



banking technology

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FORWARD THINKING

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THE SHAPE OF THINGS TO COME

Navigating financial services divergence in Europe

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Nominations are now open!

We are excited to announce that nominations are now open for the ninth annual **PayTech Awards!**

These prestigious awards recognise excellence and innovation in the use of IT in the finance and payment industry worldwide, and will be returning on **25 June, 2026** at the spectacular **Honourable Artillery Company, London.**

Nomination deadline is **13 March 2026.**

To submit your nomination visit paytechawards.com

Submit nomination



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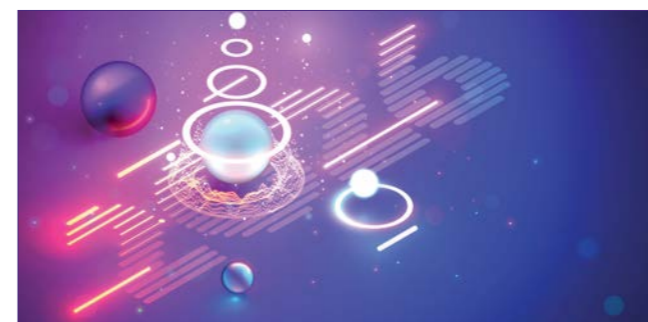
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EDITOR'S NOTE



Tanya Andreyasyan
Editor

Welcome to the February edition of *Banking Technology*, as always packed with fintech, banking tech and paytech goodness.

For some of us, 2025 might already feel like a distant memory, but if you'd like a recap of the fintech highs and lows of the last year, head over to the *FinTech Futures* website [here](#).

And for all things that are shaping 2026, take a look at the feature on p12 that sums up the key points supported by expert commentary on the subject. On p10 you'll find Dharm Mistry's take on the year ahead and his call on the banking industry to move on from resolutions to action!

It seems the world continues to simultaneously grow and expand, while becoming smaller in how well connected and more immediately accessible everything is.

In the Chinese Zodiac, when the new year starts on 17 February, it will be the Year of the Fire Horse. Confident, agreeable and responsible, with momentum and a slight dislike of being too reined in... something to take inspiration from, perhaps.

At *FinTech Futures*, we look forward to another year full of energy, engagement and excitement, and we hope you continue on this journey with us.

WEBINAR

FINTECH FUTURES

The future of payments:
Trends shaping a cashless
world and what sets PayTech
nominees apart

26 February 2026,
3:00 pm GMT

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NEWS ROUND-UP



Bermuda plans world's first on-chain economy with Circle and Coinbase

The Government of Bermuda has announced plans to turn the British island territory into "the world's first fully onchain national economy", according to a statement by Circle, which has signed on to support the endeavour alongside fellow digital asset giant Coinbase.

This proposed shift will deliver "tangible benefits to residents and businesses", Circle says, including lower transaction costs, and "greater access to global finance through modern digital wallets, and infrastructure that keeps economic value circulating locally".

Circle is providing the Government of Bermuda, as well as local banks, insurers and businesses, with "digital asset infrastructure and enterprise tools", alongside project partner Coinbase. The companies will also be responsible for "nationwide digital finance education and technical onboarding".

The implementation will enable merchants to accept dollar-denominated payments in the USDC stablecoin, first launched by Circle in 2018. The Government of Bermuda introduced its Digital Asset Business Act that same year, with Circle and Coinbase among the first to be licensed under the regime, and started using USDC to accept payments for taxes, fees and other government services in 2019.

Circle explains that intake is expected to increase further as national government agencies begin piloting stablecoin-based payments, financial institutions integrate tools for tokenisation, and residents are encouraged to enrol in upcoming digital literacy programmes.

Checkout.com approved for Georgia bank charter

UK-based payment solutions provider Checkout.com has secured approval for a Merchant Acquirer Limited Purpose Bank (MALPB) charter from the Georgia Department of Banking and Finance. The paytech says the approval allows it "to accelerate plans to operate as its own acquirer in the US market", with the charter providing the firm with direct US card network integration.

The announcement marks a major milestone in Checkout.com's US expansion, having previously stated after its Series B and Series D funding rounds that it intended on expanding its services in the country. Upon submitting its charter application last year, the company opened a new strategic hub in Atlanta, adding to its previously established offices in New York and San Francisco.

Established as Opus Payments in 2009, the company rebranded to Checkout.com in 2012 and has since expanded into 19 different offices across the world. To date, it has processed more than \$300 billion in ecommerce payments volume for its clients.

SMBC to wind down US-based digital banking unit Jenius Bank

Sumitomo Mitsui Banking Corporation (SMBC) is winding down its US-based digital banking unit, Jenius Bank. New account openings and loan originations have been suspended, while existing accounts will continue to be serviced until the platform is completely shut down. An official date for the unit's full closure has not yet been announced.

According to a WARN notice published by the South Dakota department of Labor and Regulation, more than 160 Jenius Bank employees are set to be laid off due to the closure.

Jenius Bank was first announced in 2022 and launched in the US in 2023 as the digital banking division of SMBC MANUBANK, a California state chartered commercial bank that is a wholly owned subsidiary of SMBC Americas, a member of Japan's SMBC Group.

The digital bank offered personal loans at launch before expanding its offering to include savings accounts.

Affirm files Nevada bank charter application

US-based buy now, pay later (BNPL) company Affirm has submitted its proposal for a banking subsidiary, Affirm Bank, to the Nevada Financial Institutions Division and the Federal Deposit Insurance Corporation (FDIC).

The new banking division will "strengthen and diversify Affirm's platform", according to CEO and founder Max Levchin, by accelerating the rate at which new products and services are introduced. The subsidiary would complement Affirm's current business and bank partnership models.

In the proposal, Affirm names former Hatch Bank president John Marion as the subsidiary's president, bringing over 25 years of leadership experience at major financial institutions to the role.

Affirm Bank will operate as a wholly owned, Nevada-chartered, FDIC-insured bank subsidiary of Affirm, and maintain its own independent governance and internal controls.

Established in 2012, Affirm has underwritten approximately 60 million users since launch, facilitating access to roughly \$130 billion in credit. In 2024, the company landed a significant partnership with investment firm Sixth Street, securing a capital commitment to support the extension of up to \$20 billion in loans through 2027.

Saxo Bank fined around \$50m by Danish regulator



The Danish Financial Supervisory Authority (DFSA) has issued an administrative fine of DKK 313,000,000 (approximately \$50 million) to Saxo Bank for alleged violations of the country's Money Laundering Act.

The regulator says the penalty is based on the bank's "failure to comply with the requirements for obtaining information regarding the purpose and intended nature of a number of customer relationships, as well as compliance with the requirements for ongoing monitoring for white label clients (WLC), where Saxo Bank makes its trading platform available to the WLC's customers (end customers), during the period from January 2021 to May 2023".

The administrative fine follows an inspection conducted by the DFSA in May 2023, which focused on Saxo Bank's anti-money

laundering (AML) processes, internal controls and compliance functions. As a result, Saxo Bank says it received 12 enforcement orders from the regulator, all of which have since been closed. The inspection did not find any instances or signs of money laundering.

CEO Kim Fournais, who founded Saxo Bank in 1992, says the bank has since "undertaken a wide range of strategic and operational measures and invested significantly in the prevention of money laundering and terrorist financing, including improvements in processes, procedures and reporting across numerous areas".

UK fintech Guavapay enters compulsory liquidation

Guavapay, a UK-based payment solutions provider, has entered compulsory liquidation, according to a statement from the UK Financial Conduct Authority (FCA). The FCA originally authorised Guavapay to issue e-money and provide payment services in 2019.

The liquidation follows a winding up petition filed by Mastercard, one of Guavapay's largest creditors, with the UK Business and Property Courts at the end of last year. The petition alleged that Guavapay had failed to pay Mastercard a debt of £10.8 million, made up of a principal amount of \$10 million and fees, charges and penalties totalling around \$800,000. The court hearing was scheduled for 21 January.

On the same day as the court hearing, reports emerged that Orkhan Nasibov, the Azerbaijani entrepreneur who founded Guavapay in 2017, had resigned as its director. According to Companies House filings, Nasibov resigned on 9 January. In a statement to *FinTech Futures*, a spokesperson cited "accumulated stress, fatigue and health-related reasons" for Nasibov's decision to step down.

Early last year, he stepped down from the role of chairman of Guavapay. The company's group CEO at the time, Kamal Hasanov, left shortly afterwards. Former Royal Bank of Scotland/NatWest exec Guy Noble then had a brief stint as UK CEO of Guavapay, which concluded in August.

In September, the fintech announced the temporary suspension of its UK services.



For a healthy dose of daily news on all things banking, fintech and payments head over to the [FinTech Futures online news section](#).

