

North East FINTECH STRATEGY 2022-25

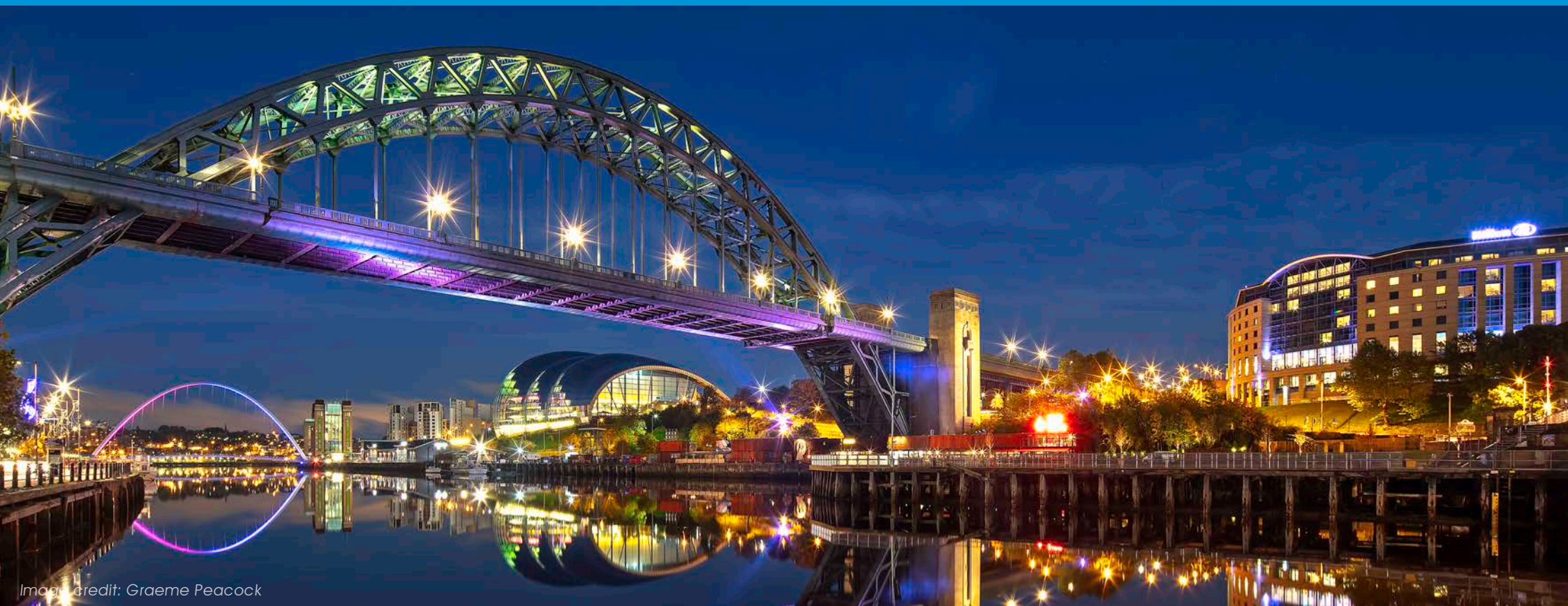


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Whitecap Consulting

Whitecap typically works with boards, executives and investors of predominantly mid-sized organisations with a turnover of c£10m-£300m, helping clients analyse, develop and implement growth strategies. The firm works with clients across a range of market sectors including Financial Services & FinTech, Technology & Innovation, Education, Consumer, Retail & Leisure, Infrastructure, Manufacturing & Engineering, Logistics & Defence, and Professional Services (including Corporate Finance and Private Equity).

The report is the latest regionally focused FinTech strategy project to be conducted by Whitecap, following previous published reports analysing key regional tech-enabled ecosystems and related opportunities across the UK.

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Thank you to the organisations who have supported and funded this report, and the partners who have helped with promotion and ecosystem engagement:

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North Tyneside Council



Partners:



FINTECHNORTH

10 key facts about FinTech in the North East

Recognised FinTech hub

1. Highlighted as a top 10 FinTech hub in the Kalifa Review.
2. Core strengths in banking, wealth management, and payments.
3. Durham based Atom Bank is one of the best known FinTech brands in the UK and Europe.

Fast growing ecosystem

4. 45 FinTechs (nearly doubled since 2019).
5. 81% increase in the number of FinTech startups and scaleups in the last 3 years.
6. In 2021/22, only London created more jobs through inward investment. Proportionally (to compare small against large regions) the North East actually created nearly 50% more jobs than London, with 8,500 new jobs created across multiple sectors.

Depth of expertise

7. Major employers including Sage, Newcastle Strategic Solutions, Accenture, Virgin Money, True Potential, HMRC and DWP are applying best in class technologies from their North East bases.
8. 5 regional universities, with over 120,000 students, and more than 3 x the UK average proportion of tech, engineering and computer science students.
9. The North East has internationally competitive clean growth and net zero capabilities, particularly in Northumberland, Sunderland and Tees Valley.
10. The cities of Newcastle and Durham have the largest concentration of researchers outside London, and Newcastle University recently led the successful bid to create the EPSRC's UK-wide FinTech research network, with an initial value of £2.5m.

FOREWORDS

City of London Corporation

North of Tyne Combined Authority

A nighttime photograph of the Gateshead Millennium Bridge, a modern cable-stayed bridge with a distinctive steel lattice structure, illuminated with warm lights. The bridge spans the River Tyne, and the city skyline of Gateshead is visible in the background. The buildings are lit up, and their lights are reflected in the calm water of the river. The sky is a deep blue with some clouds. The overall scene is a vibrant urban nightscape.

"I am delighted to see the publication of a FinTech growth strategy for the North East. In developing this 3 year strategy, the group of regional stakeholders that have worked with the Whitecap team have collectively delivered against a key objective that was laid out in my Review last year. I hope the new strategy will generate opportunities, secure investment and can help create jobs that will help the FinTech sector and economic prosperity of the region and the UK."

Sir Ron Kalifa

City of London Corporation



Damian Nussbaum,
Executive Director of Innovation & Growth
at the City of London Corporation

In the Kalifa Review of UK FinTech, the Newcastle and Durham cluster was identified as one of the emerging rapid growth areas for this fast-growing contributor to the nation's economy. The collaborative way this strategy has been put together means the North East FinTech community has put in the hours to reach the point of publishing this report. You have progressed a recommendation of Kalifa for the North East to develop a three-year FinTech strategy. This represents huge success.

This strategy is an important initiative, involving myriad stakeholders across the ecosystem. The prize of potentially creating more than 2,000 jobs over the next three years (based on the growth observed over the last three years) would be a significant contribution to the local economy.

This strategy acts as a showcase of some of the FinTech start-ups and scale-ups from the North East. Atom Bank is well on its way to unicorn status (a £1bn valuation), FTSE 100 listed Sage is often cited as the UK's largest FinTech; another rising star, Kani, processed over \$10bn in payments through the Covid-19 pandemic.

Enhancing the UK's premier position will require focusing on the highest growth clusters and strengthening national strategic coordination. The North East is engaged at the heart of this national activity and the follow up to Kalifa, both directly as a region, and via FinTech North and its membership of the FinTech National Network.

The active engagement of the UK's FinTech ecosystem has been critical to the creation of the Centre for Finance, Innovation & Technology (CFIT). There was a strong showing from the North East FinTech community

at the recent CFIT 'Manchester Meet'. It's vital that engagement continues.

The vision for CFIT is that the UK is the global leader for financial innovation. The mission is to accelerate opportunities and unblock barriers to growth for FinTech, by bringing together the best minds from the ecosystem, to drive better outcomes for consumers and SMEs across the UK. CFIT seeks to solve the industry's most complex and knotty problem statements. This will help drive tech innovation in UK financial services.

CFIT will operate as a virtual body, facilitating enhanced connectivity across the regions and providing research and data capabilities in financial technology and innovation.

An objective for CFIT is to support the creation of high-income tech-based employment nationwide, enable firms to achieve global scale and improve access to financial services for citizens and small businesses.

The core focus of CFIT's work is on coalitions. CFIT will deliver maximum impact through the most effective coalitions.

It is really important to keep up momentum for CFIT. There will be many opportunities – big and small - to support CFIT in the months and years ahead and we look forward to working with you.

FinTech North is known for its collaboration, sharing ideas, and best practice, showcasing innovative start-ups and scale-ups. This creates real value for businesses and consumers across the north, including in the North East. This strategy represents a golden opportunity to celebrate and build on the many national and regional successes.

