-consumer (B2C) and business-to-business (B2B) services, and companies that describe themselves as business-to-business-to-consumer (B2B2C) within the B2B category. Please see a list of qualifying business activities here:

### B2C propositions

**Money transfer and payments**
- Online foreign exchange
- Overseas remittances
- Payout management tools
- Online digital-only banks without branches
- Non banks to transfer money
- Mobile phone payment at checkout
- Payment via cryptocurrency (e.g., bitcoin)

**Insurance**
- Car insurance using telematics (black box) to monitor driver behaviour
- Insurance premium comparison sites
- Peer-to-peer (P2P) or micro-insurance

**Borrowing**
- Borrowing using online short-term loan providers

**Financial planning**
- Online budgeting and financial planning tools
- Tools to analyse expenses and compare financial products

**Savings and investments**
- P2P platforms for high-interest investments
- Investments in equity crowdfunding platforms and rewards platforms
- Online investment advice and investment management
- Online stockbroking
- Top-up savings or investments
- Online spreadbetting
The UK FinTech Census has been designed to gather key statistics to profile the sector and provide insights into employee demographics, revenue, investment, talent, regulation and future expansion. The 32 survey questions included a wide range of free text, multiple choice and ranking questions that took no longer than 15 minutes to complete. The final output of 224 responses was based on analysis of the cleansed data.

The analysis in this report primarily focuses on data from 2019. Comparisons with 2017 have been made selectively to aid understanding.

### B2B propositions

#### Enterprise and RegTech
- Advanced analytics providers
- Blockchain solutions and distributed ledger technology (DLT)
- RegTech and risk management
- Core banking, insurance, asset management and capital market software
- Credit reference data and analytics
- Insurance and data analytics
- Cybersecurity
- Digital identity

#### Small and medium-sized enterprises (SMEs)
- FinTech lenders including online short-term loan providers
- FX and B2B payments
- Trade finance and supply chain solutions

#### Corporates
- Merchant acquirers and gateways
- Payment optimisation and fraud detection software
- Loyalty software providers
- Payments software
- Trade finance and supply chain solutions
Key messages

Profile of FinTech firms
Data collected from 224 respondents provides a good basis to profile the UK FinTech sector. Of those who completed the survey, 70% held senior C-suite positions. The representation across the FinTech market in the 2019 Census is very broad, with the most common types of responding firms being financial software (13% of respondents), SME lending (10%), and payments and remittances (8%).

Talent and skills
Most UK FinTech companies are focused on building their UK talent base; however many larger FinTechs are also continuing to build their talent bases abroad.

The results of the 2019 Census show that ‘software engineering, system architecture and development’ is the most in-demand skillset (ranked as the most important by 52% of firms) but also the hardest to find. Data analytics and data science skills are second-most in demand (ranked top by 19% of firms) as well as the second-most difficult to find.

Capital and growth
The average total investment raised by firms grew from £15mn in 2017 to more than £20mn in 2019 – an increase of 33%. In their next round of funding, firms expect to raise a total of £2.6bn, with Series A funding accounting for 26% of this amount.

FinTechs look for benefits from investors beyond a financial injection. More than half (54%) value access to new customers as the most important benefit; 14% cite partnership opportunities; and 12% list international expansion and growth.

Regulation and international expansion
FinTechs are also very aware of the current uncertainties they face as they continue to grow. There are a number of considerations to be aware of when considering regulatory requirements, but ensuring sufficient capital and liquidity had the highest response (44%), with navigating Brexit uncertainty just behind (42%).

UK FinTechs are planning to expand internationally, with continental Europe and Asia seen as the two most important regions. Continental Europe has remained the most important destination since the 2017 Census, although Asia has now overtaken North America.
Gender diversity
The gender split of the UK FinTech sector’s employee base is 70.5% male and 29.5% female. This is consistent with the 2017 Census results. Government and industry have pushed towards greater diversity in both employee and executive bases; however, these results demonstrate that continued momentum is required. The 2019 Census also showed that 25% of FinTechs have at least one female co-founder.

Current and future challenges
Key challenges faced by FinTech firms remain consistent with the 2017 Census. Firms’ top priority is attracting qualified or suitable talent (53% of firms reported this as a top three challenge), followed by customer adoption (48%) and building partnerships with established players (37%).
The UK FinTech Census gathers key statistics to profile the sector, providing insights into employee demographics, revenue, investment, talent, regulation and future expansion.

Data from 224 respondents provides a strong representation of the UK FinTech sector. Of those who completed the survey, 70% held senior C-suite positions.

