

Scottish Cities Alliance – Fintech summary

Fintech is about using new technology and data-driven innovation to transform how financial services are delivered to customers, improving the way people and businesses purchase, access and manage their finances. It provides opportunities to develop new business models, create new businesses, generate jobs, increase efficiencies and improve productivity.

Scotland has a strong mix of technology and financial expertise.

Scotland is the UK's second largest Financial Services cluster, after London, with 86,000 people employed across Banking, Asset Management, Pensions & Investment and Insurance. It also has a high concentration of UK bank headquarters including RBS, TSB, Sainsbury's Bank, CYBG and Tesco Bank. In addition, Scotland is strategically valued by a range of successful global financial service companies including Morgan Stanley, Aviva, Baillie Gifford and Standard Life Aberdeen.

Barclays has announced plans to develop a new campus in **Glasgow** which will provide a state-of-the-art workplace for the bank's technology and operations teams, creating 2,500 new jobs.

Scotland has several major technology development centres for global Financial Services companies:

- JP Morgan has its European Technology Centre in **Glasgow** with more than 1,400 staff working on areas like machine learning, cybersecurity, big data and mobile payments.
- NCR has over 500 people working at its R&D Centre of Excellence in **Dundee** developing next generation ATMs
- Ingenico carries out payments terminal software R&D at its **Dalgety Bay** site in **Fife**
- Blackrock in **Edinburgh** carries out a range technology functions in support its global investment operations
- Aviva created its Commercial Digital Training Hub in **Perth** to bring together its online and traditional brokering teams and maximise Fintech benefits.

Scotland has a highly skilled workforce

As well as producing over 10,000 technology graduates annually, Scotland also has relevant world class research strengths that attract global talent including Data Sciences, Informatics, Artificial Intelligence, Cybersecurity and Blockchain:

- **Edinburgh University School of Informatics** is the largest in Europe and is ranked first in the UK for research power.
- Several Scottish universities have expertise in Artificial Intelligence including **Glasgow, Aberdeen** and **St Andrews**.
- **Abertay University, Dundee** was the first university in the world to offer an ethical hacking degree to support cybersecurity.
- **Edinburgh University** has a Blockchain Technology Lab within its School of Informatics
- **Stirling University** recently launched its MSc course in Fintech
- **RBS** has located a data team within Edinburgh University's new **Bayes Centre** for Data Science and Innovation

Scotland has a growing Fintech cluster

This combination of a strong, mature Financial Services sector and vibrant tech scene has fuelled the growth of a Fintech community in Scotland. Fintech start-ups and scale-ups include:

- Money Dashboard (online personal financial management service with 100,000 UK users)
- The ID Co (online identify verification service that enables safe digital transactions)
- Nucleus Financial (adviser platform providers with £14.3bn of assets under administration and 90,000+ customers) floated on London's Alternative Investment Market in 2018
- Previser (AI instant payment solutions and a European top 50 fintech business)

- Modulr Finance (business payments software) opened new offices in Edinburgh in 2018
- Broker Insights (works with some of the leading insurance firms)
- Actelligent (online investment platform developer from Hong Kong) has announced plans to establish its European R&D centre in Edinburgh

Fintech Scotland is a “strategic enabler” aiming to develop and build Scotland’s Fintech cluster by linking emerging technology firms, large Financial Services firms and universities. Some of Fintech Scotland’s strategic partners include IBM, Deloitte, Dentsu Aegis, RBS and Equifax, illustrating its global reach and world-class ambition. That ambition is for Scotland to be a top five globally recognised fintech centre by 2020 (currently ranked 15th in the world). Fintech Scotland’s aim is to achieve critical mass in the sector by attracting and retaining innovators, diverse talent and investment and ensuring Scotland has the foresight and flexibility to adapt to changes in the market such as Open Banking. Scotland has the globally competitive assets and capabilities to harness the economic and social benefits that could accrue through the shift to Open Banking and aims to position itself as a centre of excellence in this area.

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