

UK's global fintech leadership bolstered by new review

- independent review led by Ron Kalifa sets out strategy to put UK at the top of the global fintech league table
- recommendations include a new fintech scale-up visa stream, a 'scale box' for growing firms and changes to UK listings rules
- support for sector will create jobs and deliver better outcomes for people and businesses across the UK

The UK has more than 10 per cent of the global market share in fintech and the sector is now worth more than £11 billion a year to the UK economy.

The independent review, led by Ron Kalifa OBE, finds the UK is at a pivotal moment and presents a wide-ranging strategy and delivery model to build on its existing attractiveness to start-ups firms and become the best place for a fintech business to reach global scale.

It marks an important step in the Chancellor Rishi Sunak's plan to make the UK the most open and dynamic place in the world to operate a financial services business. The government will now examine the recommendations and respond in due course.

The review highlights the opportunity to create highly skilled jobs across the UK, boost trade and extend a competitive edge over other leading fintech hubs. Recommendations include:

- introducing a new 'fintech scale up' visa route for specialists from around the world
- implementing a 'scale box' to provide regulatory support for growing firms
- improving UK listings rules with free float reduction and dual class shares
- creating a £1 billion-pound fintech 'growth fund' to help firms grow independently
- establishing a private sector-led Centre for Finance, Innovation and Technology to support national coordination and growth in fintech across the UK

Rishi Sunak, Chancellor of the Exchequer, said:

Fintech is one of the UK's great success stories and will help us seize new opportunities around the world.

We must now build on our global reputation for fostering innovative start-ups and ensure firms can access the talent, finance and support they need to scale up here in the UK.

This review will make an important contribution to our plan to retain the UK's fintech crown, create more skilled jobs, and deliver better financial services for people and businesses.

Ron Kalifa OBE said:

Fintech has the power to change lives, both in terms of job creation and better wages that are so essential to our recovery; and making financial services more accessible and relevant to people's lives.

Britain has a proud record of starting-up and scaling-up some of the best known fintech products, but we cannot rest on our laurels. The next powerhouses will not be created by accident.

We must continue to nurture our start-up culture, but crucially we must also give our high growth firms the support to become global giants.

With the right reforms that encourage entrepreneurialism, investment and make it easy to attract and invest in talent, Britain can usher in a period of dominance that can help us build back better from Covid-19.

Further information

- The [independent review's full report](#) can be read here.
- In 2020, investment into UK fintech stood at \$4.1 billion in 2020 – more than the next 4 European countries combined.
- The strategic review produces a five-point plan to help mitigate risks and take advantage of the opportunities in the global economy:
- Policy and Regulation – dynamic leadership that protects consumers yet enables fintech activity and encourages competition
- Skills – ensuring fintech has the right supply of domestic and international talent and the means to train and upskill our current and future workforce
- Investment – completing the funding ladder from start-ups right through to IPO
- International – a targeted approach to exports and inward investment
- National connectivity – leveraging the output of fintechs across the UK and facilitating connectivity amongst them.
- The Review secretariat was provided by Innovate Finance and City of London Corporation.

- Catherine McGuinness, Policy Chair of the City of London Corporation:

This is a pivotal moment for the UK. There are significant opportunities offered by fintech – an area in which London already has unmatched global appeal. But for the UK to retain its position as world leader and continue to attract investment into the sector, it is vital to offer an environment which supports innovation. The Kalifa review offers a roadmap to achieving this. We welcome the review's recommendations, including its call to maintain access to the global talent that is so essential to fintech's success in the UK, and urge government to support its recommendations and help turbocharge this vibrant sector.

- Innovate Finance's CEO Charlotte Crosswell, said:

Innovate Finance welcomes the timely contribution of the Kalifa Review. This is a vital intervention that has the potential to set the strategic direction of UK fintech for decades to come. The sector has seen incredible growth, and fintech firms across the UK are ambitious in building, developing and scaling their businesses. The way that consumers and businesses are interfacing with financial services is rapidly evolving. We must respond to this changing dynamic and ensure we look to the fintech sector to advance these solutions. This will result in the creation of new digital jobs, inspire a next generation of entrepreneurs, and in turn enable the growth of global champions. The UK attracts the founders behind some of the world's most innovative businesses, so we must show that we remain an ambitious partner in a sector where we have been at the forefront of global thought leadership. We look forward to supporting the implementation of Ron Kalifa's recommendations and strategy over the coming months.

- Stakeholders welcoming the review included:
- Guillaume Pousaz, Checkout.com Founder and CEO:

I founded Checkout.com in the UK a decade ago because of its forward-thinking approach to financial technology. Since then, our business has grown to become the UK's largest fintech, employing 1000 people globally, and powering market-leading eCommerce brands and fintechs the world over. The Fintech Strategic Review sets out a clear vision to keep the UK at the forefront of global fintech, and support the recovery by embracing the digital economy.

- Kristo Käärmann, Wise CEO:

It's great to see the Treasury seeking to support and improve the UK's position on the world stage as a growth platform for tech companies in financial services. This review, conducted by Ron Kalifa, is a brilliant opportunity to keep modernising the regulatory environment. This should lead to even more competitive products and better services for consumers, both here in the UK and beyond the borders.

At Monzo, we are proud to be part of an industry that is always working to change finance for the better and give consumers more options. It is why we are supportive of these recommendations which would help the next generation of financial technology companies get off the ground, while enabling established companies, like Monzo, to take it to the next level.

- Lisa Jacobs, Funding Circle Europe Managing Director:

The pandemic has accelerated the adoption of online lending and shown how critical FinTech lenders are in supporting SMEs. We believe this shift is permanent, and the sector will have a vital role to play in the UK's national recovery. We welcome this timely and important strategic review, and look forward to working with Ron Kalifa, and HM Treasury to ensure UK fintech continues to transform the customer experience.