North of Tyne Combined Authority

**NORTH
OF TYNE**
~~~~~  
**COMBINED  
AUTHORITY**



**Rob Hamilton, Chief Economist  
North of Tyne Combined Authority**

**Recent events have undoubtedly accelerated digitisation in many aspects of our lives. We have seen an increased demand for digital content, new and remote-working technologies, apps, cloud infrastructure, and security software. Consumer attitudes adapted quickly during the pandemic, whilst businesses innovated at record pace.**

These changes have highlighted that the boundaries between digital firms and products, and the wider economy, are becoming more and more blurred: digitisation, big-data capability and wider technological change are defining growth in industries that range from hi-tech manufacturing to healthcare.

From the Tweed to the Tees, the North East is in a clear position to contribute to the FinTech revolution. Across the North of Tyne – Newcastle, North Tyneside and Northumberland – we have seen how national and international brands such as Newcastle Strategic Solutions and Sage, and a flurry of scaling businesses continue to innovate in response to consumer need.

The region has a rich and diverse digital eco-system. Pre-pandemic, the digital sector grew rapidly and businesses remained resilient throughout the economic downturn. The pace of growth in the digital sector has been a key success story, as has the number and breadth of businesses and the range of their expertise. Much of this growth has been within SMEs, leading to the creation of highly productive, well-paid jobs, promoting competition and expanding local supply chain opportunities. The North of Tyne Combined Authority has invested over £20m to support this growth, including in digital skills, growth, innovation, infrastructure and inclusion. Our Ambition is to secure a further 10,000 jobs in the digital sector in the next 5 years and 1200 new businesses.

The news of our success is travelling far, and it is no surprise that our region was recently ranked the top destination for attracting new businesses, many of whom have added skills and expertise to our growing digital sector. New tech businesses have included Monstarlab, Credera, Version 1 and Verisure.

The North East has a proud history of innovation which is evidently still strong today. New and emerging technologies will continue to shape society and the economy in ways which are only partially understood today, and through our five universities, multiple research and innovation assets, existing businesses and investment resources, we are confident we will be ready to capitalise on these opportunities.

Today, we welcome the FinTech strategy and the contributions of the many people from across industry, universities, and the public sector who have helped shape it. This strategy shines a light on the recent success of the industry which has added over 1,500 jobs and £85million in output to our economy over the last 3 years, and sets a bold target to continue this growth with a further 1,100 jobs by 2025.

The emphasis of the strategy is clear; by working collaboratively, listening to the needs of stakeholders, and ensuring resources are deployed strategically, we can maintain the momentum of our rapidly growing FinTech sector. In the North of Tyne, we are excited to work with colleagues to build on our initial investments and support the growth of the FinTech industry to the national and international stage.

# EXECUTIVE SUMMARY

Overview

Recommendations

Strategy Framework



# Executive summary

This report is the result of a six month project which has involved research, analysis and an updated evaluation of the North East FinTech ecosystem. The objective of the project is to create a high level three year FinTech development strategy for the North East, to support its future growth.

This is a project that has been conducted in an open and collaborative manner, with a multi-stakeholder project steering group providing support and guidance, and wider input coming from an inclusive research process involving 25 interviews, an open access online survey (54 responses), and a presentation of the initial findings followed by a panel discussion and Q&A at the FinTech North conference in Newcastle in July.

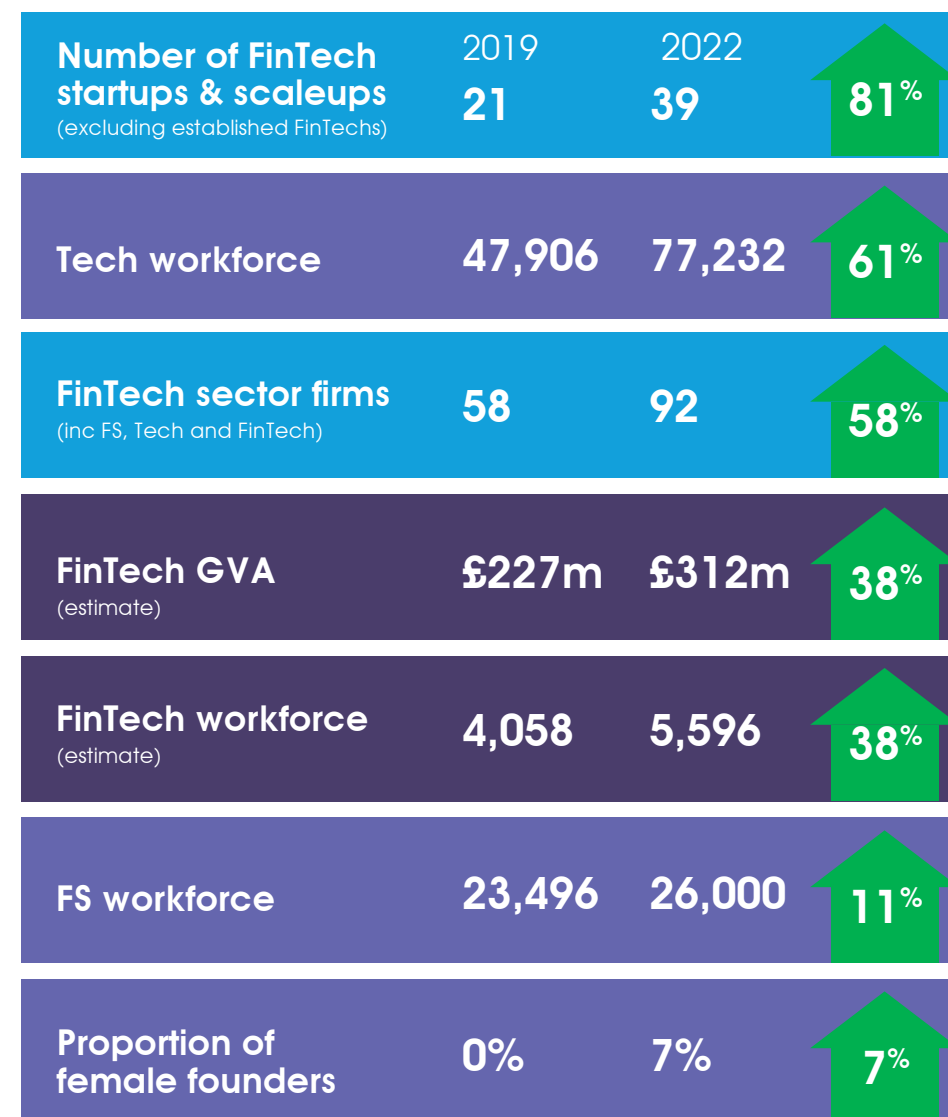
A national review of the state-of-play of the UK FinTech sector, known as The Kalifa Review of UK FinTech,<sup>1</sup> was published in February 2021. This highlighted Newcastle & Durham as an 'emerging' cluster and one of the top 10 FinTech clusters in the UK, evidenced by substantial levels of regional investment and employment growth. The scope of this strategy covers the wider North East region (North East LEP and Tees Valley LEP areas), after identifying 27% of North East's FinTechs are based outside the cities of Newcastle and Durham. In 2019, Whitecap published an inaugural analysis of the FinTech ecosystem in the North East. This report maps the progress since 2019, and creates a roadmap for future development, providing the basis of a coordinated approach to benefit the broad North East geography.

The report also explores the potential economic benefits from further and successfully developing the FinTech sector, forecasting an opportunity to create more than 2,000 jobs over the next three years (based on the growth observed over the last three years). It is important to note that new roles would be created across a mix of existing Financial Services, FinTech and tech firms, new startups and inward investors. 95% of respondents to this project's online survey considered the North East would benefit from having a FinTech development strategy.

## The aims of this project were identified at the outset as:

- Develop a high level 3-year strategy for FinTech in the North East.
- Deliver new and meaningful insights to support the future prosperity of the region.
- Provide an evidence based foundation upon which a regional FinTech development strategy can be developed.
- Help provide senior leaders with clarity on key themes and opportunities.
- Help those outside the region, nationally and internationally, to better understand regional dynamics and the overall opportunity.

## North East FinTech ecosystem growth 2019-22



Source: Whitecap analysis (see Methodology section of this report for details of calculations used)

<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/978396/KalifaReviewofUKFintech01.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978396/KalifaReviewofUKFintech01.pdf)

# Executive summary

## Strategy overview

The strategy to develop the FinTech sector over the next three years is built on the foundations of qualitative depth research and online survey insights. The research, analysis and data that underpins the strategy are covered in more detail later in this report.

## Purpose

The purpose of this strategy is to continue to make the North East a great place for FinTech to develop, grow and prosper. Embedded within this purpose is the requirement to generate economic, social and environmental value for the North East region, as the region seeks to play its role in creating economic value from FinTech, but also in supporting the development of the net zero economy in the UK. The strategy aligns to the regional economic development priorities across the North East, as well as the wider national agenda for 'levelling up' across the UK.

## Objectives

Three overarching objectives have been identified which can help achieve this purpose:

- Create more and better jobs for the North East
- Operate a collaborative, sustainable, growth-focused FinTech hub
- Foster regional, national and international connectivity

## Desired impact

Based on our analysis of the regional and national FinTech sector, we anticipate the impact of this strategy, if successful, will be to grow the Gross Value Added (GVA) delivered by FinTech sector from £312m to £431m over the next three years, representing annual year on year growth of 11%.

Over the same period, we expect to see more than 2,000 jobs created in FinTech firms operating in the North East. Additionally, we forecast that the number of FinTech firms in the region could increase by 22% per year, increasing to 81 firms, which will be a blend of new startups and existing organisations expanding their operations into the region.

## FinTech & Net Zero

One theme that runs as a constant throughout our work has been the drive to net zero and the increasing focus on the development of green finance and sustainable business practices. These topics are prominent for organisations of all sizes in the FinTech sector in the North East, and indeed the UK. The North East has strong credentials in net zero and in FinTech, and the region can strive to be a key hub for the growth of wider support services associated with net zero innovation and investments.

## Recommendations

### Clear leadership

1. Establish a focal point for FinTech across the North East
2. Clearly articulate the North East Fintech proposition
3. Enhance communication

### Increase collaboration

4. Stimulate constructive industry collaboration
5. Enhance collaboration across hubs
6. Increase national and international engagement

### Develop resources

7. Expand FinTech workforce
8. Improve access to FinTech funding
9. Enhance FinTech Research & Innovation

# North East FinTech Strategy Framework

## PURPOSE

Continue to develop the North East as a great place for FinTech to grow and prosper

## OBJECTIVES

- **Create** more and better jobs for the North East
- **Operate** a collaborative, sustainable, growth-focused FinTech hub
- **Foster** regional, national and international connectivity

## GOALS

2022

**£312m** FinTech GVA

**5,596** FinTech Workforce

**45** FinTechs



2025

**£431m** FinTech GVA (11% pa)

**7,715** FinTech Workforce (11% pa)

**81** FinTechs (22% pa)

## STRATEGIC PRIORITIES

Clear Leadership


Increase Collaboration

Develop Resources

## ACTIONS

- |                                                                                                                                                                                                          |                                                                                                                                                                                                       |                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Create a focal point for FinTech across the North East</li><li>• Clearly articulate the North East FinTech proposition</li><li>• Enhance communication</li></ul> | <ul style="list-style-type: none"><li>• Stimulate industry collaboration</li><li>• Enhance cross-working between key regional hubs</li><li>• Increase national and international engagement</li></ul> | <ul style="list-style-type: none"><li>• Expand the FinTech workforce</li><li>• Improve access to FinTech funding</li><li>• Enhance FinTech Research &amp; Innovation</li></ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



A wide-angle photograph of the Northumbria University City Campus East. The building features a distinctive, curved facade made of a dense grid of silver-colored metal slats, creating a textured, almost crystalline appearance. The words "northumbria UNIVERSITY" are visible on the left building. The campus includes a paved walkway, green lawns, young trees, and modern street lighting. In the background, a traditional church spire is visible against a clear blue sky.

*"It was important for Atom bank to support this project. If you haven't got a strategy, then you don't have a narrative and you don't have clarity"*

**Edward Twiddy, Chief Customer Officer,  
Atom bank**



# North East England: A hotbed for fintech innovation



**With a strong ecosystem of support that includes an unrivalled business network, five world-class universities and a highly-skilled talent pool, North East England makes for a great location for fintech (financial technology) companies to grow.**

Invest North East England and Invest Newcastle are seeing the numbers of successful fintech investments and enquiries increasing year by year. Why? It's the expertise in open banking, blockchain, mortgages, savings, insuretech and fraudtech based here, plus the fact we are the only region in the North of England to have a dedicated fintech cluster group, operated by Dynamo North East.

It's perhaps unknown by most, just how many leading fintech companies are located in the North East. Global companies such as Sage, Newcastle Strategic Solutions are based in North Tyneside, while Kani Payments, Bottlepay and True Potential are all headquartered in Newcastle, and Atom bank, one of the UK's foremost neobanks, is based in Durham. The region is also home to several enterprise software development companies that have tech teams embedded in top-tier investment banks.

Looking more closely at some of these companies and recent inward investors, it's clear that these companies benefit from a wide range of business support and cluster networks primed to offer guidance and advice across a range of topics. They have the added advantage of being within three hours of Edinburgh and London by train and being able to tap into an extensive pool of skilled employees and academic expertise in the technologies that underpin fintech.

## Arctic Wolf

With less of a need for workers to be based in London, the North East quickly established itself as a new hub for leading technology firms looking to set up shop outside of the capital. One of those companies was US company Arctic Wolf, who recently established their European operations in Newcastle. They could see the fantastic pool of talent that is growing and believe the city and region will bring undoubted long-term recruitment benefits to the company's next phase of growth in EMEA.

## Caspian

Caspian was founded and continues to grow in Newcastle upon Tyne. They have been able to attract a global financial services customer base and recent international investment without needing to consider being based anywhere else. They aim to continue innovating, to help global banks fight the challenge of financial crime whilst supporting the growth of the North-East fintech sector. The region provides them with a great balance of regional talent, support organisations and academic excellence that provide the component parts for a scaling technology business.

The North East Fintech strategy will further support the local cluster and inward investors coming in to the region. More focused business support, events, funding and links with academia will enable Fintech companies to unlock new opportunities and markets. Get in touch with the teams at Invest North East England, Invest Newcastle and Invest North Tyneside to learn more.



