

Harnessing the power of FinTech for Financial Services

Financial services are evolving. Changing client demands, advances in technology, and ongoing pressure on margins are driving the transformation of existing business models. At the same time the rise of FinTech, Big Tech, and open APIs is enabling a new digital ecosystem built on collaboration and innovation to emerge.

At PwC, we work across the industry to help businesses establish their role as part of this new ecosystem, and create connections that enable them to turn disruption to their advantage.

What challenges and opportunities are we seeing for our clients?

Established Financial Services Organisations



- Financial Services organisations need to adapt to respond to c.£100bn of industry disruption by 2030.
- FinTech offers a way forward, but incorporating it into complex legacy infrastructure is hard.
- Few have moved FinTech products beyond the pilot stage, with security, data & regulation cited as reasons why.
- **Successful organisations will need to leverage their brand and form FinTech partnerships to deliver efficiencies and enhance their offer.**

FinTechs



- FinTechs have the digital native infrastructure and agility to meet customers' changing demands.
- However the cost of customer acquisition, the evolving regulatory landscape, and shifting market dynamics are challenging sustainable growth.
- Partnering with financial institutions reduces barriers to entry, but navigating this is complex.
- **To thrive, FinTechs need to be clear on their product, and match it with the right organisations.**

Private Equity and Venture Capital Firms



- FinTechs provide a diverse range of investable assets with high likelihood of quick, exponential growth.
- Many FinTechs give you access to the vast Financial Services end markets (e.g. banking, insurance, asset/wealth management) without the requirement to become a regulated entity (e.g. capital light).
- **Investors need to have both Financial Services market and technology skills capabilities, to deal with the challenging valuation and investment decisions.**

Governments and Regulators



- Government and regulators already have incentives to accelerate the development and use of FinTech.
- Regulatory scrutiny on data integrity is key, but a balance must be struck so innovation is not halted.
- Collaboration between governments and alignment on data regulation is needed to facilitate progress.
- **Key to success will be an ongoing, open dialogue between all players in the ecosystem to navigate the best way forward.**



How we help established Financial Services organisations

In an increasingly complex environment, we help those seeking to leverage the potential of FinTech as they shape their business for the future, solving difficult operational challenges and enhancing their offering for customers.

We have extensive experience working with established Financial Services organisations as a technology advisor, as a transformation partner, and as a provider of assurance services.



Disruption and Ideas Generation Workshops: Explore the opportunity

Explore the disruption facing the industry and identify opportunities to enhance your existing operations, develop your product suite, and prepare for the future



FinTech Horizon Scanning and Scouting: Get ahead of the game

Match your key pain points with our insight on the evolving FinTech market, to scout, select and explore potential partnerships that solve your business challenges



Innovation Solutions: Accelerate your digital transformation

Accelerate your digital transformation journey by leveraging solutions developed by pairing our business expertise with proven FinTech technology to offer something new e.g. access executive insights into portfolio risk, duplication and waste with our partnership with GainX



Co-creation Hub: Test before you invest

Move FinTech ideas forward with support to rapidly co-create prototypes and test Minimum Viable Products (MVPs) in our secure sandbox environment, either building from scratch, leveraging shortlisted FinTechs, and/or using a myriad of third-party APIs to explore new products and services at speed before deployment



Implementation and adoption: Realise, commercialise and scale

Move FinTech products beyond MVP, embedding solutions into your organisational DNA as you productionise, commercialise and scale solutions

How we help FinTechs

We work with FinTechs looking to scale, grow and build partnerships. Our range of services in Advisory, Tax, Assurance and Deals, paired with our network of connections across the established ecosystem, empowers FinTechs to realise their full potential.