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1,800

jobs to go at Société Générale in France as part of a "project for organisational simplification", according to the bank; the reductions will be achieved "by leveraging natural attrition and an innovative social framework that invests in internal mobility and the development of employees' skills"

\$6.4 billion

is the valuation of OneStream, a US-based enterprise finance management platform, as it has entered into a definitive agreement to be acquired by VC firm Hg; the deal will see OneStream shareholders receive \$24 per share in cash, representing a 31% premium to the company's closing share price on 5 January 2026



€5.3 billion

to be paid by Deutsche Börse Group for the remaining shares of B2B wealthtech platform Allfunds – €200 million less than what was initially proposed; the deal values each Allfunds share at €8.80 and still requires shareholder authorisation

\$1.95 billion

is the latest valuation of Rain, a stablecoin-focused payments infrastructure platform based in the US, following its \$250 million Series C funding round led by ICONIQ; the Series C round brings Rain's total funding to date to over \$338 million since its inception in 2021 and follows a \$58 million Series B secured just a few months ago, and a \$24.5 million Series A secured in March last year

\$1.15 billion

is the latest valuation of US brokerage platform Alpaca after raising \$150 million in a Series D funding round led by Drive Capital; the California-based company has also secured a new \$40 million credit line; the company is keen to use the capital for further international expansion (see p28 for details)

\$5.15 billion

to be paid by US banking group Capital One for the acquisition of expense management platform Brex – described by Brex as "the largest bank-fintech deal in history"; the price tag is, however, notably smaller than the fintech's previous valuation of \$12.3 billion in early 2022, achieved during its \$300 million Series D-2 funding round (see p28 for details)

\$250 million

to be paid by Polygon Labs, the US-based blockchain payments firm, to acquire Coinme, a Seattle-headquartered stablecoin and crypto payments platform, and Sequence, a Web3 and crypto infrastructure company; the two firms will play "foundational roles", Polygon says, in building out its upcoming fiat and digital payments solution, Polygon Open Money Stack



THEY SAID IT...

"A growing number of people are now using social media and AI chatbots to get financial advice or information. This should be a serious cause of concern for financial institutions."

"Are consumers gravitating to social media and AI chatbots because the traditional financial services industry has failed to provide the guidance that consumers need when they need it? Are we serving them product pitches that fit our roadmaps and business models disguised as guidance? And what good are millions of dollars of investment in digital transformation when consumers are turning to third-party robots instead?"

Theo Lau, founder, Unconventional Ventures

• Read the full article on the *FinTech Futures* website [here](#)

TRENDING

Neobank hoping for a Bunq up with US offering

Dutch neobank Bunq has filed for a US de novo banking licence with the Office of the Comptroller of the Currency (OCC) as it gears up for a full service launch in the country.

Established in 2012 by CEO Ali Nikham, Bunq is Europe's second-largest neobank and offers digital banking services including accounts, payments, stock trading, budgeting tools and more to over 20 million individuals and businesses across 30 countries in the European Economic Area.

With its sights set on expanding to the US, Bunq initially applied for a US banking licence with the Federal Deposit Insurance Corporation (FDIC) in New York back in 2023. Last year, it secured a broker-dealer licence from the Financial Industry Regulatory Authority (FINRA), which enables the company to provide US stock trading services to American clients, including self-directed investment options in mutual funds and ETFs.

Bunq says its US offering will "focus on digital nomads and global citizens with ties to both Europe and the States".

Upon approval, it plans to "launch its services starting in US metropolitan areas with large expat communities; the places where its users live, work and move the most".

Bunq adds that "users will also be able to quickly build credit scores – a common challenge for newly-arrived expats – by accessing European financial records, in addition to having the option to open both US and European checking accounts if eligible".

Bunq also applied for an Electronic Money Institution (EMI) licence in the UK earlier in 2024, reflecting its broader international expansion strategy beyond the EU.

Valt in pole position to offer fully digital banking following US application

Valt, a proposed new digital bank for small and medium sized businesses (SMBs) in the US, has recently submitted its application for a national bank charter and authorisation to issue federally insured deposits to the OCC and Federal Deposit Insurance Corporation (FDIC).

Valt is being set up by former US Bank employees John Elmore, Ross Carey and Matthew Gediman – alongside Kim Hoyt, former managing officer of Garrett Hermann Robertson,



and Dana Johnson, chief investment officer and president of MidAmerica Capital Partners.

Gediman tells *FinTech Futures* that the creation of Valt was "inspired by the events of the 2023 banking disruption, which underscored the importance of disciplined risk management

and strong governance". 2023 saw the collapse of Silicon Valley Bank followed by the closure of Signature Bank shortly after.

"It was also a reminder of how SMBs can be disproportionately affected during times of financial stress," Gediman adds. "We saw an opportunity to build a resilient, well-

governed bank designed specifically for SMBs, using modern technology to address long-standing friction points in business banking.

"Broadly speaking, business banking can be cumbersome for SMBs because payments, deposits and credit are often delivered as fragmented experiences," Gediman adds. "Our mission is to make business banking uncomplicated by providing a cohesive and intuitive way to manage financial needs."

Valt will be based in Eagle, Idaho, and will be a fully digital offering with no physical branches.

It will provide a range of business banking products and services, including credit and deposit products, treasury and cash management, advisory and automation tools for payroll, accounting and data insights.

Modulr building up to Stateside payments service with FIS pairing

Modulr, a London-headquartered embedded payments provider, has announced its entry into the US market through a new partnership with financial technology company FIS.

As a result of the partnership, Modulr says it will provide "critical technology" for FIS's Money Movement Hub. This cloud-native orchestration platform, launched in May last year, enables financial institutions to access real-time, batch and cross-border payment systems through a single API.

The company is believed to have inked the partnership in around September last year, when its quarterly results indicated that a contract had been landed with a "major" US financial technology firm, alongside a reduction in 2024 pre-tax losses of £11 million.

Modulr's US market debut builds on an existing track record in Europe, where it already participates directly in local payment schemes including Faster Payments, Bacs, SEPA and Swift.

The company processes more than 300 million transactions annually, with a total payment volume currently exceeding £150 billion.

Myles Stephenson, founder and CEO of Modulr, describes the partnership with FIS as "a collaborative launchpad" that will help US financial institutions "unlock the full potential of instant payments", while also citing the market expansion as "a natural next step for Modulr".



For more stories on new banks and approvals, head over to the [FinTech Futures website](https://www.fintechfutures.com).

Architectural transformation: from theory to reality

By Dharmesh Mistry

At the end of 2025, I [prayed for banks](#) and [core banking vendors](#) that had not made – or potentially not even started – the transition to a new architecture for banking.

Let me be clear: I mean a multi-year plan to create genuinely new technology architecture. Not repackaging legacy code. Not running AI pilots. Not containerising a monolith and calling it cloud-native.

The future belongs to those with strong vision and those who execute most effectively to achieve it. But vision alone isn't enough. It must be clearly articulated to customers and staff. Your people must see projects that actually strive towards that vision.

As we move into an AI-driven world, trust and value will become central to how customers choose suppliers. Those with strong brands that evidence their vision – not just market it – will win.

Today, in the UK, I believe only one bank

and one core banking vendor truly operate this way. Both will increase their leadership precisely because they understand that architecture is destiny. I'll let you tell me which two you think they are.

THE UNCOMFORTABLE ARCHITECTURAL FACTS

A strong architectural plan will determine future strength. The facts:

1 Cloud-native requires substantial redesign, not migration. You can't package modules into containers and call it cloud-native. That's cloud-hosted. By now, even marketing can't hide the escalating cloud cost of hosting versus the efficacy of native solutions.

2 Cloud-native was the original goal for modern cores, but the new requirement is multi-cloud – actually architected to run seamlessly across multiple clouds. This is new code, new

thinking, powering capabilities even cloud-native platforms weren't designed to support.

3 AI should replace workflows and business rules, not make old ones more efficient. If your AI strategy automates existing processes faster, you're missing the point. This requires redesign, not optimisation.

4 Every bank needs a 'single brain' – unified intelligence capable of understanding complete customer context and making real-time decisions. This requires not only generative AI but new agentic capabilities, both only available in the last three years.

The truth is nobody has the complete future solution because the landscape continues to evolve. But everyone can have a vision about what the bank of the future will be. With this, they can create

strategy and ensure staff understand the plan. Without it, they're hoping the future looks enough like the past that current architecture remains relevant. It won't.

MY THREE PREDICTIONS FOR 2026

1 **Agentic banking will arrive**
Leaders will have over 50% of human workloads automated – not through simple process automation, but through genuinely intelligent agents that reason, decide and act. Not chatbots handling FAQs. AI agents managing complex interactions, making real-time credit decisions, orchestrating products dynamically, handling exceptions that previously required three committees and five weeks.

Banks achieving this won't be the ones with the best AI pilots. They'll be those who rebuilt architecture to support intelligence from the foundation, those who understood agentic banking requires agentic architecture.

2 **New business models will provide larger growth opportunities**
Leaders understand stablecoins are just one form of digital asset that can drive innovation, speed and dramatic cost efficiency. More importantly, they see that AI and digital assets create new revenue streams with first-mover advantage headroom. Entirely new categories of financial services will emerge when

you combine programmable money, intelligent automation and composable infrastructure. Banks optimising current product catalogues won't see these opportunities until too late.

3 **AI-native banks will emerge**
Banks will face competition from next-generation AI-native players. These will be more agile, highly personalised and scale faster, focusing on customer value and trust through genuine innovation. But what makes them dangerous is: they won't compete on the same metrics. Rather than areas like user experience and operational efficiency, AI-native banks will compete on capabilities that literally cannot exist on traditional architecture, even modern cloud-native cores. The economics will be devastating. AI-native banks will run at a fraction of the cost. The automation isn't just deeper – it's fundamentally different.