# NORTH EAST FINTECH ECOSYSTEM

North East FinTech ecosystem infographics

FinTechfirms in the North East

Methodology for data analysis



# North East FinTech Ecosystem 2022

FINANCIAL SERVICES / ESTABLISHED FINTECH

FINTECH START-UPS / SCALE-UPS

HIGHER ED.

GOVERNMENT / INWARD INVESTMENT

INVESTORS / FUNDING

TECH COMPANIES



# North East FinTech ecosystem summary 2022

## North East Economy

**2,680,000**  
population

**1.267m**  
workforce

**103,232**  
people working in  
FS or Tech

**4,855**  
FS & Tech firms

**120,045**  
students

**5**  
Universities

**£52bn**  
GVA

**2%**  
of UK GVA

## FinTech sector

**92** FS, Tech &  
FinTech firms

**23%** established FS/  
FinTech firms

**36%** Tech  
firms

**41%** startups &  
scaleups

**92%**  
people working  
in established  
organisations

**5,596**  
estimated FinTech  
related roles

**£312m**  
GVA (estimated)

**0.6%**  
of UK FinTech GVA

## FinTech firms

**45** firms,  
employing  
**3,409** people

**89%** B2B

**29%** B2C  
(18% are both  
B2B and B2C)

**44yrs**  
average age  
of founders

**8 yrs**  
average age  
of firms

**69%**  
have main office  
in North East

**69%**  
are startups

## North East highlights

- Workforce of 1.3 million, with an estimated 26,000 and 77,000 working in financial services and tech respectively.
- The fourth fastest growing financial services sector of the UK regions at 0.2%, based on a 5 year compounded annual growth rate.
- In 2021/22, only London created more jobs through inward investment. Proportionally (to compare small against large regions) the North East actually created nearly 50% more jobs than London, with 8,500 new jobs created across multiple sectors.
- 5 universities, with over 120,000 students, generating over 40,000 graduates per year (1/3 of students).
- 67,000 Science Technology Engineering and Mathematics (STEM) students plus the highest proportion of computer science students in England.
- 17,460 'tech, engineering and computer science' university students (5.2% of the UK) – 18.8% higher than the proportion of students.
- Newcastle University and Northumbria University are two of 14 centres of excellence for cybersecurity research – making Newcastle the only city in the UK to boast two facilities of this kind.
- The cities of Newcastle and Durham have the largest concentration of researchers outside London.
- Newcastle is home to the National Innovation Centre for Data (NICD) and the National Innovation Centre for Ageing (NICA).
- The North East has internationally competitive clean growth and net zero capabilities, particularly in Northumberland, Sunderland and Tees Valley.

## North East FinTech highlights

- The number of FinTech startups and scaleups has increased by 81% in the last 3 years.
- The estimated FinTech workforce has increased by 38% since 2019.
- 36% of FinTechs operate in payments, 9% in banking or banking software, and 13% in wealth management.
- At least 20% of NE FinTechs received some form of funding since the start of 2021, including 20% of startups.
- Newcastle University led the successful bid to create the EPSRC's UK-wide FinTech research network, with an initial value of £2.5m.
- Kani Payments is one of only 8 FinTechs globally to be selected for the Mastercard Start Path Global programme.
- Durham University has a FinTech Society and also hosts 'FinTech Fortnight', an annual initiative that shines a light on FinTech career opportunities.
- The majority of the Accenture team working on the Bank of England's significant Real-Time Gross Settlements Renewal programme is based in Newcastle.
- Darlington Economic Campus has been boosted by the decision to make it the location of 'Treasury North' and a new government hub which will be home to 1100 employees by 2025.
- GB Bank is the UK newest bank and is dedicated to providing accessible, bespoke property development loans and competitive savings accounts.



# FinTech firms in the North East

1. **Atom Bank** (Durham) - Digital-only retail bank
2. **B4B Payments** (Newcastle) – Payment process solutions.
3. **Bottle Pay** (Block Matrix) (Newcastle) - A fiat currency & bitcoin payments and wallet app.
4. **Cascade Cash Management** (Gateshead) - Build bespoke cash portfolios.
5. **Caspian** (Newcastle) – Auditing services for financial risk investigations.
6. **Clevacard** (Newcastle) - Shopping and expense card for Care Agencies.
7. **Corturum** (Newcastle) – Data analysis and insight generation of business, staff and the SM&CR regulation.
8. **Crunch** (Newcastle) - Online accounting services for freelancers, contractors and small businesses.
9. **Dialect Communications** (Newcastle) - Multi-lingual, omnichannel communications.
10. **Donr** (Newcastle) - Software allowing donations through texts.
11. **Finance Nation** (Newton Aycliffe) - Help small and medium businesses access appropriate business funding.
12. **GB Bank** (Middlesbrough) - Providing bespoke property development lending solutions backed by competitive savings account to help drive economic growth in communities across the UK that need it most.
13. **Global Processing Services** (Newcastle)- Payments processing partner for leading challenger brands.
14. **Hexopay** (Stockton on Tees) - Make global payment transactions easier for the gambling and managed risk sectors.
15. **Incuto** (Cramlington) - Financial software for credit unions and community banks.
16. **Inflo** (Sunderland) - Develops software for accountants.
17. **Intercash** (Newcastle) – Prepaid card payment solutions.
18. **ION** (Newcastle) - Training and support for sales teams.
19. **Kani Payments** (Newcastle) - Financial reporting software and business intelligence.
20. **Looku** (Newcastle) – Manage child maintenance payments for separated parents.
21. **Newcastle Strategic Solutions** (Newcastle) - Manages savings accounts on behalf of some of the UK's leading savings providers.
22. **Ofdin** (Durham) - RegTech tech innovation consultancy delivering strategic insight and data driven software solutions.
23. **One Utility Bill** (Newcastle) - Aggregates tenants' utility and household bills into one bill.



24. **Osper** (Newcastle) - Money management and education software.
25. **Paid** (Darlington) – Invoice advancements for micro businesses and freelancers.
26. **Peerport** (Durham) - Informational and data services in the Peer-to-Peer lending market.
27. **Pocket** (Newcastle) - Prepaid credit cards that also provide discounts and cashback from associated retailers.
28. **ProForecast** (Sunderland) - Financial forecasting.
29. **Quantify R&D** (Newcastle) - help accountancy firms grow their R&D practices by sharing the tools that help build efficiency and scale.
30. **Quva** (Durham) – Manages alternative investment opportunities.
31. **Railsr** (Newcastle) - Fast and easy access to digital banking services through embedded finance.
32. **Regionally** (Newcastle) – Enables qualified investors exclusive access to professionally selected regional UK SME's
33. **Sage** (Newcastle) - Global market leader for SME accounting and remuneration software.
34. **Settld** (Sunderland) – Manage financial accounts during probate.
35. **Single track** (Newcastle) - CRM software for capital markets.
36. **Spark Epos** (Newcastle) - EPOS, Reservations, Loyalty & Customer Relationship, and Online Marketing Tools all in one package.
37. **SportFin** (Newcastle) - Automates community impact reporting for sport clubs.
38. **Tandem Bank** (Durham) – Digital bank with a focus on green finance
39. **Track My Risks** (Newcastle) - Risk identification and crisis management.
40. **True Potential** (Newcastle) - Investment and wealth management technology.
41. **Unified** (Sunderland) - Data validation and Know Your Customer software.
42. **WealthTek** (Newcastle) – Investment platform solutions.
43. **Weavr** (Newcastle) - Allows businesses to design and build their own payment services.
44. **Worldpay from FIS** (Gateshead)- Merchant Services and Payment Processing Provider Offering a Payment Gateway for Online Transactions.
45. **XPO App** (Middlesbrough) - Facilitate invoicing and contract management for social media influencers.



# Methodology for data analysis

Over the course of the last five months we have conducted an analysis of the FinTech activity in the region to deduce actions the region can take to continue to expand the sector over the next three years. This has included collecting insight from more than 30 interviews, 54 responses from an online survey, desk research, and insight from numerous other discussions including update sessions with the project sponsor and partner group who have proven invaluable throughout the process.

## FinTech definition and classification:

FinTech can be defined as the application of technology to improve financial products and services. This makes it a very broad category, in which it is acknowledged to be extremely challenging to categorise companies and jobs, especially in the absence of standard measures such as SIC codes. In this report we have differentiated between three different types of companies directly operating within the FinTech sector:

- **FinTechs** - pure FinTech business models, often with a focus on disrupting the sectors they work in.
- **Financial Services organisations** - established entities, offering financial products or services.
- **Tech firms** - businesses operating in multiple markets (must include serving financial services or FinTech).
- **Startups** are categorised as firms with less than £632k reported revenues. Scaleups are categorised as firms with up to £25m reported revenues, and less than 100 staff.

Categorising jobs within FinTech is also challenging, as it is not the case that everyone working in established financial services or tech is working in FinTech. We have conducted primary research to establish the number of jobs within FinTech startups and scaleups which is added to an estimate of the FinTech roles within established financial services and tech firms to reach an overall FinTech workforce for the region. This estimate is 5% of the financial services and tech workforce.

Financial Services workforce is sourced directly from Nomis however the tech sector is not a SIC category and therefore is estimated. For this, we assume the proportion a region has of the UK workers in the 'Computer programming, consultancy and related activities' SIC (SIC code 62) is similar to that as their proportion of UK tech workers, which we can weight against the national tech workforce estimate provided by Tech Nation. This is represented in the formula below:

$$\text{North East Tech Workforce} = \left( \frac{\text{North East Employment in SIC 62 (Nomis)}}{\text{UK Employment in SIC 62 (Nomis)}} \right) \times \text{Total UK Tech Workforce (Tech Nation)}$$

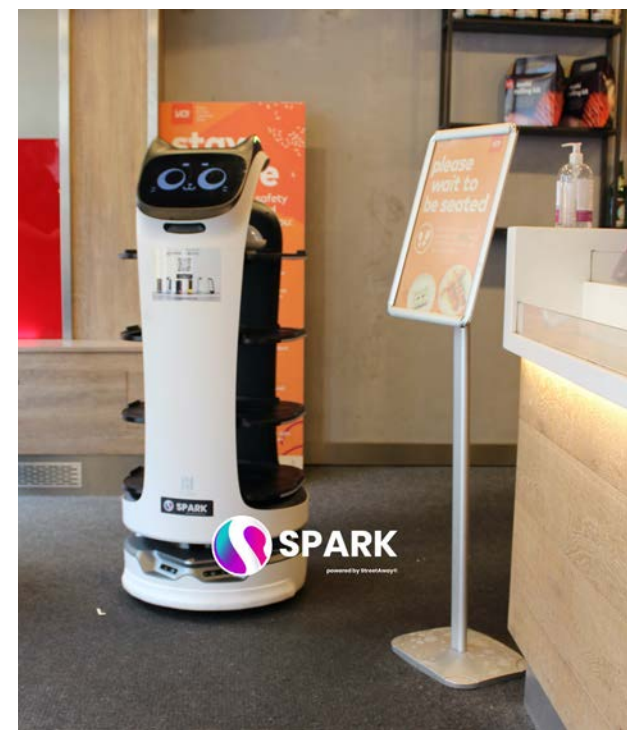
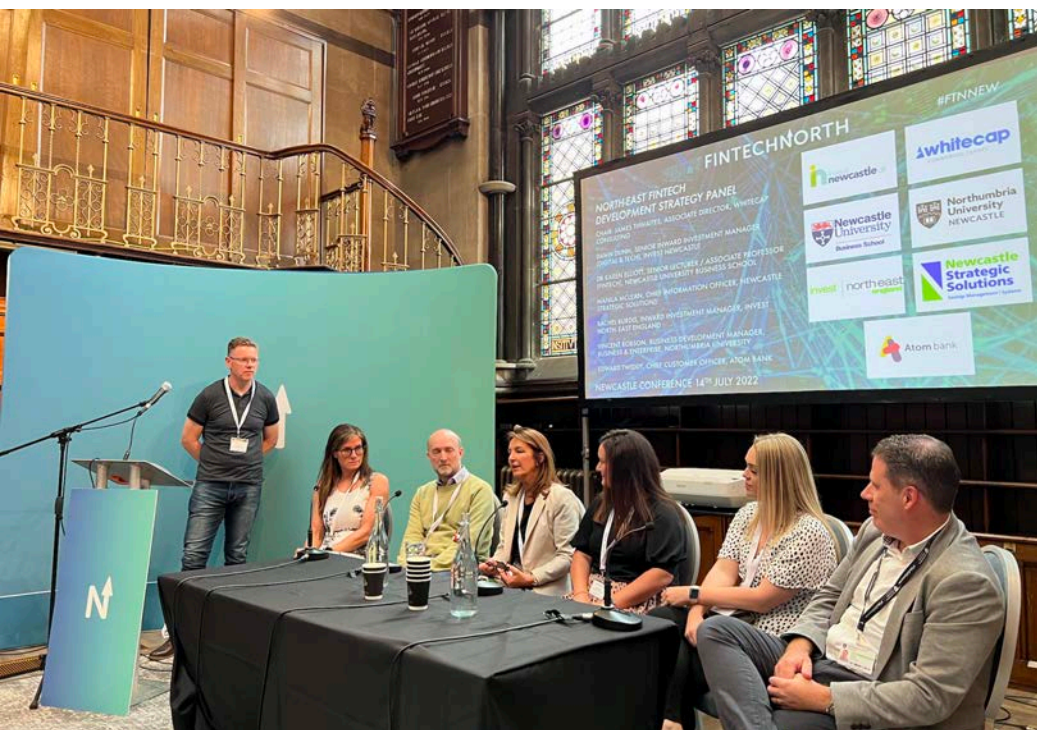
We use SIC 62 to as a proxy to estimate the North East proportion of the overall Tech Nation tech workforce figure. Tech Nation uses a wider range of SIC codes to calculate the overall tech workforce, including those that are part of 26, 58, 61, 63 and 95, so by default all of these categories are also included in our workforce estimates. FinTech GVA has been calculated by multiplying the FinTech workforce by a GVA contribution per worker, using the UK average.





"It is essential the North East has the strategy, a plan where all regions collaborate, work together with the Centre for Finance, Innovation and Technology initiative, to collectively unlock barriers to growth for FinTech."

**Kevin Telford, FinTech Sector Advisor, Investor & NED, & Advisory Board Member, FinTech North**





# Stakeholder quotes - North East FinTech Ecosystem

"FinTech represents a regional, national and global opportunity for the North East and the North of England. As an HM Treasury FinTech Envoy, the chair of FinTech North, and an alumni and visiting professor at Newcastle University and at Durham University, I'm delighted to see the development of this regional strategy. I hope it will help accelerate the growth of the FinTech sector in the region, and support the continued global leadership of the UK."

**Chris Sier, HM Treasury FinTech Envoy & Chairman, FinTech North**

"The North East is ready for a focused, strategic approach to cluster development for the FinTech industry. More joined up, evidence-based thinking for the development of new opportunities would make a difference and build on existing work."

**Estelle Blanks, CEO, Innovation SuperNetwork**

"The high demand for tech skills is undeniable, but attracting and retaining financial skills is also really important for the FinTech sector. We are currently as interested in growing own talent as recruiting experienced hires, recognising the region's significant resources of untapped potential and capability. We are basically building an internal digital academy."

**Andrew Haigh, Chief Executive,  
Newcastle Building Society**

"Newcastle had a bigger role to play in the dawn of the FinTech scene than most people realise - and still does!"

**Joanne Dewar, CEO, Global Processing Services**

"There is a need for better awareness of job opportunities and to help people understand the range of FinTech and banking roles available to the graduate pool. We need a compelling campaign for raising awareness of the variety of skills and talents you can bring to our FinTech community."

**Maria Harris, Director, Digital Cat Consultancy & Advisory Board  
Member, FinTech North**

"The creation of jobs and the development of an economically strong North East drives investment in the region and provides choices and opportunities to our communities. Furthermore, the development of talent and new technology allows us to leverage these skills to better manage the risks posed by organised crime."

**Patrick O'Keefe, North East Regional Organised Crime Unit**

"There could be a benefit for Tees Valley from this strategy as FinTech is a high potential area due to its growth. We are interested in how the FinTech sector fits into the wider digital strategy and how it is related to the wider national and international environments. We are keen to create economic growth for this region in terms of value contribution and skills."