The sector continues to mature, so it is no surprise to see that the average age of each FinTech business (6.8 years) has increased compared with the 2017 Census (5.3 years). The 1.5-year increase in maturity is less than the 2.0-year increase from the previous Census, which may be due to the emergence of new start-ups in that time period. Of those responding, 79% are headquartered in the UK, with 77% of those based in London. A selection of other countries were listed as FinTech headquarters; 7% were based in the US and 2% were based in Ireland.

The representation across the FinTech market in the 2019 Census is very broad, with the most common types of responding firms being financial software, SME lending, and payments and remittances.
There were a significant number of FinTechs formed post-financial crisis, particularly from **2011 to 2015**, after which the pace appears to have slowed. However, we note that firms typically need to reach a certain level of maturity before they are identified by our outreach activities.

In 2017, the greatest subsector representation came from payments and remittances (13.5%), followed by financial software (10.2%) and online investments (8.2%).

Note: respondents selected the sub-sector which best represented their main activity.

2019 Census respondents show good subsector coverage, with most citing **financial software (13%)**, followed by SME lending (10%) and payments and remittances (8%).

In 2017, the greatest subsector representation came from payments and remittances (13.5%), followed by financial software (10.2%) and online investments (8.2%).

Note: respondents were able to select multiple options relating to the types of customers that they serve.

There was relatively **equal representation of customer segments**, with many FinTechs serving more than one. Multiple options could be selected, with “other” including, for example, public sector, academia and financial advisors.

Note: respondents were able to select multiple options relating to the types of customers that they serve.
Talent and skills

Talent acquisition and retention is a key driver of FinTech success in the UK. The UK Government’s talent and skills agenda has been a crucial initiative to encourage education in science, technology, engineering and maths (STEM) subjects, as well as software development and other digital skills.

In 2015, the UK Government announced a plan to create an additional three million apprenticeships by 2020. Currently, only 31% of FinTechs offer apprenticeships, but 69% would consider doing so in the future. Apprenticeships provide a hands-on vocational alternative to further educational study and have grown greatly in popularity over the past five years.

The results of the 2019 Census show that ‘software engineering, system architecture and development’ is the most in-demand skillset, but also the hardest to find. Data analytics and data science skills are second-most in demand and equally difficult to find. This has not changed significantly since 2017. Digital skills are ideally suited to apprenticeships, so it is likely that firms will continue to adopt programmes that encourage technical skill creation.

Most UK FinTech companies are focused on building their talent base in the UK; however, larger FinTechs are continuing to build their talent bases abroad. Seventy-eight percent of respondent companies have a headcount of less than 50 in the UK, whilst 19% report a headcount of between 51 and 250. 33% of FinTechs do not have any employees working outside of the UK.

42% of FinTechs currently have a digital skills shortage:

- 56% are filling the gap by hiring additional UK talent
- 46% are filling the gap by hiring additional talent from the European Union (EU)
- 34% are filling the gap by hiring more non-EU talent

FinTechs are hiring additional talent, both domestically and internationally, to overcome their digital skills shortages.

Note: firms were asked to report whether they consider themselves to have a digital skills shortage and, if so, what steps they are taking to address it.

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At the company level, when we compare UK and rest of world (ROW) employees, we see that the majority of firms are clustered between 11–50 and 51–151 employees in both geographical areas.

Note: figure 9 represents all 224 firms who responded to the 2019 Census.

For each firm, we have compared their UK headcount with their ROW headcount, and the size and darkness of the marker indicates the most frequent combinations of UK-ROW headcount.

Figure 6: Apprenticeships

Currently, 31% of FinTech organisations offer apprenticeships. However, 69% would consider offering an apprenticeship in the future.

At the company level, when we compare UK and rest of world (ROW) employees, we see that the majority of firms are clustered between 11–50 and 51–151 employees in both geographical areas.

UK employees

ROW employees

Thirty-nine percent of companies have between 11 and 50 employees in the UK (2017: 27%), whilst another 39% have less than 10 employees (2017: 37%). One-third of UK FinTechs do not employ anyone outside of the UK.

UK vs. ROW comparison

Note: figure 9 represents all 224 firms who responded to the 2019 Census. For each firm, we have compared their UK headcount with their ROW headcount, and the size and darkness of the marker indicates the most frequent combinations of UK-ROW headcount.
Figures 10 and 11: Skills

**Most important digital skills**

<table>
<thead>
<tr>
<th>Skill</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software engineering, systems architecture</td>
<td>52%</td>
</tr>
<tr>
<td>and development</td>
<td></td>
</tr>
<tr>
<td>Data analytics</td>
<td>19%</td>
</tr>
<tr>
<td>An understanding of how digital</td>
<td>14%</td>
</tr>
<tr>
<td>technologies work</td>
<td></td>
</tr>
<tr>
<td>Digital marketing and sales</td>
<td>8%</td>
</tr>
<tr>
<td>Cyber and IT security</td>
<td>7%</td>
</tr>
<tr>
<td>IT support and system maintenance</td>
<td>0%</td>
</tr>
</tbody>
</table>

Software engineering, systems architecture and development were identified as the most important digital skills, according to 52% of respondents. This was followed by data analytics (19%) and an understanding of how digital technologies work (14%).