Authorisation support

Support with the regulatory authorisation process from planning to review and finalising authorisation

Scale Programme: Accelerate growth

11-week programme for high potential FinTechs with masterclasses, pitch and strategy coaching, and access to our corporate client network – over 55 FinTechs have ‘graduated’ to date

Tax Support

Understand your position with a complete range of tax support covering tax health checks, compliance, patent box and more

Exit strategy: Make the right decision

Advice on the most tax efficient means of exit from business, including reliefs, capital gains and alternative tax advice; complete regulatory audits before an exit or IPO can also be delivered

Raise Programme: Turbo-charge fundraising

Eight-week programme to meet Series A investors, with workshops to support applications, introductions to investors, and guidance through the negotiations

Digital Business Service Suite: Enhance the everyday

Tailored services with digital solutions paired with access to our expertise, including: MyFinancePartner, MyLawPartner, HR Hub, Cloud Accounting Centre and more

Collaborative Partnership Exploration

Support in the exploration, negotiation, and implementation of joint ventures and partnerships

Pathfinders: Exploring global expansion

Leverage our inward investment platform to enter, launch and grow across international markets

FinTech Deals Support

Support around all aspects of the deal lifecycle (e.g. corporate finance advisory/fundraising, due diligence, value creation)

How we help Private Equity and Venture Capital firms

Our experienced FinTech Deals team has worked on over 200 FinTech transactions, helping investors, entrepreneurs and corporates to capture value across all stages of the deal lifecycle in a fast-moving, high-growth market.



Market Scanning: Generating insights to make better business decisions

Bringing rigorous insights about current and future market dynamics to inform decisions on how best to respond to or reshape market trends



Corporate Finance Advisory

Advisory across all aspects of the transaction process, leveraging our deep expertise in the acquisition and valuation of FinTechs and raising finances for investors



Due Diligence: Investigating investment attractiveness

Support on the commercial, operational (e.g. tangible value estimates and risk profile management), technology (e.g. assessments of longevity and scalability), digital (e.g. digital user experience review) and financial (e.g. business plan and assumptions validation) issues faced across all stages of the deal cycle



Value Creation: Creating value beyond the deal

Our Value Creation team helps clients ensure no value is left on the table, bringing together our end-to-end capabilities and technology across the Deals lifecycle



Corporate Strategy: Preparing for the future

Help to create a strategic and actionable transformation plan for your FinTech business, with a focus on value creation to outpace your peers and enhance your capabilities to win



Industry expertise with a global perspective

Bringing together industry and business insight, technology innovation, human understanding and execution know-how, we are equipped to help you leverage the opportunities from FinTech.

Founded on industry insight:

our practice is rooted in the deep industry insight and functional expertise that comes from being a long-term leader in the Financial Services market. We understand the business decisions that need to be made by all parties to deliver a successful outcome.

Shaped around risk management:

our world class risk practice means we take a truly integrated approach which ensures effective risk management is at the centre of both our delivery and our advice.

Harnessing new technology:

our expertise in emerging technologies including blockchain, artificial intelligence, machine learning, robotics and cloud, and our own experience collaborating with FinTech partners, enables us to advise effectively on the most appropriate FinTech solutions.

Invested in the right networks:

through partnerships with the Government backed FinTech Alliance and organisations such as StartUp BootCamp, we have a strong presence at the heart of the FinTech ecosystem. These relationships mean we have a unique perspective on the evolving landscape, can match solutions to key industry pain points, and can facilitate appropriate introductions.

Global capability:

as a strategic transformation partner for clients in 160 countries, we bring insights, learning, and opportunities from across our global network. We leverage the scale, capability, local insights, and specialist expertise from our international FinTech teams to enhance our service through a combination of onshore, nearshore and offshore capabilities.



Contact our team

Contact one of the team for an exploratory conversation about how to unlock the potential of FinTech for your organisation.

Rav Hayer

UK FinTech Lead

M: +44 (0)7841 468296

E: rav.hayer@pwc.com

Andrew Macnab

UK FinTech Deals Lead

M: +44 (0)7979 600615

E: andrew.macnab@pwc.com

Mike Kennelly

UK FinTech Advisory

M: +44 (0)7764 958107

E: mike.v.kennelly@pwc.com

Nick Chouksey

UK FinTech Tax

M: +44 (0)7841 803594

E: nikhil.chouksey@pwc.com

Cayetano Uribe Sevilla

UK FinTech Team

M: +44 (0)7841 072785

E: cayetano.uribe.sevilla@pwc.com

Emma Bennett

Sales and Marketing

M: +44 (0)7718 979346

E: emma.bennett@pwc.com

pwc.co.uk/FinTech

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