THE RESOLUTION

I've been talking about architectural transformation for years. The difference in 2026 is that theory is becoming reality. "Nice to have" has become "necessary to survive". The gap between those with vision and without has become unbridgeable.

So, here's my resolution for banking: stop confusing activity with progress. Stop calling renovation transformation.

Stop pretending that adding AI features to legacy architecture equals building AI-native platforms. In 2026, the difference between evolution and revolution will become clear. Those who built for yesterday's world – no matter how efficiently – will compete with players built for tomorrow's.

I'm just saying... vision without architecture is dreaming, architecture without vision is a road to nowhere. The winners will be those who understood they need both – and had the courage to build accordingly.



Dharmesh Mistry has been in banking for more than 30 years and has been at the forefront of banking technology and

innovation. From the very first internet and mobile banking apps to artificial intelligence (AI) and virtual reality (VR). He has been on both sides of the fence and he's not afraid to share his opinions.

He is an entrepreneur, investor and mentor in proptech and fintech. Follow Dharmesh on [X @dharmeshmistry](#) and listen to the [Demystify](#) podcast he co-hosts with [Dave Wallace](#).

What does the year ahead have in store for fintech?

By Cameron Emanuel-Burns, reporter, FinTech Futures

In 2025, the financial services industry continued to transform how consumers interact with money. Looking ahead to 2026, the sector is poised to accelerate innovation, driven by the growing adoption of new technologies by individuals and businesses worldwide.

In this article, we've gathered insights from industry experts, including fintech founders, investors and banking professionals, to find out their predictions for the financial technology landscape in the year ahead.

Here's what to watch for in 2026 and how the fintech space is set to evolve.

ARTIFICIAL INTELLIGENCE IN 2026

As we head deeper into 2026, it is no surprise that AI remains the transformative force in the financial sector. Subramanian Narayanaswamy, executive director at Wells Fargo, describes AI as the industry's "darling", spotlighting agentic AI as a key emerging use case.

"Financial services companies typically spend millions each year on compliance,

anti-money laundering and fraud investigations, where agentic AI can make a real difference," he says. "I have noticed first-hand that the US banks are already successfully piloting agentic AI for simpler customer operations."

In 2026, Narayanaswamy expects the emerging technology to "progressively move up the value chain to more complex processes, unlocking productivity in financial institutions".

He continues: "My prediction, based on investments in this sector and

conversations with executives, is that banks will continue to increase spending on agentic systems that can investigate, trace funds, flag risky behaviours and take automated action. Fraud teams won't just get dashboards; they'll get autonomous agents that can handle the first layer of triage and escalate only the complex cases to humans."

On the continuing use cases for agentic AI, Luke Youngblood, founder of Moonwell, expects trustless payment settling mechanisms, such as x402, to unlock "major

trading potential" by "making it easier for agentic AI to transact online". He suggests that there will be a "measurable difference" between people using "AI agents to automate their investment strategies versus people who do so manually".

REGULATION AND TRUST

As fintechs continue to scale and take prominence in people's daily lives, building and maintaining trust among the general population – especially non-digital natives – has become critical.

John Byrne, founder and CEO at Corlytics, emphasises that as AI adoption increases, regtech firms must ensure the technology is used "safely, consistently and in line with regulatory expectations".

Byrne predicts that 2026 will see "the emergence of AI discipline", adding: "As regulators shift from guidance to enforcement, and expectations of precision tighten across global financial services, organisations will need more than AI ambition: they will need systems that prove their decisions are accurate, governed and defensible."

He adds: "The firms that succeed will be those that resist the trade-off between speed and precision, taking an ensemble approach that enhances decision-making without allowing accuracy to become the cost of automation."

On the topic of banking regulation, Tord Topsholm, CEO of 0TO9 and former head of Northmill Bank, says: "We have to be honest: building a fintech start-up in Europe has become close to impossible unless you already look like a bank."

"Regulation has grown so complex that it favours incumbents, while innovation is treated as a risk," continues Topsholm. "If Europe wants to lead banking innovation, we must allow for simplified regulation, taking care of the most important aspects without being too complex to allow entrepreneurs to start and scale their companies and grow their ideas."

STABLECOINS AND DIGITAL ASSETS

In the digital assets space, the evolving regulatory landscape looks set to play a pivotal role in shaping the future of the industry.

One such area of focus is the continued development of central bank digital

"If Europe wants to lead banking innovation, we must allow for simplified regulation, taking care of the most important aspects without being too complex."

Tord Topsholm, Northmill Bank

currencies (CBDCs). The Monetary Authority of Singapore (MAS) is planning to launch a wholesale CBDC pilot in 2026, while the European Central Bank is advancing its efforts to lay the groundwork for a pilot programme for its digital euro.

Digital assets and stablecoins in particular experienced a resurgence in 2025, bolstered by the passage of the GENIUS Act in the US, which provided greater regulatory clarity for the industry.

Scott Frisby, head of strategy for Europe at Elavon, says: "2026 could well be the year stablecoins begin their journey from niche asset to legitimate payment method, though widespread adoption remains further out."

Frisby continues: "The path to mainstream acceptance will likely start when major multi-purpose wallets will enable stablecoin storage alongside traditional payment methods."

Looking forward, Krishna Subramanian, CEO of Bruc Bond, says that "broad-based adoption of cryptocurrency as a legitimate payment method is becoming increasingly plausible". He adds that as "products and services begin to be priced directly in crypto, institutions will need to rethink treasury structures, FX exposure and settlement architecture".

LEGACY INSTITUTIONS AND THE FIGHT FOR RELEVANCE

Incumbent banks continue to battle digital challengers that are steadily capturing market share. In 2026, the

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sector will see further competition as legacy institutions strive to meet evolving customer expectations.

Hans Tesselaar, executive director at BIAN, calls on institutions to stop “relying on legacy technologies” and instead urges organisations to “strive to create an infrastructure founded on seamless interoperability”.

Tesselaar stresses that as neobanks “showcase seamless offerings, matching consumer expectations for a more AI-influenced, hyper-personalised service, customer loyalty and brand reputation are on the line for traditional institutions”.

He advocates for the “Coreless Banking” concept, where banks can “adopt a framework that works for them, capable of innovating with the industry”.

“By focusing on a plug-and-play approach driven by microservices, AI agents and open standards, organisations can modernise, in a controlled way, to align with changes in legislation, growing customer expectations and the emergence of new technologies,” says Tesselaar.

“2026 WILL SEPARATE FINTECH SURVIVORS FROM CASUALTIES”

Those are the words of Patrice Mesnier, founding partner at Oldenburg Capital Partners, discussing what founders should be mindful of in 2026 when seeking investment.

“Too many players are chasing the same opportunities. Expect consolidation, not expansion,” continues Mesnier. “Rather than those building another consumer app, the winners will be those solving institutional problems.”

“Large banks now back select fintechs with real capital – millions in investment, not thousands – because they recognise building in-house is slower and more expensive. But they’re choosy. Founders who underestimate regulatory timelines will burn through runway before reaching market,” explains Mesnier.

Jacob Bennett, CEO and co-founder

“Fintech will not replace traditional finance and it will refine it. Banks will lend their stability, fintechs their speed, and together they’ll make finance more intelligent, inclusive and human.”

Kundan Shahi, Zavo

of Crux Analytics, echoes the notion of increasing competition. “Consumer fintech is oversaturated. Funding flows to whichever start-ups solve institutional problems and in 2026, that means B2B infrastructure for community banks competing against nationals.

“Fintech start-ups that survive will be those building AI-augmented relationship manager tools,” adds Bennett. Companies that provide relationship managers “real-time cash flow insights, proactive recommendations and early warning systems will capture market share”, whereas “those building faster transaction processing, won’t”.

Meanwhile, Mesnier says regtech will be a big focus for investment. “Compliance is costly, complex and unavoidable,” he says. “Technology that reduces regulatory friction has clear ROI and fewer competitors than consumer fintech.

“The fintech landscape in 2026 favours depth over breadth: institutional solutions over retail plays, regulatory infrastructure over flashy interfaces and profitable unit economics over growth-at-all-costs. Capital remains available, but patience for unproven business models has expired,” states Mesnier.

CONCLUDING THOUGHTS

With another transformative year on the horizon for fintech, the spotlight shifts to evolving regulations, market expectations and innovations shaping the future of financial services.

This year is expected to bring continued refinement and development of emerging

technologies such as stablecoins, agentic AI and quantum computing.

The industry continues to make advancements in financial inclusion and social good, with projects undertaken this year including [savings accounts for immigrants](#), [bank accounts for the homeless](#) and [digital tipping solutions for street vendors](#).

Commenting on the UK fintech forecast for 2026, Janine Hirt, CEO of Innovate Finance, states: “2026 will be the year UK challenger banks further cement their status as a new backbone of our financial system.

“What was very much considered a start-up sector a decade ago now boasts high-performing, profitable institutions that are driving the UK’s economic growth. These firms are no longer just secondary accounts but the primary banking relationships for millions of consumers and businesses,” continues Hirt.

She believes that to “unlock this full potential”, the UK must adopt a “Think Challenger” regulatory mindset.

“If we get the regulatory environment right, 2026 will see the UK’s challenger success story scale to new heights, driving the competition, innovation and economic resilience our country needs to remain a global leader in digital banking,” she says.