**Geraldine Brown, Head of Strategy & Policy, Tees Valley LEP**

"There is a growing need to align financial flows with sustainability, nature and climate goals. From green digital payments to ESG-data, FinTechs offer new opportunities to meet this challenge at a pivotal moment of interest from the financial community. When developing a FinTech cluster in the North East we should be considering how FinTechs can meet this demand and how the region can be uniquely placed to catalyse this new wave of innovation."

**Katherine Keddle, Co-Founder at Adopter.**

"Financial talent is in demand but tech engineering even more so. It's not just about salaries though, it's also about culture. When we switched to a 4-day working week we saw a 500% increase in applications over the following weeks."

**Edward Twiddy, Chief Customer Officer, Atom bank**

"The North East's growing FinTech community will greatly benefit from a regional strategy, focused on increasing business activity, funding and sector growth. We have supported this action orientated Whitecap report, which highlights some of the priorities and prospects for this sector, as well as the ecosystem we have here. We look forward to continuing work with local partners on this plan and championing the region, whilst promoting the unique opportunities for investors."

**Rachel Burdis, Inward Investment Manager,  
Invest North East England**



# Atom Bank



## Fostering a culture of collaboration

As a national brand based in Durham, we are a proud member of the local community and strive to champion the North East as a wonderful place to live, learn and work. This means we have always had a strong emphasis on collaboration, not only with other tech and fintech firms in the region, but with our world-class universities too.

Our region is home to five fantastic universities and since Atom bank was established we have witnessed a growing appetite among them to work with businesses like ours. The benefits are clear for both sides: the universities can provide us with access to a highly-skilled talent pool, while we can offer them invaluable exposure to the world of fintech.

Alongside partnerships with Newcastle and Northumbria Universities, and recruitment from across all five of the region's universities, Atom has built a deep rooted collaboration with Durham University in particular. Working together, we have collaborated on a number of key initiatives, including TechUp Women - the highly successful re-training initiative sponsored by the Institute for Coding - and Northern Power Diversity Matters, a £1m+ initiative to boost Equality, Diversity and Inclusion in STEM companies and across Higher Education.

Together we have also worked on research to explore and drive innovation, including two Knowledge Transfer Partnerships. This has resulted in the creation of the Atom bank Digital Twin — an end-to-end banking model based on mathematical and statistical methods that is being used to support business decisions in financial planning, resourcing, product pricing and funding, and was recently highlighted in the University Research Excellence Framework 2021.

Beyond tech and commercial initiatives we have also collaborated to create new skills and learning opportunities for young people in the community, including working closely to develop plans for the Durham Maths School, a pioneering Sixth Form state-funded school for computer science, physics and maths that aims to address the critical digital skills gap. This long-standing partnership recently culminated in us signing a five-year Memorandum of Understanding (MoU) with the University, an agreement that will see us build on significant recent collaboration between our two organisations.

The MoU creates a framework for developing key areas and initiatives, such as data science and risk analysis, as well as a focus on sustainable communities and protecting the environment. Under the agreement, together we will also carry out collaborative research to address longer term opportunities and challenges facing both our organisations and wider society, such as climate change.

The MoU is equally as focused on developing great people and creating learning opportunities too. When we started Atom bank here in Durham, many people challenged us on if we would be able to sustain our business as we grow in the North East. This was not to do with technology, it was all about people. The perception was that the talent pool was not large enough.

Six years later, we have a wonderful team of over 470 people at Atom bank, but of course there are still challenges to overcome. The North East has one of the highest levels of youth unemployment in the UK, and far more needs to be done to provide opportunities and retain talent in the region, particularly within STEM subjects.



As part of our new partnership, we will support career development by providing mentoring, placements and internships for Durham University students and postgraduates. This will also involve co-developing a programme for boosting participation in Higher Education amongst students from under-represented communities.

Our close relationship has already resulted in many talented individuals joining the Atom team. We expect this number to grow as we offer even more mentoring, internship and employment opportunities.

We hope the success of our relationship with Durham University can act as a blueprint for how businesses and organisations in the North East can work together successfully. The region is brimming with talent, ideas and opportunity, and through collaboration, we can ensure we continue to prosper together.

**Edward Twiddy, Chief Customer Officer, Atom bank**



*"Durham County Council is keen to engage on regional engagement with Fintech and associated digitally enabling sectors, whether in the private or public sectors, to provide opportunities for businesses and to create employment and economic and social value. Durham has aspirations for its sites at Milburngate and Aykley Heads working with local and regional partners, with Durham University playing a prominent role in our plans. I welcome the work done so far by Whitecap and others to articulate and galvanise the opportunity."*

**Peter Rippingale, Director of Inward Investment & Opportunities, Business Durham**



*Image credit: Graeme Peacock*



# NORTH EAST FINTECH STRATEGY 2022-25

Strategic priorities, actions & implementation

# Strategic priorities, actions & implementations

|                        | Action                                                       | Implementations                                                                                                    | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders                                       |
|------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------|--------|--------|--------------------------------------------------------|
| Clear leadership       | 1. Establish a focal point for FinTech across the North East | a) Create a steering group<br>b) Create physical hub(s)                                                            | X      | X      |        | a) Strategy project team<br>b) Universities/Corporates |
|                        | 2. Clearly articulate the North East Fintech proposition     | a) Create overall messaging for North East FinTech sector<br>b) Create clear and aligned messaging for sub-regions | X<br>X |        |        | a) Inward investment orgs<br>b) Inward investment orgs |
|                        | 3. Enhance communication                                     | a) Create a central source of news and insight                                                                     | X      |        |        | a) Networks/Inward investment orgs                     |
| Increase collaboration | 4. Stimulate constructive industry collaboration             | a) Implement regular events and engagement opportunities across the North East                                     | X      | X      | X      | a) Networks/Ecosystem                                  |
|                        |                                                              | b) Design and deliver a programme of FinTech-related innovation challenges                                         | X      | X      | X      | b) Universities/Corporates/<br>Public sector           |
|                        | 5. Enhance collaboration across hubs                         | a) Align objectives and initiatives of key North East hubs                                                         | X      |        |        | a) Public sector/Inward investment orgs                |
|                        |                                                              | b) Explore the creation of a FinTech network across North East universities                                        |        | X      |        | b) Universities                                        |
|                        | 6. Increase national and international engagement            | a) Develop national and international collaboration opportunities                                                  | X      | X      | X      | a) Networks/Inward investment orgs                     |
|                        |                                                              | b) Expansion support for North East and international FinTechs                                                     | X      | X      | X      | b) Trade & Inward investment orgs                      |
| Develop resources      | 7. Expand FinTech workforce                                  | a) Increase awareness of career opportunities within the North East FinTech ecosystem                              | X      | X      | X      | a) Public sector/<br>Corporates/FinTechs               |
|                        |                                                              | b) Enhance reskilling opportunities for people to transition into FinTech roles                                    | X      | X      |        | b) Skills & Education providers                        |
|                        | 8. Improve access to FinTech funding                         | a) Improve connections with regional investors interested in the FinTech sector                                    | X      | X      | X      | a) Investors/Networks/<br>FinTechs                     |
|                        |                                                              | b) Enhance links with London based and international investors                                                     | X      | X      | X      | b) Investors/Networks/<br>FinTechs                     |
|                        | 9. Enhance FinTech Research & Innovation                     | a) Create enhanced opportunities for cross-sector collaboration                                                    |        | X      |        | a) Networks/Universities                               |
|                        |                                                              | b) Enhance the social impact of the North East's FinTech sector                                                    | X      | X      | X      | b) Universities/Corporates                             |



# Clear Leadership

| Clear Leadership |                                                           | YEAR 1                  | YEAR 2 | YEAR 3 | Key stakeholders                                                        |
|------------------|-----------------------------------------------------------|-------------------------|--------|--------|-------------------------------------------------------------------------|
| 1a               | Establish a focal point for FinTech across the North East | Create a steering group | X      |        | <ul style="list-style-type: none"> <li>Strategy project team</li> </ul> |

A common theme throughout this project has been the desire for a more cohesive and better informed FinTech cluster across the North East, and having a focal point for FinTech was cited as the most popular means via which to create meaningful value by online survey respondents. It is a widely held view that a focal point for communication would help align the different sub regions, help create a common view of FinTech across the North East and reduce duplication of effort.

The creation of a regional FinTech steering group is therefore proposed, with cross-regional representation and including a blend of organisations across public sector, higher education, and private sector representatives including established financial services and entrepreneurs running FinTech startups/scaleups. The steering group will meet monthly in person in different locations, but with a hybrid option to help ensure consistent attendance. It will provide a forum for updates on key activity within the region, and with an agenda aligned to the actions of this strategy. The remit of the steering group will not be to deliver the strategy, as the implementation actions sit across a wide range of stakeholders, but it will act as a forum where progress can be monitored.

Other options were considered as means via which clear leadership can be provided, most notably the creation of a formal branded entity for FinTech in the North East. At the current time, the case for such an entity is not a compelling one due to the costs and bureaucratic complexity involved, and stakeholder apathy towards the creation of another representative body in the region. It is envisaged that one of the objectives of the group will be to identify the optimal longer term operating model. This could be an ongoing steering group format, or potentially the creation of a more formal cluster body. The formation of FinTech Scotland as a cluster body was preceded by a FinTech steering group, which evolved into the more formal cluster entity that exists today.

Key initial considerations for the creation of the steering group include ownership of running the group and group participants. Whitecap Consulting has offered to coordinate the initial steering group sessions, which will be an extension of the steering

group sessions held throughout this project, but with an extended group of stakeholders in attendance. Dynamo North East previously established a FinTech cluster for the North East, which has not been active over the last 12-18 months. If Dynamo wishes to maintain and develop this cluster, then it is a strong candidate for playing a central role in tackling the actions of this strategy.

## Examples from other regions / sectors:

- FinTech North has an advisory board, which meets monthly. The membership of the advisory board includes representatives from the main regions of the north, each drawn from different types of organisation to help reflect different perspectives within the ecosystem. The monthly meetings are usually held virtually and last one hour, during which time national and regional updates are shared and discussed, leading to shared knowledge across the group.