**Most difficult skills to recruit for in 2019**

<table>
<thead>
<tr>
<th>Skill</th>
<th>Difficulty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software engineering, systems architecture</td>
<td>35%</td>
</tr>
<tr>
<td>and development</td>
<td></td>
</tr>
<tr>
<td>Data analytics and data science</td>
<td>13%</td>
</tr>
<tr>
<td>Sales</td>
<td>9%</td>
</tr>
<tr>
<td>Product</td>
<td>8%</td>
</tr>
<tr>
<td>Cyber and IT security</td>
<td>7%</td>
</tr>
<tr>
<td>Regulatory and risk management</td>
<td>6%</td>
</tr>
<tr>
<td>User experience and design</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>Project management</td>
<td>4%</td>
</tr>
<tr>
<td>Process design and optimisation</td>
<td>3%</td>
</tr>
<tr>
<td>General management</td>
<td>2%</td>
</tr>
<tr>
<td>Marketing</td>
<td>1%</td>
</tr>
<tr>
<td>Account management</td>
<td>1%</td>
</tr>
<tr>
<td>HR and talent management</td>
<td>1%</td>
</tr>
<tr>
<td>Financial and tax</td>
<td>0%</td>
</tr>
</tbody>
</table>

In parallel to the most important digital skills, software engineering, systems architecture and development were flagged as the hardest skills to find (35%). Data analytics and data science were flagged as the second hardest to find (13%).

For the 2019 Census, we updated our skills analysis by listing additional categories to those in the 2017 Census, in which coding and software development was identified as the hardest skill to recruit (54%).

*Note: respondents were asked to rank the most important skills and the most difficult skills to find in 2019. We have analysed the skills ranked as most important and most difficult by respondents.*
Capital and growth

The ability to attract investment is critical for FinTech companies as they grow and scale. Global economic uncertainty has not prevented continued strong investment in the UK FinTech sector. The average total investment in firms covered by the UK FinTech Census grew from £15mn in 2017 to more than £20mn in 2019 – an increase of 33% (including funds from all external sources, including but not limited to VC, CVC, PE and high-net worth individuals). In their next round of funding, 141 FinTech firms expect to raise a total of £2.6bn, with Series A funding accounting for 26%.

FinTechs look for benefits from investors beyond a financial injection. More than half (54%) value access to new customers as the most important benefit; 14% cite partnership opportunities; and 12% list international expansion and growth.

FinTechs maintain a strong growth outlook, although anticipated rates of growth are marginally lower than in 2017, reflecting the maturity of the sector. In 2019, 22% of firms are expecting growth of more than 200% in the next 12 months (2017: 33%). However, one-third of respondents anticipate an IPO in the next five years, demonstrating that confidence still exists within the sector over the medium term.
Thirty-seven percent of FinTechs expect revenue growth of at least 100% in the next 12 months. This is slightly lower than in 2017, when 50% expected growth of 100% or more. Expected revenue growth will have been impacted by the increasing scale and maturity of firms.

Not including a financial injection, FinTechs find the following areas of non-financial support the most beneficial:
- Access to new customers (53%)
- Partnership opportunities (14%)
- International expansion and growth (12%)

The likelihood of an IPO within the next five years is evenly split, with almost 35% saying it either is or is not likely. Twenty-eight percent of respondents were unsure, including those who do not hold C-suite positions. The most common anticipated timeframe for an IPO was three to five years (31.4%). Few respondents anticipated a shorter timeframe, with 10.2% anticipating an IPO in the next two to three years and only 3.6% in the next two years.
Regulation and international expansion

The UK financial services regulatory environment has evolved in recent years to address concepts such as open banking, cloud technology and artificial intelligence. Fifty percent of respondents are regulated by the FCA, whilst 4% are regulated by the Prudential Regulatory Authority; the remainder are not regulated either because authorisation is not required (e.g., software companies) or because they are in the process of seeking authorisation.

For FinTechs wanting to test their products without having to secure full authorisation, the FCA’s regulatory sandbox has provided a safe space, and more than 375 applications have been received since the programme was announced in 2016. Of these 375 applications, 128 were accepted to participate in training.

FinTechs are also very aware of the current uncertainties they face as they continue to grow. There are a number of considerations to be aware of, but ensuring sufficient capital and liquidity had the highest response (44%), with navigating Brexit uncertainty just behind (42%).

UK FinTechs are planning to expand internationally, with continental Europe and Asia seen as the two most important regions. Continental Europe has remained the most important destination since the 2017 Census, although Asia has now overtaken North America.