To conclude, Kundan Shahi, founder and CEO of Zavo, states: “The outlook for 2026 is clear. Fintech will not replace traditional finance and it will refine it. Banks will lend their stability, fintechs their speed, and together they’ll make finance more intelligent, inclusive and human.”

Leap of faith

By Leda Glyptis

Those of you who spent your formative years inside bank technology teams have probably... at times... found yourselves deeply craving shiny new tech... unencumbered architecture... things that work without sticky tape, workarounds, swivel chair data entry and all the other euphemisms the industry has come up with for 'the solution isn't fully fit for purpose, do your best'.

What I am trying to say is: the current state and the legacy burdens of incumbent architecture isn't the outcome of generations of tech teams going 'nah'.

Everybody wanted more. Everybody wanted better.

This is not wishful thinking and idle desire we are speaking of.

This is deep, desperate, passionate and largely unrequited need.

In the early days of the fintech wave, the rollout of API-first architecture saw some tech people jump to 'the other side' and join fintech start-ups.

The idea of building with no legacy, no archaeology, no constraints other than talent,

budget and time was too much to resist. Was it that simple, after all? Of course not.

Because even when you don't have the size and complexity of bank legacy, you have a whole host of other things to contend with.

Let's just say 'legacy' doesn't need to be a 1970s mainframe to cause you problems... so yeah.

Meanwhile, the crippling irony is that, if you are building for banks, you may not have legacy, but *they* do. And somewhere in your integration journey... that on-prem customer master you ran away from when you switched sides is back with a vengeance as it becomes your problem all over again...

I know you know all this.

None of this is new.

None of this is a surprise.

All of this has been painful for a while.

It has been painful for the innovation teams who have been tasked with

delivering headline grabbing capabilities without touching the core... without cleaning up the data lakes... without changing the testing cadence... without touching the architecture.

But it's also been painful for the BAU teams who have seen what little extra budget there was go to the shiny things the innovation teams are building on the other side of the



floor, while they are left with some sticky tape and string and a bitter taste in their mouths, as if all this inefficiency were somehow their fault.

And as if all this wasn't bad enough, they've seen digital assets teams being spun up while they are losing colleagues to rationalisation

in ops and reconciliations and queries teams... leaving mostly manual processes under-staffed and as unloved as ever. But now a little less understood.

And the digital assets teams are meanwhile clamouring for more access, their hands itching to solve some of the legacy constraints once and for all. All they need is a green light and some budget.

And they are *all* correct in their frustration and their complaints. Both the BAU folks and the digital assets folks and the innovation folks and every other grumbling team.

And the CEOs who made those

half-way house decisions are also right because... how do you eat an elephant? Nobody ever said 'all at once', right?

Right.

Only this isn't working.

As ever, this time of year, we are surrounded by predictions of what the year ahead holds.

Where to point your talent. Where to point your content teams. Where to spend your money. And time.

This happens every year.

But if you've been paying attention, you will have noticed that the predictions went from things you ought to *have* – APIs! A blockchain! Cloud! OCR capabilities! – to things you needed to *become* – a platform business! Embedded! Data first! – to things you need to *be* – AI-native! Cloud-native!

Real time!

Even in the stablecoin world (where many traditional institutions have been



Nominations are now open!

Nominations are open to banks, financial institutions, software providers, teams and individuals from across the world.

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playing with a little more confidence than other spaces), the reality of the capabilities mean that you need to be real time in all the systems, processes and compliance checks surrounding your shiny new capability.

End to end. Across your estate and with the world upstream, downstream and overhead (that is not a thing; I have added it for dramatic effect).

Or you can only use this capability internally and... yeah, as you were.

Everyone is 'doing AI'. Everyone is playing with stablecoins. Everyone is moving towards real time.

Folks working in those teams inside large organisations take exception with my tentativeness.

And I need to say, at this point – and say it loudly – that my tentativeness has nothing to do with the quality of their work, the reach of their impact or the strength of their vision.

It has everything to do with the scars I bear from working with organisations that carry immense complexity.

Because complexity costs. A lot.

You'll often be paying for a whole bunch of different teams with non-fungible skillsets, incompatible release schedules and business dependencies.

My friend Dharmesh Mistry [wrote in his own predictions piece](#) for *FinTech Futures* (see p10) about the mounting cost of hosting services that weren't redesigned before being migrated to the cloud. Take it from him if you won't take it from me.

And it's not just that.

Complexity increases risk exposure, fragments attention and slows everything down. Which comes with additional risk exposures and cost, in a spiral of ever-accelerating existential angst. And cost.

All these are not different ways of talking about the same mounting cost. So we are clear.

All these are additive, separate, non-fungible line items in your budget requirements. For lights on.

Even if you're allowed to play with the tech and build the thing and even release the thing, with all the existing complexity, it will often be messier than it needs

“Complexity increases risk exposure, fragments attention and slows everything down. Which comes with additional risk exposures and cost, in a spiral of ever-accelerating existential angst. And cost.”

Leda Glyptis

to be, uglier than it needs to be, more precarious... not to mention slower. And every time something goes wrong (which is often, because that's what happens when you build new things), you need to cut a little bit of the ambition, trim down a little bit of the vision, roll back a little bit of the impact.

But, honestly, you will probably think that every little helps, and even though you're not going as far as you meant to go, you are still closing the gap. Right?

Between the static, monolithic behemoths, the batch jobs and Excel spreadsheet 'golden source' madness... and the future.

Right?

Actually... wrong. As it turns out: desperately wrong.

The gap hasn't closed.

The industry has built amazing things over the years. *That* I will never deny. Banking has transformed in my two decades in the industry (gulp... I will never get used to that number).

And the AI applications are real.

And the stablecoin traction is real.

But you know what else is real?

The mainframes. The on-prem masters. The spreadsheets. The risk register and complexity and dependencies and blind spots and inadequate documentation and outages and skills gaps... and did I mention the blind spots?

The gap between the reality inside our organisations and the things futurists were talking about was always real.

It's always been there.

It's always been a bit scary.

But we mostly could see the other side even if the leap scared us.

My worry is that this gap is fragmenting... widening... crossing it isn't as easy... the other side isn't as visible.

It was always hard.

But now I am not sure we see the way across. We imagine the other side, perhaps, but we can't always see it.

So taking the leap, which was scary anyway, is now terrifying.

So... just... remember that.

When you talk about the future and challenge people inside banks to take the leap towards the future that we all know is already here.

Keep doing it, by the way. The challenge thing.

Keep doing it.

Just... remember the gap. That is all.

#LedaWrites



Leda Glyptis is *FinTech Futures'* resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption. She is a recovering banker, lapsed academic and long-term resident of the banking ecosystem. She is also a published author – her first book, *Bankers Like Us: Dispatches from an Industry in Transition*, is available to order now.

All opinions are her own. You can't have them – but you are welcome to debate and comment!

Follow Leda on X (@LedaGlyptis) and LinkedIn (Leda.Glyptis PhD). Visit our [website](#) for more of her articles.

Shaping the divergent European financial services landscape

By David Penn, research analyst, Finovate



More than a decade after the UK's decision to leave the European Union, its impact on financial services remains tangible – particularly when it comes to regulation, innovation and risk. Across Europe, institutions are navigating a complex and increasingly divergent regulatory landscape at the same time as they face rapid technological change, rising customer expectations and persistent threats from fraud and cybercrime. One of the clearest examples of divergence can be seen in digital assets.

The UK's Financial Services and Markets Act (FSMA) takes a use-case-driven approach to stablecoins, focusing primarily on payments. In contrast, the EU's Markets in Crypto-Assets (MiCA) Regulation applies a broader framework that covers asset-referenced tokens and e-money tokens. Both regimes emphasise consumer protection, but they reflect different philosophies: the UK's framework is often viewed as seeking a more explicit balance between innovation and risk management, aligned with its ambition to

remain a global hub for digital finance. A similar contrast is emerging around artificial intelligence. The EU AI Act introduces a structured, risk-based classification system, with strict obligations for high-risk use cases, including those in financial services. The UK, meanwhile, has opted for a principles-based approach that relies on existing regulators such as the FCA, giving firms more room to experiment while still holding them accountable. For banks and fintechs operating across borders, these

differences raise important questions about compliance, scalability and time to market – questions that are front and centre for many conversations at FinovateEurope.

Regulatory choices have also shaped the pace of technological adoption. The UK's early embrace of open banking helped catalyse a vibrant ecosystem around APIs, embedded finance and data-driven services. Regulatory sandboxes and standardised infrastructure have lowered barriers to experimentation, contributing to strong growth expectations for embedded finance. Across Europe, momentum is building as well, particularly as open finance initiatives expand beyond payments into lending, investments and insurance.

At the same time, faster payments and real-time services have created new challenges. Fraud – especially Authorised Push Payment (APP) scams – has become a defining concern. While the UK benefits from more centralised fraud reporting

and analysis, its role as a global financial hub also makes it a prime target. Across the region, institutions are being forced to rethink how fraud prevention, customer experience and personalisation can coexist without undermining trust.

Underlying many of these issues is a familiar constraint: legacy infrastructure. Core systems built decades ago continue to limit speed, flexibility and scalability. While 'innovating around the core' has delivered incremental gains, pressure from regulators and digitally savvy customers is making

deeper modernisation unavoidable. This challenge is not evenly distributed – less developed regions face additional hurdles – but demand for change is unmistakable.