- The FinTech National Network group meets virtually on a fortnightly basis, providing a forum for national updates on FinTech developments and also giving each regional group the opportunity to provide updates and highlight cross-regional engagement opportunities. The group also meets in person every 4-6 months, usually combining this meeting with the opportunity for the host city / region to host a FinTech event. The group has collaborated on national initiatives including the Kalifa Review, letters to the Chancellor, and, more recently, activities to support the development of CFIT.

*"I am extremely proud to call the North East my home. It may be a small region in comparison to others but its populated by proud, friendly, and hard working people. However, in regards to its sector strengths it still feels incredibly fragmented. I feel that we need one overarching group to draw these strands together. We need a stronger narrative - where we are, who we are, what our strengths and weaknesses are, and inevitably where we see our future going. Therefore, the hope would be that this cohesive, collaborative narrative will then drive bold and decisive decisions to set the region apart in innovation and growth."*

Kate Patton, Head of UK Cluster Policy, CBI (Confederation of British Industry)

| Clear Leadership |                                                           | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders                                                          |
|------------------|-----------------------------------------------------------|--------|--------|--------|---------------------------------------------------------------------------|
| <b>1b</b>        | Establish a focal point for FinTech across the North East |        | X      |        | <ul style="list-style-type: none"> <li>• Strategy project team</li> </ul> |

## Create physical hub(s)

A consistent and recurring theme throughout the research process has been the unanimous demand for a physical focal point for FinTech in the North East, in the form of one or more hubs. It is widely considered that such a focal point would provide a natural home for FinTech, and serve as a means via which FinTech entrepreneurs could engage with each other, but also where they could meet and collaborate with established organisations, investors, academics, and others who are actively involved in FinTech and other tech sectors

This finding appears to stem from the geographical diversity of the region and the desire to leverage the interconnected strengths of the cities and successful organisations across the region. The creation of one or more FinTech hubs was also the most commonly selected initiative from respondents to the online survey when asked to identify ideas that would support the growth of the FinTech sector in the North East.

It should be noted that FinTech-focused hubs are not common in other cities outside London, and FinTech is usually one of several sectors within the scope of a tech- focused hub or collaborative workspace. Newcastle and Durham have the most active FinTech clusters in the North East with concentrated business activity and are therefore the ideal locations to create a physical FinTech hub. Teesside 's FinTech activity is more geographically fragmented and this is not currently considered a logical location for a FinTech focused hub.

Key considerations include whether the hub should provide an incubator or accelerator programme, the number of hubs in the region and if the hub should have scope for aligning to other key North East tech sectors such as CyberTech or EnergyTech. There may be an opportunity for the public sector to help with the creation of a new hub. Examples such as the North of Tyne Combined Authority's investment into Ignite and Sunderland Software City to support digital sector growth demonstrates the effective role of public sector co-investment in regional hub activities.

Dynamo North East has created a business case for a cyber security innovation centre in the region and this development could potentially represent an opportunity for a combined FinTech and cyber security centre, due to the complimentary overlap between these two fields.

Examples from other regions:

- **AvenueHQ** in Leeds is home to a Barclays Eagle Lab, which is part of a national network providing a support programme to growing businesses. The building has

a café and bar, an event space for up to 70 people, and is home to a number of FinTech startups.

- **IA Engine** in Birmingham is a FinTech hub and accelerator programme run by the Investment Association, hosted within the head office of Wesleyan, the mutual insurance provider and one of the largest financial services organisations in the city.
- **Engine Shed** in Bristol is a key hub in the city's tech community, providing offices, co-working space, a café and a popular event space. It is also home to SETsquared, which runs a series of accelerator programmes across the South West and is in the process of launching a FinTech programme, working closely with FinTech West.
- **CodeBase** started by offering startups and scaleups a large, affordable space in Edinburgh city centre to enable it to focus on building and developing their businesses while not having to worry about negotiating long-term leases and property arrangements. Since 2014, CodeBase has grown exponentially and now has sites in Edinburgh, Stirling and Aberdeen, and has established links with various corporate brands including Barclays Eagle Labs where Codebase provides mentorship and support across the UK.

*"With supporting investment from elsewhere, we would be interested in how we could support a hub for FinTech startups. These startups would then be more likely to give back and create the same experience for future startups, creating the longevity of a collaborative FinTech hub for the region."*

**Andrew Haigh, Chief Executive, Newcastle Building Society**


*"We need the physical evidence of a hub and a community, all driving towards a common aim. Let's set a finish line goal – for example how many jobs, ideas, companies, and turnover. If you don't have the macro you never get the micro going on."*

**Richard Charnley, Investment Director, North Star Ventures**

*"We created an incubator when we were in the early stages of our development because we wanted to grow more data-centric businesses in Durham and make it a place where graduates could stay longer-term. In essence, we wanted to grow a cluster of data hungry spin outs by providing them with support around things like legal advice etc."*

**Edward Twiddy, Chief Customer Officer, Atom bank**





*"This Fintech Strategy for the North East helps define our story to a national and international audience and will be pivotal in how Invest Newcastle exploits market opportunity to drive growth and build on our strong reputation in this sector. We have seen phenomenal growth, and this strategy will support us to define the opportunity to investors within national and international markets - promoting the region as place where fintech businesses can not only start up, but scale at pace. This is our first step towards delivering a tangible strategy that will ensure that the sector continues to create jobs, develop talent, and attract inward investment."*

**Dawn Dunn, Digital and Tech Lead, Invest Newcastle  
(part of NewcastleGateshead Initiative)**

Image credit: Graeme Peacock



| Clear Leadership |                                                       | YEAR 1                                                 | YEAR 2 | YEAR 3 | Key stakeholders                                                         |
|------------------|-------------------------------------------------------|--------------------------------------------------------|--------|--------|--------------------------------------------------------------------------|
| 2a               | Clearly articulate the North East Fintech proposition | Create overall messaging for North East FinTech sector | X      |        | <ul style="list-style-type: none"> <li>Inward investment orgs</li> </ul> |

The Kalifa Review considered the North East [Newcastle and Durham] as an emerging FinTech cluster, specialising in banking, payments and WealthTech. Whilst our analysis aligns with this, there is a more detailed story to tell, including promoting the opportunities of the region regarding employment, operating costs, quality of living, quality of talent, higher education sector, tech sector and financial sector, and how all these relate to a growing collaborative FinTech sector.

Additionally, there was a lack of awareness to what the unique proposition and core competencies of the North East are among stakeholders in the region.

Due to these, a unified proposition across the North East is recommended to be created, drawing on the strengths of the different parts of the region and promote its competitive advantage against other regions and countries to attract more FinTech activity and talent. This content and analysis in this report provides the basis of this proposition.

This development should be led by Invest North East England (who already have a suite of collateral) in partnership with the wider region’s inward investment organisations in collaboration with the strategy steering group (1a). Key considerations include links to other regions and counties and distinguishing a USP of the whole region.

*“General awareness of both the region, its benefits and the Fintech ecosystem is crucial. Things that can help include links to other FinTechs/FS firms outside of the region, having a well-defined proposition with sufficient publicity, and having the necessary volume of staffing/skills. These things are of absolute importance to ensure a critical mass is achieved in the region.”*

David Nixon, Senior Investment Manager, Maven



| Clear Leadership |                                                       | YEAR 1                                             | YEAR 2 | YEAR 3 | Key stakeholders                                                         |
|------------------|-------------------------------------------------------|----------------------------------------------------|--------|--------|--------------------------------------------------------------------------|
| 2b               | Clearly articulate the North East Fintech proposition | Create clear aligned messaging for key sub-regions | X      |        | <ul style="list-style-type: none"> <li>Inward investment orgs</li> </ul> |

For effective messaging and promotion of the whole North East's FinTech sector, with a population of nearly 2.7 million, the North East accounts for 4% of the UK population. Whilst it is significant in size, the region needs to make its voice heard on a national (and international) level alongside other key regions of comparable population size, for example Greater Manchester (2.8m), Leeds City Region (3.1m), West Midlands (2.9m), and Wales (3.1m).

At present, the geographical fragmentation of the North East creates a challenge for the region's overall proposition and messaging. The growth aspirations and marketing efforts of successful sub-regions of the North East such as Newcastle, North of Tyne, Durham and Tees Valley has led to each of these sub regions developing its own proposition, particularly in support of inward investment activity.

Whilst it is neither realistic nor practical to unify the narrative across these sub-regions, it would be beneficial for the sub-regions to align their messaging to the primary overall North East narrative. This action is strongly linked with the articulation of the North East's overall proposition, and also relates to the alignment of the objectives and initiatives of key hubs (5a).

Invest North East England and other inward investment organisations will have a central role to play, and by working in collaboration with the strategy steering group, these groups can then consider potential conflicts of interests and also identify where

there are instances where individual sub-regions may be best placed to carry out certain activities, due to their existing core strengths.

A key benefit of this alignment would be to attract FinTech related businesses and talent to the North East.

*"There are a number of disparate organisations in the region with similar propositions competing versus collaborating. There is a lack of academic and commercial focus and working together on shared purpose. There is huge opportunity and demand from North East society willing to make a difference in financial services. There is a move underway from financial services to more impact-orientated projects."*

**Kevin Telford, FinTech Sector Advisor, Investor & NED, & Advisory Board Member, FinTech North**

*"Clean growth and net zero are areas of focus for Tees Valley, where there are internationally competitive capabilities."*

**Geraldine Brown, Head of Strategy and Policy, Tees Valley LEP**

*"There is a massive mutual desire within the North East to grow the region, but if we want to progress we need to be driven, and we need collective focus and energy to push things forward."*

**Andrew Haigh, Chief Executive, Newcastle Building Society**

| Clear Leadership |                       | YEAR 1                                      | YEAR 2 | YEAR 3 | Key stakeholders                                                                    |
|------------------|-----------------------|---------------------------------------------|--------|--------|-------------------------------------------------------------------------------------|
| 3a               | Enhance communication | Create a central source of news and insight | X      |        | <ul style="list-style-type: none"> <li>• Networks/Inward investment orgs</li> </ul> |

The lack of awareness of FinTech activity in the North East is a hinderance to future growth by limiting the perceived opportunity for all stakeholders such as FinTechs to establish and grow in the region, talent to seek good quality jobs, and for funders to find potential investments.

In addressing this, there is demand from stakeholders in the region for an online resource which publishes news, activities, events, stats and insights, funding opportunities and contacts for the sector as a 'go to hub' for sector information and navigation. The creation of web-based news portals is commonplace across multiple regions, sectors and countries. The challenge is less about the creation of such a resource, and more about the maintenance and development of the content.