Considerations in the current regulatory landscape

1. Ensuring sufficient capital and liquidity (44%)
2. Navigating Brexit uncertainty (42%)
3. Remaining compliant as business grows and transforms (35%)
4. Ensuring high standards of conduct and good customer outcomes (26%)
5. Safeguarding operational risk (26%)

It is unsurprising that Brexit continues to be an important consideration for UK FinTechs, and this will impact their plans for international expansion.

Note: we offered 11 possible options of which we have presented the top five. Respondents were able to select multiple options. This is representative of 175 responses.

**Appeal of FinTech Bridges**

FinTech Bridges, where bespoke bilateral agreements are outlined by both UK and international policymakers, have provided great access to overseas markets and have shown that governments are connected on FinTech priorities. To ensure that these bridges remain relevant going forward, it is important to note the key priorities for FinTechs:

- Access to new customers (52%)
- International expansion support (18%)
- Access to new investment (14%)

Note: respondents were asked to rank six options from one–five. We have analysed the top-ranked response.

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**Figures 16 and 17: International growth and expansion**

North America is the most common location in which to have operations, with 41% of firms operating there. Asia is close behind at 39%.

*Note: the question did not distinguish between the UK and Europe, which results in a very high response rate due to all firms operating in the UK. We have presented the regions outside of Europe.*

**Current operations outside of the UK and Europe**

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>16%</td>
</tr>
<tr>
<td>Asia</td>
<td>39%</td>
</tr>
<tr>
<td>Australasia</td>
<td>27%</td>
</tr>
<tr>
<td>Middle East</td>
<td>17%</td>
</tr>
<tr>
<td>North America</td>
<td>41%</td>
</tr>
<tr>
<td>South America</td>
<td>14%</td>
</tr>
</tbody>
</table>

The UK FinTech market still considers Europe as the most important region for future expansion (56%), despite Brexit uncertainty.

*Note: respondents were asked to rank the importance of regions for future expansion. The chart shows the region ranked as the most important by respondents.*

**Importance of the region for future expansion**

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>56%</td>
</tr>
<tr>
<td>Asia</td>
<td>20%</td>
</tr>
<tr>
<td>North America</td>
<td>15%</td>
</tr>
<tr>
<td>Australasia</td>
<td>4%</td>
</tr>
<tr>
<td>Africa</td>
<td>2%</td>
</tr>
<tr>
<td>South America</td>
<td>2%</td>
</tr>
<tr>
<td>Middle East</td>
<td>1%</td>
</tr>
</tbody>
</table>
Gender diversity

The gender split of the UK FinTech employee base is 70.5% male and 29.5% female. This is consistent with the 2017 results that showed an employee mix of 71% male and 29% female. Government and industry have pushed towards greater diversity in both employee and executive bases; however, these results demonstrate that continued momentum is required. The 2019 Census also showed that 25% of FinTechs have at least one female co-founder.

In March 2016, the UK Government launched the HM Treasury Women in Finance Charter: a pledge for gender balance across financial services. A total of 350 financial services firms, including EY, Innovate Finance and FinTechs, have now signed up to the Charter, with two-thirds believing that being a Charter signatory will drive permanent sustainable change within their company and across the financial services industry.

The gender split amongst founders demonstrates that only a few women are setting up FinTech companies. There is still a way to go to increase female representation across the sector.

- Twenty-five percent reported at least one female co-founder
- Ten percent reported an equal split amongst male and female co-founders
- Two percent reported female-only founder or co-founders


Current and future challenges

The 2019 Census explored current and future challenges faced by FinTech firms; from the 12 challenges posed to FinTechs in the survey, the top three responses were clear. They highlight a need for greater focus across the following areas:

1. Attracting qualified or suitable talent
2. Customer adoption
3. Building partnerships with established players

These were also the top ranked responses in 2017, demonstrating that they are significant ongoing areas of focus. Firms indicated that obtaining or retaining suitable bank accounts and cost or availability of debt financing remained the least common challenges.

We also asked FinTechs to suggest the key areas in which they would like further support and guidance. The suggestions included:

- Reducing Brexit uncertainty
- Defining regulation for digital assets
- Expanding open banking into an ‘open finance’ initiative (to include pensions, loans, insurance, business supply chain data, etc.)
- Greater simplification and flexibility of know-your-customer (KYC) procedures

Note: this question allowed for free-text response. We have analysed 121 responses and have presented a selection of key suggestions.

Respondents were asked to choose their three biggest challenges for 2019.

They were:

- Attracting qualified or suitable talent (53%)
- Customer adoption (48%)
- Building partnerships with established players (37%)

Note: firms were asked to identify their top three challenges for 2019. We analysed the percentage of firms identifying each response as such a challenge.
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