European banking customers today are sophisticated, digitally engaged and open to innovation – provided it is secure, transparent and well governed. Their expectations are shaping the next phase of financial services transformation. The path forward lies not in choosing between innovation and regulation, but in designing systems, products and policies that allow both to reinforce each other.

[FinovateEurope](#) in London (10-11 February 2026), offers a vital platform for addressing the challenges of regulatory divergence, technological innovation, and risk management in financial services.

As part of the global Finovate series, its US counterparts, [FinovateSpring](#) (5-7 May, San Diego) and [FinovateFall](#) (9-11 September, New York), will further explore regional and global strategies to drive transformation across the industry.

To learn more about these events and access insights from Finovate analysts, visit finovate.com.



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MERGERS AND ACQUISITIONS



JP Morgan is to acquire UK-based wealthtech company **WealthOS** for an undisclosed amount, to enhance its pensions and retirement planning capabilities.

Founded in 2019 by CEO Anton Padmasiri and COO Chamat Arambewela, WealthOS provides a Software-as-a-Service platform that enables firms to offer digital wealth management solutions. The company secured its first client in 2024, when Quai Digital partnered with WealthOS to offer products such as Lifetime ISAs and fully digital drawdown pensions.

In November 2025, the company appointed former Google and LinkedIn executive John Herlihy as its first chairman. Herlihy was an early investor in WealthOS, participating in the firm's £565,000 seed funding round in 2021. The company also previously received backing from UK banking giant Barclays.

WealthOS' team of 60 employees, located in the UK and Sri Lanka, will all join JP Morgan and work within the JP Morgan Personal Investing portfolio, the bank's retail wealth management and investment brand. It was introduced at the end of 2025 as a rebrand of Nutmeg, the London-based digital wealth manager that JP Morgan acquired in 2021 for approximately £700 million. It serves around 275,000 UK customers.

ClearScore Group The UK's **ClearScore Group** has acquired **Acre Platforms**, a technology provider for the mortgage industry, for an undisclosed sum. ClearScore describes itself as a "natural home" for Acre, stating that the business will "power ClearScore's overall mortgage capability and strategy".

Founded by CEO Justus Brown in 2018, Acre operates an intermediary platform that helps brokers manage mortgage and protection processes, combining sourcing, compliance and case management into one system.

ClearScore's platform offers a marketplace for credit cards, loans and car finance, and is currently used by over 25 million users globally. The platform already includes credit solutions provider Aro Finance, acquired by ClearScore last year, and D-One, the group's open banking business.

Following the acquisition, ClearScore says Acre and its 47 team members will be absorbed into the group's UK operations in London, Manchester and Edinburgh. This will be followed by plans to extend the mortgage platform into ClearScore's businesses in South Africa, Australia, New Zealand and Canada.

zilch UK-based consumer payments firm **Zilch** is acquiring **Fjord Bank**, a Lithuanian challenger bank with \$120 million in assets, for an undisclosed sum.

Fjord Bank specialises in digital consumer lending and savings products. It offers loans ranging from €600 to €30,000 for private

customers, along with other financial services such as insurance, consumer loans, car loans, and home improvement loans.

The bank, launched in 2021 and led by CEO Veiko Kandla, operates in Lithuania, Estonia, Ireland, Germany, Spain and the Netherlands. The proposed sale to Zilch follows Norwegian internet browser company Opera's divestment of its stake in Fjord Bank in 2024 after four years of ownership.

Via this acquisition, Zilch will secure a European banking licence, enabling it to passport its payment services across the continent, "rather than multi-year local approvals, enabling faster rollout, clearer planning and materially lower cost", explains Zilch CEO Philip Belamant.

He adds that the deal enables the company to "fund ourselves through retail deposits with greater access to wholesale funding rather than relying solely on equity and the private credit markets".

Zilch, which serves over 5.5 million customers, intends to establish Lithuania as its European headquarters.

To help finance the transaction, Zilch raised over \$175 million in combined debt and equity funding in November 2025. The capital is also expected to strengthen the company's plans for an IPO, which might take place this year.

This acquisition follows Zilch's recent regulatory milestone, having secured a new payment services licence from the UK Financial Conduct Authority in December 2025. The company said that the licence would allow it to "build more payments methods in-house". One such development is Zilch Pay, a one-click checkout feature scheduled to launch in the first half of 2026.

ZEPZ Zepz, a UK-based cross-border remittance platform, has acquired Californian fintech company **Pomelo** for an undisclosed amount.

Founded in 2020, Pomelo enables immigrants in the US to send money instantly to their families abroad, with a significant focus on the Philippine market. The company, which secured \$35 million in Series A funding in 2024, is claimed to be the "first credit card built for money transfer that removes cash advance fees, cash advance APR and is designed to offer customers a card that supports remittances at the lowest possible cost", states Zepz.

Zepz CEO Mark Lenhard describes the Pomelo acquisition as a "natural next step in our evolution beyond remittances" to cards and credit services.

This deal also builds on Zepz's recent initiatives, including the Sendwave Wallet, a peer-to-peer cross-border payment solution launched in October 2025. The wallet leverages stablecoin infrastructure from Circle, Solana and Portal to support Zepz's goal of providing comprehensive financial services to its more than nine million customers.

As part of the transaction, Pomelo's team, including CEO Eric Velasquez Frenkiel, will join Zepz. However, according to a joint statement, the Pomelo product has been "temporarily paused for customers while Zepz integrates it into its product roadmap".

HSBC-backed Zepz operates the cross-border payment brands WorldRemit and Sendwave, enabling money transfers across a network that spans 50 sending countries and 130 receiving countries. In 2024, it raised a \$267 million Series F funding round.

Airwallex Cross-border payments company **Airwallex** has acquired South Korean fintech **Paynuri** for an undisclosed amount. The deal grants Airwallex access to Paynuri's Payment Gateway and Prepaid Electronic Payment Instrument licences, along with a Foreign Exchange Business registration in South Korea, complementing the company's existing portfolio of 80 global licences.

Airwallex plans to first introduce its global business accounts and payment acquiring services in South Korea, followed by corporate spend management tools later this year. It also aims to build a team of 20 staff in the country by the end of 2026.

The acquisition marks Airwallex's entry into its seventh Asian market, building on its foothold in Singapore, Japan, Hong Kong, Malaysia, Indonesia and Vietnam. It arrived in Vietnam last year through the purchase of CTIN Pay.

In 2025, Airwallex reported an 85% year-on-year increase in revenue and a 71% year-on-year rise in transaction volume in the APAC region. The Paynuri deal is being financed through capital raised in recent funding rounds, including Airwallex's \$330 million Series G secured in late 2025, valuing the company at \$8 billion. This latest round increased Airwallex's total funding to \$1.5 billion and boosted its valuation from \$6.2 billion, achieved after the \$300 million Series F in May 2025.

Capital One US financial services heavyweight **Capital One** has reached a definitive agreement to acquire expense management platform **Brex** for \$5.15 billion. The transaction, comprising a mix of stock and cash, is anticipated to close by mid-2026.

Brex CEO and co-founder Pedro Franceschi describes the acquisition as the "largest bank-fintech deal in history". However, the \$5.15 billion price tag is less than half of Brex's previous valuation of \$12.3 billion achieved during its \$300 million Series D-2 funding round in January 2022.

The fintech, founded in 2013 by Franceschi and Henrique Dubugras, has grown to serve over 35,000 companies across 50 countries, including notable clients such as DoorDash, Plaid and Robinhood. Its offerings include a corporate card integrated with expense tracking, banking, bill payment processing, accounting and travel management services.

Since its 2022 funding round, Brex has undergone significant organisational changes, including two rounds of layoffs – 136 employees were let go in October 2022 and a further 282 in January 2024. The initial job cuts followed Brex's strategic shift away from serving traditional small businesses in June 2022, citing different needs of the market compared with its core client base.

Capital One, the sixth-largest bank in the US with \$669 billion in total assets, will gain access to Brex's technology, talent and its recently acquired EU Payment Institution licence that allows Brex to issue commercial credit cards and facilitate payment origination across the EU.

The deal follows Capital One's blockbuster \$35.3 billion acquisition of Discover Financial Services, completed last May.

flutterwave Flutterwave, a US-based payment technology company focused on emerging markets, has acquired African open banking infrastructure provider **Mono**. The deal is understood to be an all-stock transaction reportedly valued between \$25 million and \$40 million.

Mono, founded in 2020 with HQ Lagos, Nigeria, operates an API-driven platform that connects to over 50 banks. Its services include enabling access to aggregated customer-permissioned financial data, facilitating payments and verifying identity and account ownership.

The acquisition stems from a longstanding partnership between the two companies, which have collaborated on several bank payment products since 2021, according to Mono's founder and CEO, Abdulhamid Hassan.

Flutterwave, which claims to have processed over one billion transactions since its inception in 2016, states that Mono will "continue to operate independently, with no changes to its leadership structure, team or day-to-day operations".

 There is so much more mergers and acquisitions activity worldwide. For more info on these and many other deals, head over to the [FinTech Futures website!](#)

Fintech in Africa: The future is being built in plain sight

By Dave Wallace

At a recent HPS conference, I was reminded once again that Africa is not “catching up” in financial services. In many respects, Africa is defining what modern banking becomes when it starts with people rather than legacy thinking.