This resource should be managed by a single stakeholder such as a FinTech network or inward investment organisation but requires input from multiple stakeholders to build and update the knowledge base. Considerations for this implementation include whether this resource should be stand alone or be part of an existing online website.

FinTech North is in the process of creating an online source of regional insight across the north, under the banner of 'Expand Your FinTech North', which will include key insight and news from the North East, but this will also cover the wider north. Meanwhile, organisations such as Dynamo North East, Sunderland Software City, Invest North East England, Invest Newcastle, and Business Durham all feature newsfeeds on their websites.

Examples from other regions / sectors:

- **North East Automotive Alliance** shares news and insights from across the automotive sector on its website, providing a one stop source of key developments and initiatives across the region. The group has achieved Bronze status from the European Secretariat for Cluster Analysis.
- **FinTech Wales, FinTech Scotland, FinTech North, FinTech West, and SuperTech WM** all run websites that share news from their regional ecosystems, while Innovate Finance and FinTech Alliance publish UK-wide news and updates relating to key FinTech news and developments.

*"Sage's purpose is to be the trusted network for connecting SMEs to banks, suppliers, customers, and other critical entities within their business ecosystems. This involves creating partnerships on a national and international basis. We're starting locally by better understanding the opportunities to drive innovation and build strong partnerships with FinTech here in the Northeast."*

**Helen Pearson – Director of Product Management, Sage**

*"The North East is home to a vibrant tech community. We were keen to establish a base here and become a contributing member of this community. We will benefit from being part of this community and feel we have a lot to offer."*

**David Titterton, Engagement Director, Monstarlab**



# Newcastle Strategic Solutions



**Newcastle Strategic Solutions is delighted to be supporting Whitecap Consulting's North East FinTech Strategy.**

The Kalifa Review of UK FinTech report published in 2021 identified the region as a top ten emerging FinTech cluster in the UK and highlighted the importance of collaboration across regional hubs. We believe that the strategy is a step forward in harnessing the full potential of the industry at a local level.

As part of Newcastle Building Society we've helped local communities save for a better financial future for over 150 years, and we're committed to playing our part in securing a sustainable future for North East FinTech.

In order to achieve the vision outlined in the strategy, and ensure the growth is sustainable, it is vital that we remain committed to developing the skills and expertise needed. Established in 2004, Newcastle Strategic Solutions has been a major employer of technology, digital and professional services talent in the region for almost 20 years. And as one of the region's largest FinTech employers we believe that alongside nurturing and growing our highly-skilled workforce it is also important to inspire the next generation of talent.

Driven by our purpose-pillar of fostering positive change at work and in our communities, we recently launched a Coding Club set up by volunteers from the Software Development team. The team have been working with a local primary school to offer an after-school club for children aged between 9 and 11 where pupils have

been enjoying using Lego kits, Scratch and Raspberry Pi kits. While the pupils are learning a practical skill, it's also a chance to showcase the FinTech career paths available in the North East. It has been so successful we're now exploring the possibility of engaging with other local schools.

Our region's world-class universities, and passion for innovation and investment in infrastructure, continue to attract FinTechs looking to put down roots, and we are committed to utilising our experience and expertise to support the North East community. We are able to create links between organisations based in the North East and the wider UK FinTech industry via our established connections and partnerships with banks and building societies nationwide.

Finally, it is essential that we all continue to champion the North East as an ideal location for FinTech businesses to flourish, ensuring we are leading the way in FinTech innovation, growth and employment. Whitecap Consulting's strategy document and the research behind it defines the steps and areas of focus to collectively work towards, and we're excited to play a part in this important work.







"Digital and the digital sector is a key component of our economic vision, and our existing investments in skills, infrastructure and innovations are aim to cement our region's status as one of the most exciting digital economies in the UK and around the world. The recent success of the FinTech sector showcases the very best of the North of Tyne and wider regional economy; collaboration between public, private and higher education, innovation across sectors and supply chains, and clustering of expertise which proves hugely attractive to inward investment. The work of Whitecap and partners brings to life these intangible characteristics into a strategy with real clarity and ambition that we can, and should all get behind."

**Dr Henry Kippin, North of Tyne Combined Authority**

Image credit: Graeme Peacock



# Increase collaboration

| Increase collaboration |                                                           | YEAR 1                                                                      | YEAR 2 | YEAR 3 | Key stakeholders     |
|------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------|--------|--------|----------------------|
| 4a                     | Establish a focal point for FinTech across the North East | Implement regular events and engagement opportunities across the North East |        |        | • Networks/Ecosystem |

Bringing people together via meetings and events can create a platform for knowledge share and discussion, which in turn builds relationships and creates value-generating opportunities. Events also create an opportunity for purposeful marketing and promotional activity, which helps build awareness of the key developments around which they are themed. Initiatives such as innovation challenges combine events with innovative problem solving, but a broader events programme can also help address topics such as equality, diversity internationalisation, and national connectivity.

Collaboration is imperative for a successful innovation cluster as it stimulates idea generation and greater efficiencies in bringing solutions to market and was chosen by 63% of online survey respondents as a key initiative this strategy should address. There is some evidence of a well networked ecosystem and positive collaboration efforts, but the Newcastle FinTech North Conference (July 2022) was the first large event for over two years. This event brought together more than 130 FinTech ecosystem stakeholders into one room with an extended audience attending virtually. This event was very well received and generated demand for similar events in the future.

As a result, regular events of varying sizes are proposed, which include face to face and virtual opportunities to engage networking and knowledge share across the FinTech sector. Events could be carried out and organised by several organisations such as Dynamo North East, inward investment organisations, FinTech North, Sunderland Software City or other meet up groups. Key considerations include frequency and funding of such events, location, and the inclusion of other tech sectors which could mutually benefit from knowledge sharing.

Examples from other regions / sectors:

- **FinTech North** runs monthly events across the north of England, covering a range of FinTech-related topics via in person and virtual events. The primary objective of

FinTech North is to bring together the FinTech community across the north, and the events are designed with a focus on providing a platform for interesting FinTech speakers and creating networking opportunities for the attendees.

- **Findec** is a hub for FinTech firms in Sweden, with a stated purpose to 'boost Sweden's financial technology ecosystem through network, knowledge and collaboration.' Findec aims to connect all players in the ecosystem to help them work out their own paths forward. On its website it states "we believe that healthy ecosystems need bridges, not walls".

*"The current FinTech community is a strong close-knit bunch of people and companies that seem to support each other. My view of the FinTech ecosystem in the North East is very much focused on collaboration via events. We could be doing more to publicise and promote the work being done outside of events – if it is going on. Aside from this, it currently seems to be companies operating independently, but it could be so much more."*

Usman Shahid, Associate Director, TrueNorth

*"Settld notifies all companies of a death when a customer dies. We are working closely with those who want to improve their customer experience, because bereaved and vulnerable customers deserve better bereavement standards. Some sectors, such as financial institutions, have been more difficult to work with than others, but our real hope is that those organisations which are investing in and improving their service will encourage more competitors to follow suit."*

Vicky Wilson, Co-Founder & CEO, Settld

*"Funding and talent is often the restriction. We need to make sure any new FinTech hub gets off the ground with proper community interaction and the right representation and support."*

Aaron Lawson-Clark, Investment Director, LDC

| Increase collaboration |                                                           |                                                                         | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders     |
|------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------|--------|--------|--------|----------------------|
| <b>4b</b>              | Establish a focal point for FinTech across the North East | Design and deliver a programme of FinTech-related innovation challenges | X      | X      | X      | • Networks/Ecosystem |

There is evidence of demand from FinTech startups for more collaboration with the larger tech and FS organisations in the region where an ability to make and adapt solutions for specific industry demands was a focus. As a result, innovation challenges set by the larger organisations that outline pragmatic problems which are then pitched to FinTechs is one of the key recommendations of this strategy. Innovation challenges, incentivised through prizes, direct funding or broader business development opportunities, could be set on a quarterly basis and reflect the existing problems which FinTech or wider tech startups can address. These challenges can be set in-person during events, through video conferences or published online.

To understand key industry problems, the challenges could involve stakeholders from large FS and tech organisations, higher education institutions, FinTechs themselves, FinTech network organisation such as Dynamo North East and FinTech North and local/combined authorities. Key considerations for innovation challenges include the funding structure of the event or online publication, whether challenges should be opened-up to the wider national or global FinTech sector and which organisations take the lead in managing or integrating the implementation.

The concept of innovation challenges is not a new one and within the region the 'Challenge North of Tyne' programme may be an option via which a FinTech innovation challenge could be created. Challenge North of Tyne is funded by the North of Tyne Combined Authority's Innovation Recovery Programme, a £10million fund designed to help restart the area's economy through projects that are innovative, create jobs and support businesses to diversify, plan for the future and access new markets.

On a national level, there is increasing activity relating to innovation funding for FinTech. Innovate UK recently launched a grant funding programme, whereby UK registered businesses, or organisations in collaborations, can apply for a share of up to £7 million for projects that develop new products and services within Professional and Financial Services. The criteria includes stating that they are particularly encouraging applications that span more than one sector, or that involve projects that increase access of the services to underserved or excluded communities, individuals, and businesses.

Examples from other regions / sectors:

There are other national initiatives that are highly complimentary to the creation of innovation challenges in the North East, including the development of CFIT, the creation of the UK Fin+ research network, and the increasing number of innovation challenge style initiatives being launched by large corporates, which in recent months has included Lloyds Banking Group, TSB, and Phoenix Group.

- **Innovation Super Network** has been running a series of innovation challenges, including one focused on ageing, which is linked to the National Innovation Centre for Ageing.
- **FinTech Scotland's** 10 year Research & Innovation Roadmap outlines a plans for a series of innovation challenges which aim to bring together established financial services organisations with FinTech firms and academics.
- Sunderland is home to an **IoT and 5G accelerator**. The 6 week programme commences in Autumn 2022 and is seeking to attract tech entrepreneurs who can help deliver Sunderland's Smart City ambitions.



# Stakeholder quotes on collaboration

"The North East must address productivity as outlined in the ONS 2020 statistics report. Education for meaningful employment, a drive for inward investment, higher output, through UK and international partnerships have to be some of the key priorities. Opportunities are there for the taking when the North East rallies together. Collectively we have to showcase our talent, environment, personality to attract more people, businesses to enrich the uniqueness of our region. When these things happen together, impact flows."

**Kevin Telford, FinTech Sector Advisor, Investor & NED, & Advisory Board Member, FinTech North**

"We're working to better understand the opportunities for innovation with FinTech here in the North East as a foundation for building a trusted network for connecting SMEs to banks, suppliers, customers, and other critical entities within their ecosystems. We'll need strong FinTech partners on the local, national and international level to help our customers thrive by knocking down barriers to doing business. "

**Helen Pearson – Director of Product Management, Sage**

"We are open to engaging with startups and scaleups that can help us deliver better products and services. I would welcome easier ways to spot the opportunities and use cases. I have been approached locally about potential propositions that may fit with our strategy only a small number of times but would also encourage hearing from potential partnerships."

**Manila McClean, Chief Information Officer, Newcastle Strategic Solutions**

"Collaboration is strong with likes of the catapults, but there's not enough early collaboration between large companies and FinTechs."

**Richard Charnley, Investment Director, North Star Ventures**

"We are currently lacking a wider North East picture for FinTech. There is not a lot of collaboration between the organisations across different cities in the North East. There are large financial services players that could do more. There's a lot more opportunity for collaboration."

**Founder, FinTech startup**



| Increase collaboration |                                   | YEAR 1                                                  | YEAR 2 | YEAR 3 | Key stakeholders                                                                       |
|------------------------|-----------------------------------|---------------------------------------------------------|--------|--------|----------------------------------------------------------------------------------------|
| 5a                     | Enhance collaboration across hubs | Align objectives and initiatives of key North East hubs | X      |        | <ul style="list-style-type: none"> <li>Public sector/Inward investment orgs</li> </ul> |

The North East is a large region that is made up of 12 local authorities, three combined authorities and a Local Enterprise Partnership. Each aims to stimulate economic activity in their locality, including promoting their competitive advantages. As a result, objectives and initiatives related to FinTech, or tech more broadly, would benefit from being aligned to represent, promote and grow the strengths of the North East as a whole.

Examples of objectives and initiatives that would benefit from being aligned could include sub-regional value propositions for FinTech activity (2b), the creation of physical hubs (1b), digital skills initiatives and diversity and inclusion goals.

Aligning objectives and initiatives across the sub regions is an action that would need to be instigated by the regional authorities and should consider the existing strengths and ambitions of each authority and sub-region.

*"Organisations in the North East don't seem to see the benefit of collaborating for the good of the region. Seeing themselves as one big hub would enable greater reach and influence nationally."*

Leanne Cullen, Operations Director, Waterstons

*"Alignment of initiatives within the North East can help synergise and amplify the region's strengths."*

Phil Jackman, Cluster Lead for Cybersecurity, Dynamo North East

*"The North East regions need to work together to develop the Fintech sector even if they don't want to from a competitive point of view."*

Founder, FinTech startup





| Increase collaboration                                                   |                                   | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders                                                                       |
|--------------------------------------------------------------------------|-----------------------------------|--------|--------|--------|----------------------------------------------------------------------------------------|
| 5b                                                                       | Enhance collaboration across hubs |        | X      |        | <ul style="list-style-type: none"> <li>Public sector/Inward investment orgs</li> </ul> |
| Explore the creation of a FinTech network across North East universities |                                   |        |        |        |                                                                                        |

The North East's higher education sector has often been cited as a key strength of the region and a source of young talent due to the presence of five universities. The universities can further strengthen the quality of this supply by co-creating a FinTech network, which would be an alliance of the combined capabilities of the universities to understand demand for skills, and a means via which to educate and find career opportunities for students. Additionally, the network can also strengthen the FinTech sector through academic research outlined in 9a, collaborating on Fintech research.

This network should include all five of the universities in the North East, but will need to take into consideration respective strengths of the universities. It could potentially link to the Engineering and Physical Sciences Research Council (EPSRC) initiative on the creation of a national FinTech research network, which is currently being developed by a consortium of universities including Newcastle University.

Collaboration across universities would strengthen the overall North East proposition whilst also benefitting the individual universities by leveraging their strengths. A key consideration is finding the balance between cooperation and competition, and agreeing on how mutual, or otherwise agreed, responsibility is managed to ensure competitive advantages are maintained whilst generating value for each university and North East as a whole.

This network could also collaborate across other initiatives such as academic research projects to foster innovation within the FinTech sector.

Relevant examples:

- **Yorkshire Universities** represents 12 universities across Yorkshire, and is the only regional Higher Education association outside London. This is a partnership based on a shared interest in the specific role that universities can collectively play in using teaching, research, knowledge exchange and civic engagement to drive economic and social well-being and prosperity.

- **The N8 Research Partnership** is a collaboration of eight research intensive Universities in the North of England, including Newcastle and Durham. It is a not-for-profit organisation that is funded by its members, and its activities have included developing cross-sectoral research collaborations.

*"As the FinTech sector in the region continues to develop, we're open to creating collaborative initiatives with other universities in the North East. Any such collaboration would also involve considerable internal stakeholder consultation and there will be a range of objectives and perspectives to be considered. It could however be a critical element of the development of the region's FinTech innovation hub over the coming months."*

**Vincent Robson, Business Development Manager, Northumbria University**

*"Collaboration with other universities is something we have engaged in many times and are interested in exploring the creation of a North-East FinTech network with other regional universities. The new national UKFin+ Network EPSRC Funded programme (£2.5m launching in October 2022-2027), builds on existing collaborations while bringing together industry and academics via funded FinTech-related co-created projects."*

**Karen Elliott, Senior Lecturer (Associate Professor) in Enterprise & Innovation (FinTech), Newcastle University Business School**

*"Why don't the North East universities put their pension pots together and invest in early stage tech like other Northern Universities are doing via Northern Gritstone."*

**Aaron Lawson-Clark, Investment Director, LDC**





Newcastle  
**helix**

*"You need the collaboration of incumbents and startups to drive an innovative FinTech cluster. There is often a requirement for sector knowledge and experience in the commercialisation of early-stage innovative ideas, especially in financial services. This is where collaboration can help to support entrepreneurs."*

**Andrew Haigh, Chief Executive, Newcastle Building Society**



| Increase collaboration |                                                                | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders                                                                    |
|------------------------|----------------------------------------------------------------|--------|--------|--------|-------------------------------------------------------------------------------------|
| 6a                     | Increase national and international engagement                 |        | X      |        | <ul style="list-style-type: none"> <li>• Networks/Inward investment orgs</li> </ul> |
|                        | Develop national and international collaboration opportunities |        |        |        |                                                                                     |

FinTech is a fast growing sector globally, with different capabilities and strengths prevalent in different locations. In some instances, FinTech capability can be duplicated across multiple locations, but it is also the case that pockets of excellence can emerge in specific cities, regions and countries. For example, the UK is seen as a global leader in regulation and Open Banking, but within the UK the North East has core strengths in banking and payments, whereas Edinburgh is seen as a hub for asset management and Wales is known for its strengths in insurance. The Kalifa Review recommended that the regions of the UK should seek to collaborate to leverage their collective strengths. Conceptually, this is something that is widely agreed with, but converting this sentiment into meaningful action is a tougher challenge. The North East can help foster national and international collaboration by proactively engaging in discussions with other regions about FinTech collaboration opportunities.

The creation of more national and international collaboration opportunities will require engagement with multiple organisations within and outside the region. Whilst the inward investment organisations in the region undoubtedly have a key role to play, this is an area where the regional steering group can also be centrally involved. The North East needs to participate in inbound and outbound trade missions to create international trade opportunities, it needs to strengthen its core competences by creating cross regional collaborations with other UK and international regions, and it can also help balance out areas where it does not have existing strengths, to create a stronger overall proposition.

On a national basis, key FinTech stakeholders in the North East have existing relationships with organisations like Innovate Finance, City of London Corporation, Tech Nation, and the CBI. There are also links with other regions of the UK, most notably in the north, but these links are less developed and would appear to be a strong source of potential for all parties. Internationally, the situation is comparable but the stakeholders are different.

The Department for International Trade offers an obvious route to international collaboration, and has a long-standing presence in the North East, as well as a global network of 'posts' who are based within key global locations and can help create engagement and collaboration opportunities via initiatives such as inbound and outbound trade missions.

Examples from other regions / sectors:

- **The Investment Association** is looking nationally for pre-seed startups in the investment and asset management space. Firms will have the opportunity to join a year long programme that will bring them into contact with major brands such as Schrodgers, Blackrock, and Legal & General.
- **FinTech Scotland** and **FinTech Wales** published a joint paper in 2020 highlighting the need for an increased focus on Research & Innovation in FinTech in the UK.
- **SuperTechWM** invited participation from across the UK in its recent pre-seed accelerator programme (SuperTech Seeds)

*"We have been growing the FinTech cluster in Scotland since 2018 and we were delighted to be invited to Newcastle to share our experiences as part of the development of this strategy. FinTech Scotland has recently been awarded silver level accreditation by the European Secretariat for Cluster Accreditation (ESCA), something we're very proud of. We hope to have a collaborative relationship with the North East FinTech cluster as part of our ongoing and long standing work to help grow the UK FinTech sector, primarily via our involvement in the FinTech National Network."*

**Stephen Ingledew, Executive Chair, FinTech Scotland**

*"We need an understanding of the links between financial courses and FinTech. Is there a national initiative to promote these skills? How can North East align to that? Knowledge sharing would be good."*

**Phil Jackman, Lead, Dynamo North East**

| Increase collaboration |                                                | YEAR 1                                                      | YEAR 2 | YEAR 3 | Key stakeholders                                                                    |
|------------------------|------------------------------------------------|-------------------------------------------------------------|--------|--------|-------------------------------------------------------------------------------------|
| <b>6b</b>              | Increase national and international engagement | Expansion support for North East and international FinTechs |        |        | <ul style="list-style-type: none"> <li>• Networks/Inward investment orgs</li> </ul> |
|                        |                                                | X                                                           | X      | X      |                                                                                     |