Africa taught the world how mobile banking can transform a country's economy through the launch and adoption of M-Pesa.

M-Pesa was launched in Kenya in March 2007 by Safaricom and Vodafone. It transformed regular mobile phones into financial tools, enabling people to store money, send and receive funds, and use a nationwide agent network to cash in and out, all before smartphones were widely adopted.

M-Pesa succeeded because it was simple. It solved a fundamental problem: sending money home in places where bank branches were rare and traditional banking didn't fit daily life. Adoption was fast, reaching two million customers in less than a year.

Today, M-Pesa operates at national scale with tens of millions of active customers and hundreds of thousands of active merchants, and annual transaction volumes

that sit firmly in “national plumbing” territory. The lesson is not about just building a great wallet. The lesson is about distribution and trust: agents, simple UX and reliability in low-tech environments.

It was the spark that lit the African fintech fire.

Africa has a very young population, with a median age of about 19, making it the youngest continent in the world. While populations in Europe, the US and China are shrinking, Africa's is set to grow quickly. The UN estimates Africa's population could reach 2.5 billion by 2050 (about 26% of the world's total) and nearly 4.5 billion by 2100 (about 40% of the world's total).

This population growth, along with the rapid adoption of new technology, will have significant effects on Africa's economy and society.

M-Pesa demonstrated that moving away from traditional methods and adopting new ideas, without being constrained by outdated systems and networks, can lead to rapid and inclusive progress.

The move to digital banking is already transforming entire economies, driving inclusion and creating opportunities.

One of the speakers at the HPS conference was Oromia Bank CEO Teferi Mekonnen, who's leading the next big changes in Ethiopian banking.

Mr Mekonnen talked passionately about what was happening.

He explained that in countries such as Ethiopia, now Africa's second most populous nation, the reality is evident: the population is growing rapidly. It comprises people who are curious about technology and comfortable with mobile devices.

This generation doesn't want to visit bank branches. They expect services to be seamless, fast, secure, available 24/7 and delivered via mobile devices.

These expectations are already making banks rethink how they operate. This shift is happening right now, not years down the line.

Africa's digital transformation is especially interesting because it isn't happening in isolation. Many banks have spent years expanding their branch networks to boost financial inclusion. But as JEPA Africa points out, with 77% of Ethiopians living in rural areas, physical branches alone haven't solved the problem.

Mr Mekonnen said that moving from expanding branch networks to focusing on digital banking made sense, but it wasn't simple. Convincing the board and stakeholders to invest in digital solutions rather than opening additional branches required long-term vision and genuine courage. This change is now central to Africa's fintech opportunity.

NEW WAYS OF THINKING

One thing Mr Mekonnen said particularly stood out: he often referred to the bank's digital platform as a “baby”. The bank does not view it simply as a channel or product but rather, something to be nurtured, protected and allowed to grow.

This mindset matters. African fintech isn't just about launching new apps; it's about creating systems that can grow and adapt alongside customers, regulators,

infrastructure and national goals.

And what about AI?

Mr Mekonnen discussed how traditional credit models can potentially exclude many people in Africa, particularly women, young people and informal workers, because they lack collateral or formal credit histories. AI is changing this situation.

By using transaction behaviour and real-time data, AI-driven credit platforms can:

- Assess risk dynamically.
- Approve loans in minutes.
- Operate without physical paperwork.
- Extend finance to previously excluded groups.

The real opportunity in African fintech is not copying Western banking models. It's about moving ahead of them through combining mobile distribution, AI-driven decisioning, a deep focus on financial inclusion and ecosystem collaboration.

Looking ahead, AI is not only changing banking but has the potential to transform education. By enabling new forms of learning, AI can foster new ways of thinking and support emerging industries that serve Africa's young population. These changes will potentially redefine its place in the global economy.

Africa is quietly showing what modern banking can be when it puts people first, not products.

The future of fintech isn't waiting to come to Africa. It's already being built there, right in front of us.



Dave Wallace is a user experience and marketing professional who has spent the last 25 years helping financial services companies

design, launch and evolve digital customer experiences. He is a passionate customer advocate and champion and a successful entrepreneur. Follow him on [X @davejwallace](#) and listen to the [Demystify podcast](#) he co-hosts.

How global fintech funding lit up in 2025

By Cameron Emanuel-Burns, reporter, FinTech Futures



Global fintech investment rose by 21% in 2025, reaching \$53 billion across 5,918 deals, according to [a new report](#) by UK-based industry body Innovate Finance.

This growth reflects renewed investor confidence and a more positive outlook for the sector compared with 2024, which marked the third consecutive year of declining global investment, with [\\$43.5 billion raised across 6,464 deals](#).

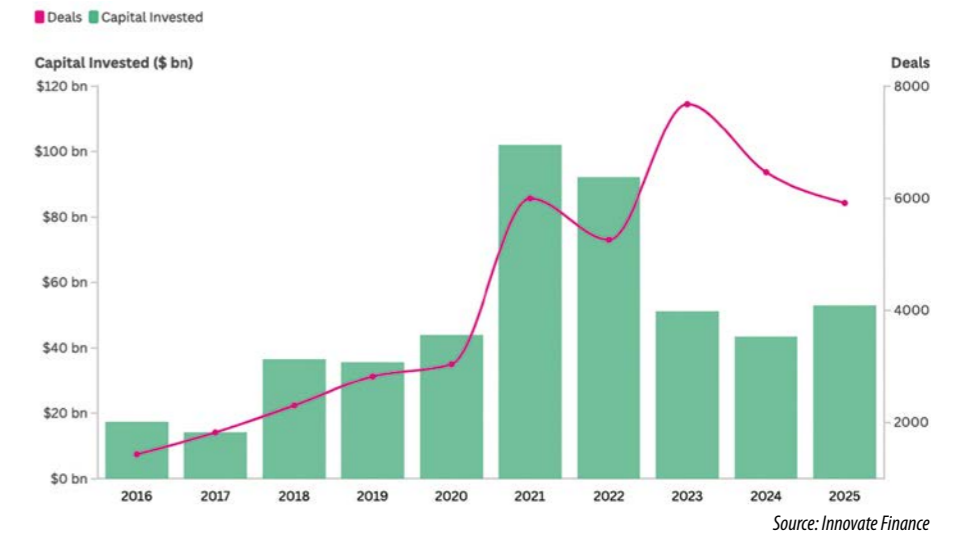
However, despite the improvement, the 2025 figures remain well below the record \$136.5 billion achieved in 2021.

The report finds that payments and cryptocurrency platforms were the primary drivers of global investment activity. Crypto exchange Binance secured the largest deal of the year with [a \\$2 billion investment from MGX](#), followed by significant funding rounds such as [Kraken's \\$800 million raise](#), [FNZ's \\$650 million raise](#), and [Ripple's \\$500 million raise](#).

Moreover, the sector's secondary market activity remained strong, with Revolut in particular completing \$3 billion in secondary deals, which [elevated its valuation to \\$75 billion](#) and reinforced its position as Europe's most valuable technology company.

As expected, the US market saw the

Ten years of global fintech investment



most fintech investment activity, drawing \$25.1 billion in investment, far outpacing the UK in second place with \$3.6 billion. India followed closely with \$3.4 billion, while the UAE bagged \$2.5 billion and Singapore \$2 billion.

Europe as a whole raised \$8.8 billion, reflecting a 7% year-on-year growth, though this trailed behind the US, which recorded a 13% increase, and the rest of the world, which saw a significant 46% rise in investment activity, highlighting

the growing prominence of emerging global markets.

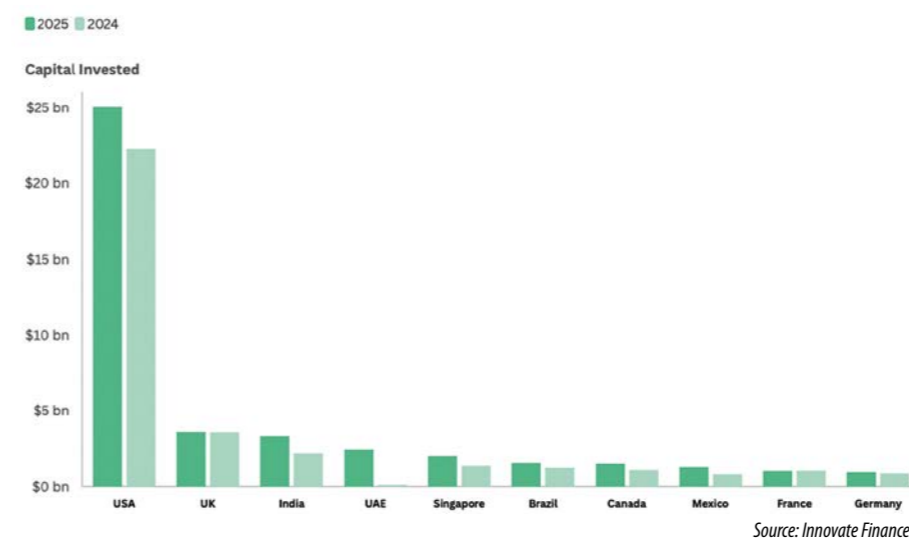
The UK's total, spread across 534 deals, surpassed the combined investment of the next five European countries, despite showing only a slight 0.4% increase from 2024. The UK government has made establishing the country as a hotspot destination for fintech investment and talent a key priority, introducing initiatives such as the [National Payments Vision](#) and the private capital trading platform [PISCES](#).

[Janine Hirt, CEO of Innovate Finance](#), describes the UK fintech industry as "thriving" and as a catalyst for "growth and productivity across the country, supporting consumers with the cost of living, facilitating greater financial inclusion and creating thousands of jobs each year".

However, Hirt warns that "other countries are quickly gaining pace", emphasising that to "maintain our global lead" it is "imperative that we push ahead on delivering key regulatory reforms with speed, increase access to growth capital, and continue to foster an environment which is attractive for both domestic and international entrepreneurs and investors".

[Click here](#) to read the full report by Innovate Finance

Global top 10: 2025 & 2024




FINTECH FUNDING ROUND-UP

US brokerage platform **Alpaca** has raised **\$150 million** in a Series D funding round led by VC firm Drive Capital, valuing the firm at \$1.15 billion. Existing investors Spark Capital, Portage and Social Leverage also participated in the raise, alongside new investors Ribbit Capital, Tribe Capital, Citadel Securities, MUFG Innovation Partners and BNP Paribas' Opera Tech Ventures, among others.

Alpaca has also secured a new \$40 million credit line. Based in Silicon Valley, California, Alpaca offers full-stack brokerage infrastructure that helps companies create apps for investing and trading in stocks, options and crypto. It says the funds will be used to "further strengthen its global investment infrastructure", including gaining regulatory approvals and local market presence in "key jurisdictions", as well as "advancing institutional-grade trading capabilities".

Alpaca notably acquired digital investment infrastructure provider WealthKernel to secure an entry into UK and EU markets in July last year, using proceeds from a \$52 million Series C funding round closed three months prior. It also operates in Asia in partnership with SBI Group.





Knight Fintech, a Mumbai-based provider of lending and treasury solutions, has raised **\$23.6 million** in a Series A funding round led by Accel. Existing investors Commerce VC, Trifecta Capital, Prime Venture Partners and 3one4 Capital returned to support Knight Fintech, alongside new participation from Rocket Capital and investment services company IIFL Finance.

The firm says proceeds have been earmarked to expand operations into the Middle East and Asia Pacific.

Now backed by around \$30 million in total funding, Knight Fintech has brought on Sanat Rao, former global CEO of Infosys Finacle, as an investor and board advisor.

Knight Fintech was founded by Kushal Rastogi and Parthesh Shah in 2019, and develops co-lending, treasury management and embedded finance platforms for banks and non-bank lenders. The company reached more than \$5 billion in assets under management in April, and went live with CanFin Homes, Bajaj Auto, IDBI Bank and Vistaar Finance in the last quarter.




Stream, a UK-based fintech focused on employee financial wellness services, has secured **\$90 million** in a Series D funding round. The round was led by Belgium-based investment firm Sofina, with participation from Better Society Capital and existing backers Ascension Ventures, Balderton, Northzone, Smash Capital, Local Globe and the British Business Bank.

Founded in 2018 by CEO Peter Briffett and Portman Wills, Stream provides financial tools aimed at low-income workers, including flexible pay options that allow users to access up to 50% of their earnings before payday, as well as budgeting tools, spending insights, discounts, cashback and assistance with claiming government benefits.

Rebranded from Wagestream in September 2025, the company has partnered with more than 2,000 organisations, including Hilton, Bupa and Burger King, and claims to have supported more than four million employees across the UK, Europe and the US. Last year, it acquired pensions technology firm Zippen.

This latest investment brings Stream's total funding to \$228 million, following its \$175 million Series C round in 2022 and a £17.5 million round in 2024. More recently, the firm landed a £300 million debt financing facility with Citi in May last year for its Workplace Loan offering.

Stream has earmarked the Series D funds to support its expansion throughout the US, which CEO Peter Briffett described to The Times as an "expensive endeavour". He also hinted that this funding round is likely to be the company's last, as Stream aims to achieve profitability by the end of 2026 and might consider a public market debut in due course.




US-based **Datarails** has secured **\$70 million** in Series C funding led by One Peak, with added participation from Vertex Growth, Vintage Investment Partners, Zeev Ventures, Innovation Endeavors, Joey Low, Qumra Capital and ClalTech.

Building on a \$43.5 million Series A from 2021, and \$50 million Series B from 2022, led by Qumra Capital, this latest round brings Datarails' total capital to \$175 million.

Datarails says the new capital will accelerate its "geographic expansion across North America and EMEA, further increase investment in R&D, and open up the possibility of acquiring other players in the sector in the coming months".

Founded in 2015 by CEO Didi Gurfinkel, CPO and COO Eyal Cohen, and CTO Oded Har Tal, Datarails offers financial teams planning and analysis, cash management, spend control and month-end close solutions using its AI-powered FinanceOS operating system and multi-product platform.



Buenos Aires-based **Pomelo** says it has commenced a "new phase of growth" across Latin America following a **\$55 million** Series C funding round led by Kaszek and Insight Partners.

The round brings Pomelo's total capital since 2021 to \$160 million, following on from a \$40 million Series B and \$35 million Series A, and included participation from Index Ventures, S32, Endeavor Catalyst, Monashees and TQ Ventures.

Headed by CEO and co-founder Gastón Irigoyen, Pomelo offers payments infrastructure that enables embedded finance firms and other fintechs to launch their own card and virtual account programmes.

Santander, BBVA, Bancolombia, Rappi, PicPay and Western Union are among the 150 or so clients said to be currently served by Pomelo, with the company claiming to have increased its revenue by more than 250% in the last two years.



Trade Republic in Germany has notched a new €12.5 billion valuation following a secondary transaction in which investors including Founders Fund, Sequoia, Accel, TCV and Thrive Capital purchased **€1.2 billion** worth of shares from early shareholders.


The secondary share sale also included participation from new backers such as Wellington Management, Fidelity Investments, Khosla Ventures, Lingotto Innovation, Singaporean sovereign wealth fund GIC and Aglaé Ventures.

Trade Republic operates a platform that enables customers in Europe to invest in stocks, ETFs, cryptocurrencies and private markets. With a full banking licence granted by the European Central Bank in late 2023, the company's offering also includes savings accounts.

Headed by co-founder and CEO Christian Hecker, Trade Republic was last valued at around €5 billion following a €250 million Series C extension led by Ontario Teachers' Pension Plan in mid-2022.

Trade Republic says that it has been profitable for three years with more than €1 billion in primary capital raised to date, stating that the business "does not require new capital".

The Berlin-based company has worked throughout the last year to localise its platform in France, Italy, Spain, Austria and the Netherlands.



Mal, a new Islamic digital bank based in Abu Dhabi, UAE, has raised **\$230 million** in a seed funding round.


The raise saw participation from multiple strategic investors and family offices and was led by BlueFive Capital.


The digital banking start-up plans to serve unbanked and underbanked communities globally with tailored localised services, with the aim "to combine AI-native infrastructure with the principles of Islamic finance", it says.

Mal is currently in a pre-launch phase and is pursuing regulatory approvals across multiple jurisdictions, with plans to officially launch this year. The company says it is planning a phased rollout "starting in the UAE before expanding into key markets across the Middle East and Asia".

The digital bank's leadership team includes founder Abdallah Abu-Sheikh and former executives from Revolut and Nubank.

Mal is Abdallah Abu-Sheikh's latest venture, with the entrepreneur having previously created fintech communication platform Astra Tech, launched in early 2022. Later that year, it raised \$500 million, led by G42, and acquired communications platform Botim. In 2024, Abu-Sheikh sold his majority stake in Atra Tech to G42 for an undisclosed amount.



 This is just a snapshot of the fintech funding activity worldwide. For more information on these and many other deals, head over to the [FinTech Futures website!](#)

MOVERS AND SHAKERS



Brad Levy

ThetaRay has appointed **Brad Levy** as its new CEO following **Peter Reynolds'** decision to step down.

Reynolds, who took the company reins in June 2023, is relinquishing his position as CEO for "family reasons", according to a statement from ThetaRay.

During his tenure, Reynolds is credited with scaling ThetaRay to "tens of millions of dollars in revenue", states the company's chairman, Erel Margalit. Under his leadership, ThetaRay landed various new clients, such as IDB Bank and I&M Group; secured a \$57 million Series D funding round in 2023; and acquired Belgian anti-money laundering fintech Screena the following year.

Levy joins ThetaRay from communication and markets technology company Symphony, where he served as president and chief commercial officer before becoming CEO in June 2021. Levy's career spans over three decades, notably including 17 years at Goldman Sachs, where he rose from analyst to global head of principal strategic investments.

Founded in 2013, ThetaRay supplies a range of Software-as-a-Service solutions for transaction monitoring, customer risk assessments and transaction due diligence to major financial institutions including Santander and Clear Bank.

Mark Wightman has joined **State Street** as EVP and head of transformation. He previously worked for EY for 11 years, most recently in the position of partner and international transformation lead for wealth and asset management.

Wightman also worked across various senior leadership roles at SuperDerivatives, a risk management analytics, financial market data and valuation services provider sold to Intercontinental Exchange in 2014, and IT solutions company SunGard, which was acquired by FIS in 2015.

State Street says Wightman now has "oversight responsibility for the development, support and execution of a unified, enterprise-wide NextGen transformation program with artificial intelligence (AI) as a key enabler".

UK-based financial services company **LV=** has appointed **Anita Fernqvist** as its new chief transformation and technology officer.

LV=, established in 1843, specialises in insurance, pensions and investment solutions, serving over one million members across the UK.

In her new role, Fernqvist will take charge of all business change, technology services, data and operational resilience functions. She joins the company following a 20-year tenure at competitor Zurich UK, where she worked across a number of senior roles, most recently as UK chief operations officer.

In addition, LV= has promoted **Chloe Stuttard**, director of customer and adviser experience, to chief customer officer.

Global payments software firm **ACI Worldwide** has appointed former Oracle vice president **JP Krishnamoorthy** as chief innovation and technology officer.

Krishnamoorthy's tech-focused career began in 1990, when he served as a senior systems design engineer for Amdahl Corporation, which has since been acquired by Fujitsu. From there, Krishnamoorthy's journey in the industry saw him become chief technology officer (CTO) at Portal Software and hold several leading roles at Oracle, before serving as executive vice president of engineering at Coupa Software.

He succeeds **Abe Kuruvilla** at ACI, who is leaving the company. Kuruvilla, who became CTO in October 2023, is notably credited with implementing the Fed ISO 20022 and SWIFT Hybrid Address regulatory mandates during his tenure.

Danske Bank UK has appointed **Dr Fiona Browne** as the regional division's first head of AI. Working alongside data and analytics lead Lyndsay Shields, Browne has been tasked with operationalising a new AI centre of excellence in Belfast.

Liam Curran, chief information officer (CIO) at Danske Bank UK, comments: "We've been leveraging AI for some time and more recently, exploring potential applications of generative AI, investing in upskilling and making significant progress in adoption, simplification, and the development of new solutions. Yet we're really only scratching the surface."

Current developments include proof-of-concept projects with Microsoft and Amazon Web Services, the ascent of DanskeGPT among internal colleagues, and an expanded partnership with Xceptor in May for generative AI reconciliations and tax processing capabilities.

Browne joins from 9fin, an analytics platform for debt capital markets, where she has served as engineering manager since mid-2024.

Prior to this, she was with data software provider Datactics for over five years, where she is said to have overseen the delivery of AI solutions for banking and government clients, first as head of AI and then later, as CTO.

Scottish fintech **Miconex** has named **Idong Usoro** as its first chief digital and operations officer. Usoro has supported the Scottish fintech in a strategic advisory capacity for the last seven years, during which time he also held the role of interim CIO in 2023-25.

Aside from his Miconex endeavours, Usoro's career has also seen him serve as non-executive director at Scottish tax authority Revenue Scotland.

Established in 2015, the Perth-based fintech offers physical and digital closed-loop local gift cards, with the aim to provide communities "with a tangible means to retain spend in their local area by diverting spend back into local businesses of all types and sizes", the company says.

In the past 10 years, Miconex has expanded its Town and City Gift Card and Downtown Gift Card initiatives and claims to now be active in more than 200 locations across the UK, Ireland, Canada and the US.

Miconex says it secured £24 million in local gift card sales in 2025 – a 60% increase on the previous year – and that these purchases will translate to more than 486,000 visits to local high street and shopping districts in 2026.

After nearly three years in the role, **Cetin Duransoy** has stepped down as CEO of **Raisin US**. The regional division of the German deposit fintech will now be led by former Rhino VP Alastair Wood. Wood has been at Raisin US since 2023. Also, **Michael Blum** has been appointed as executive chairman of Raisin US. Blum previously served as head of the US wealth management banking group of UBS and served as the bank's chairman.

Raisin operates a platform that allows consumers to access savings and investment products, including fixed-term and overnight deposits, from more than 300 partner banks.

Beate Zwijnenberg has stepped down from her role as CIO for finance and risk at Dutch banking group **ING**.

Zwijnenberg started at ING in 1998, working for several years across product management before focusing on sales and insurance at Nationale-Nederlanden, a former ING subsidiary divested in 2016.

She went on to join ING Bank Netherlands in 2009 and notably served as global chief information security officer for six years before moving to her most recent role of CIO for finance and risk in August last year.

Peter Penning, the bank's IT lead in CIO finance and risk, has assumed the role of CIO finance and risk on an interim basis following her departure.

UK challenger business bank **OakNorth** has appointed **Tom Harris** as CTO. He moves from Octopus-owned embedded investment platform Seccl, where he served as CTO since September 2024. He previously spent six years at ClearBank, advancing from head of engineering to CTO in 2021.

Harris will oversee OakNorth's various technical initiatives, including its partnership with OpenAI, inked last year, and ongoing US expansion, with the new CTO stating: "I will be expanding the engineering team and am keen to hear from people at all levels who are interested in building and innovating."

Last year, OakNorth struck a deal to acquire Michigan-based Community Unity Bank.

Australia-based paytech **Monoova** has named **Shane Fryer** as its new chief risk officer (CRO) and **Lyndall Rose** as chief operating officer (COO). The COO role is a newly created position at Monoova, with the paytech saying it established the role "to bring together operations, technology and product under a single executive leader".

Rose joins from Police Bank, where she held the role of CIO since July 2023. Her career has also included stints at fintech firm Humm Group as well as digital bank 86 400 and Westpac Group.

Fryer brings a wealth of experience to the CRO role having most recently served as chief risk and compliance officer at ANZ Worldline Payments Solution for more than three years. Fryer had his first exposure to life as a CRO between 2019 and 2022 at Ingenico ePayments, a subsidiary of Worldline Global. Prior to this, he held multiple leadership roles across companies such as MTN and Veon.

Fryer succeeds Jason Rohloff, who held the position for over two years before joining Stake, an Australian investing platform, as head of risk and compliance in September 2025.

Established in 2017, Monoova is a payment service provider (PSP) that integrates NPP, PayTo, PayID, direct debit, EPAY and cross-border transfers in one platform, offering businesses a consolidated solution to move money across Australia.



Beate Zwijnenberg



For more news on appointments in the industry, head to the [Movers and Shakers](#) section of the *FinTech Futures* website.



www.iantoons.com

“EUREKA”

Cartoon by Ian Foley

This new cartoon illustrates how businesses are waking up to the value of programmable money.

Programmable money is digital cash with rules attached. It can pay a supplier automatically when goods arrive, divide revenue the moment a sale closes, or hold funds in escrow until conditions are met. It's still money, but now it behaves like code.

McKinsey estimates that automating payments and reconciliation can cut back-office costs by 30-50% and free up

3-5% of working capital through faster settlement. Stablecoins make this possible, providing a dollar-pegged, highly liquid form of digital cash that moves instantly and predictably across networks.

The impact now stretches well beyond cross-border payments. In manufacturing, programmable invoices can release payment the moment IoT sensors confirm delivery or temperature compliance, saving about \$100 per invoice and shortening settlement cycles by days. In media and gaming, micropayments to creators or studios flow in real time, with transaction costs dropping from roughly 3% to under 0.1%.

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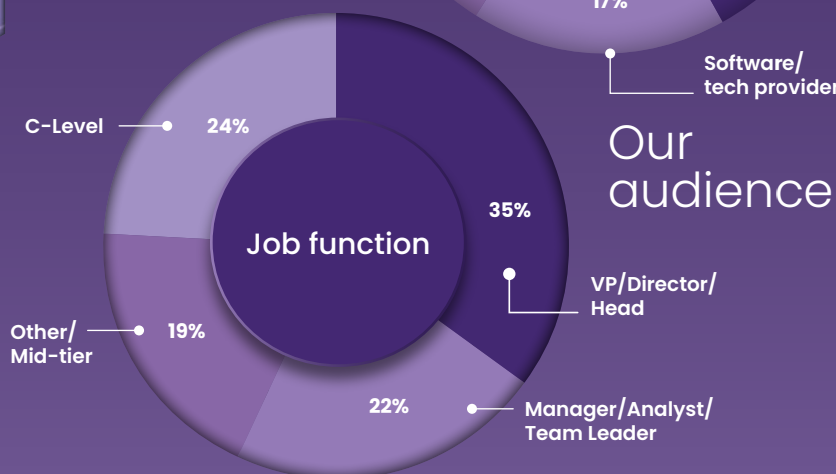
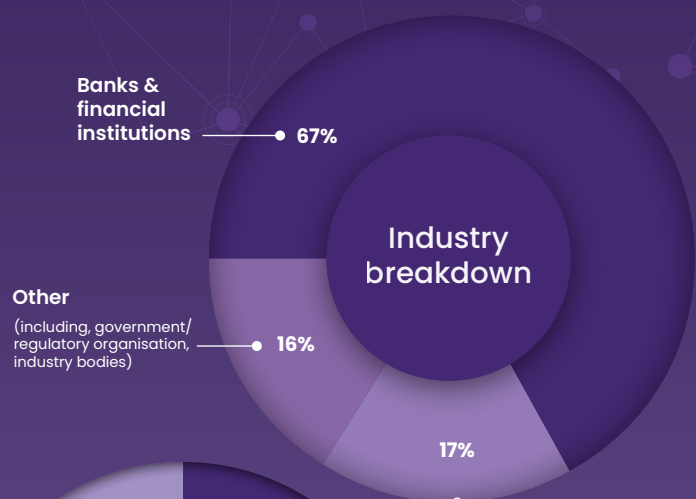
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