The successful inward investment activity in the North East has led to a trebling of the proportion of FinTech firms that have opened a base in the region since 2019. In 2022, the proportion of FinTech firms with a North East office but their HQ elsewhere is 31%, compared to 10% three years ago. This demonstrates the attractiveness of the region to FinTechs in the UK and abroad. At the same time, FinTech firms in the North East have aspirations of international expansion and this must also be supported. The Department for International Trade (DIT) has a team focused on the north, and also has an office and team in Newcastle.

Over recent years, primarily before Covid, DIT's international teams from regions including the Nordics and Baltics were involved in a number of inbound FinTech missions which brought groups of 20+ FinTechs to the north.

These missions tended to focus on Liverpool, Manchester and Leeds but did not reach the North East. With the FinTech story that is emerging in the North East, the region now has a strong case for being included in such initiatives in future, or indeed being the focal point of specific trade missions. In July, Invest North East England coordinated a day for members of DIT's UK team, with the aim of showcasing the region's assets and hear from some recent inward investors.

*"In our dealings with overseas innovators seeking to launch in the UK, we often encourage them to look beyond London. The North East infrastructure needs to be more inclusive, developed and equipped to attract and handle top talent and global expertise. This will make it easier to direct more activity to the region and help keep growth companies within the ecosystem."*

**Patrycja Maksymowicz, Chapter Director, Leeds & Newcastle, Startup Grind**

*"FinTech is pretty region-less due to national customer base and therefore a business can be based anywhere."*

**Founder, FinTech startup**





# North East Regional Organised Crime Unit



**The North East Regional Organised Crime Unit is created from our constituent forces, Cleveland Police, Durham Constabulary and Northumbria Police and is focussed on tackling the threat posed by serious organised crime. The specific areas of risk this includes are many and varied including illegal drug supply, firearms, modern slavery and human trafficking, cyber-crime, fraud, money laundering and other economic crime.**

While crimes of fraud or money laundering can have devastating impacts on their own, the cumulative impact also provides an enabling function for organised crime in general, aiding the most dangerous criminals as they move illicit money around financial systems, obfuscating it from sight while it funds their lavish lifestyles and continued criminality.

The Economic Crime Plan 2019-22 agreed a joint vision to drive a collective response to Economic Crime which was “for the public and private sectors to jointly deliver a holistic plan that defends the UK against economic crime, prevents harm to society and individuals, protects the integrity of the UK economy and supports legitimate growth and prosperity”. As we now stand in 2022 looking forward at both the challenges and opportunities ahead of us there is still much to do, however, there are also green shoots appearing across the landscape and FinTech is definitely one of the most evident.

“Fintech is not a niche within financial services. Nor is it a sub-sector. It is a permanent, technological revolution, that is changing the way we do finance.” The opening words by Ron Kalifa OBE in his review of

UK FinTech not only reflect the scale of impact this sector is having but also an understanding of the nexus that is evident and FinTech’s importance in managing economic risk.

Our delivery framework for tackling organised crime is based around 4P’s Protect, Prepare, Prevent and Pursue. But what does that mean and how can FinTech support the fight against organised crime?

- Protect individuals, organisations, and systems from the effects of serious and organised crime. Achieving this through education and awareness of the risk landscape. Ensuring that new technologies while improving user experience and interoperability also where possible design out risks in the system creating more resilient systems.
- Prepare for when crime occurs and mitigate the impact. Understanding how FinTech’s utilise data or AI in order to stop the harm faced by individuals / organisations as early as possible delivering efficient and effective responses which safeguard the users financial wellbeing.
- Prevent people from engaging in serious and organised crime. The barriers to entry for economic crime can be as low as owning a bank account which would allow a criminal group to launder money through it. FinTech brings with it economic growth and the creation of jobs and opportunities for our communities ensuring that the lure of criminality is counterbalanced. This impacts the very infrastructure’s criminals use to hide their illicit gains.

- Pursue offenders through prosecution and disruption. Effective pursue action is driven by intelligence. As financial systems develop, and data sharing improves it leaves fewer safe spaces for criminals to hide. Informing law enforcements knowledge and allowing threats to be accurately understood so the highest harm criminals can be targeted.

The Regional Economic Crime Coordination Centre (RECCC) based within the North East ROCU provides a focal point for our regional response. In addition to investigative resources who disrupt and pursue organised crime we also provide analytical understanding of the threat landscape and engagement officers to work with partners as we drive our collective response.

The threat of economic crime is a significant one, but the FinTech sector can help to provide true impact in this fight. We look forward to working with you in building a stronger North East.

## Contact:

### Detective Sergeant Paddy O’Keefe

Regional Economic Crime Coordination Centre  
North East Regional Organised Crime Unit  
RECCC@Durham.Police.UK

# Develop resources

| Develop resources |                          | YEAR 1                                                                             | YEAR 2 | YEAR 3 | Key stakeholders                                                                     |
|-------------------|--------------------------|------------------------------------------------------------------------------------|--------|--------|--------------------------------------------------------------------------------------|
| <b>7a</b>         | Expand FinTech workforce | Increase awareness of career opportunities within the North East FinTech ecosystem |        |        | <ul style="list-style-type: none"> <li>Public sector/ Corporates/FinTechs</li> </ul> |

Our online survey and stakeholder interviews clearly highlighted improved access to talent as the greatest potential opportunity from which organisations in the ecosystem can benefit. We also found that it represents one of the primary barriers to FinTech growth in the region, for two reasons: the global shortage of tech talent; and a lack of awareness of the job opportunities available in the region (and beyond) across all FinTech related roles. Improving access talent is therefore one of key themes of this strategy.

Improving the awareness of FinTech related career opportunities in the North East could help to address both issues whilst also promoting a more sustainable and diverse workforce. There is already good activity in the region, for example, Newcastle Strategic Solutions is actively engaged with local schools in relation to helping raise awareness of tech career opportunities, and the North East LEP supported the launch of North East Ambition 2017, which aims to ensure all North East schools and colleges achieve the Gatsby Good Career Guidance benchmarks by 2024.

The challenge of skills is not unique to the North East of course, and support frameworks have been developed nationally to support raising awareness in schools and using the education sector as a key channel to target talent early. Innovate Finance, in partnership with Deloitte, has created 'FinTech for Schools', an initiative with significant potential that aims to increase awareness of FinTech amongst schoolchildren, providing FinTech firms an opportunity to highlight the labour demand and employee propositions. Key considerations for this action include: the best channels to access the student population, which FinTech firms to highlight career opportunities within and how best to monitor the successes of the action.

Examples from other regions:

- **FinTech for Schools: FinTech Scotland** has worked with the local Deloitte team and FinTech firms to run two pilots (both virtual), aiming to introduce FinTech as a concept to 12-13 year olds across 4-5 different schools. Students experience using a FinTech app and understand what it's like to be in a FinTech business. FinTech Wales has been working with Deloitte, local schools and FinTech firms. It is creating lesson plans, and forming links to careers advisers.

- **FinTech West** recently co-created a talent showcase day with University of Bristol and University of the West of England (UWE) to give FinTech students the opportunity to present their dissertation projects to an audience drawn from the regional FinTech community. UWE students on the FinTech masters programme have also had weekly guest lectures from FinTech sector experts as part of their course.

*"We are really excited to be working with members across the FinTech National Network to grow talent in the UK sector through initiatives such as FinTech for Schools."*

**Peter Cunnane, Director of International & National Initiatives, Innovate Finance**

*"We have good quality universities but we need to make sure they are supplying labour that has tech skills. University engagement is a crucial part of the collaboration and strategy as a whole."*

**David Nixon, Senior Investment Manager, Maven**

*"One of the most telling questions we had to face at the outset was 'will you be able to sustain your business as you grow in the north east'? This was not to do with technology, it was all about people. The perception was that the talent pool was not large enough."*

**Edward Twiddy, Chief Customer Officer, Atom bank**

*"I still don't think the universities and colleges are engaging as well as they could. I have seen some digital bootcamps from regional universities recently, with the aim of getting non-tech people into the tech industry. Some of these bootcamps guarantee interviews at the end, but the focus seems to have been more about getting people onto the programme, rather than lining up the business engagement / interview opportunities. North East businesses need to make more effort to engage with the universities and colleges and at least consider speaking to more junior and less experienced candidates. There aren't enough mid-senior level candidates to go around so junior ones need to be trained up."*

**Paul Lancaster, Senior Consultant, IT & Tech, Nigel Wright Recruitment**



| Develop resources |                                                                              | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders                                                                    |
|-------------------|------------------------------------------------------------------------------|--------|--------|--------|-------------------------------------------------------------------------------------|
| <b>7b</b>         | Expand FinTech workforce                                                     |        |        |        |                                                                                     |
|                   | Enhance reskilling opportunities for people to transition into FinTech roles | X      | X      |        | <ul style="list-style-type: none"> <li>Public sector/Corporates/FinTechs</li> </ul> |

Reskilling and upskilling initiatives can both help individuals pursue new career opportunities in the North East and help bolster employment as a whole. As a result, short courses, bootcamps and micro-credential exercises can be used to up-skill talent away from lower grade roles or declining sectors into FinTech and the wider tech economy. FinTechs in the region have also cited demand for financial service orientated tech graduates that understand the application and value of the technology.

Implementation will require a collaborative effort from FinTechs, established financial services and tech organisations to understand the demanded skill sets against the offering from skills providers, including universities and colleges. Key considerations include target sectors to reskill, priority locations of potential FinTech talent pools, and alignment to regional, national and international employment initiatives.

Examples from other regions:

- **The Coders Guild** helps people to switch careers or 'supercharge progress' in a chosen field via full or part time flexible courses. The range of courses available includes titles such as 'Get hired in the tech industry', a course that aims to highlight transferable skills and knowledge that are of value in the tech sector.
- **Generation** partners with employers to provide a diverse pipeline of talent for new, in-demand roles. It supports, trains and places people facing barriers into life-changing roles otherwise inaccessible to them, and counts McKinsey amongst its founding partners. Since 2014 Generation has helped almost 70,000 graduates and more than 2500 employers worldwide. 82% of people are employed within 3 months of completion of a Generation programme, while 82% of employers say Generation graduates perform better than average. Generation UK was set up as UK Charity in 2019 and launched in Leeds last year, which is now Generation UK's largest region outside of London. It runs bootcamps in Data Analytics / Engineering, AWS Cloud, IT Support, and also in the growing sectors of healthcare and green.

- In September 2022, **Barclays Bank**'s Rise Startup Academy announced it will focus on supporting aspiring FinTech founders who find themselves out of jobs due to the current economic climate. The 20-week programme will connect participants with technical and financial experts in the Rise community whose work is relevant to their idea or business, providing learning from anywhere with 24/7 access, opportunities to apply learning through weekly activities, live workshops, and connection with peers.

*"The North East was renowned as a specialised industrial region but it had to transition by retraining its workforce to take on roles such as contact centres and customer experience. We now need to transition again and develop more tech skills so we can evolve with the digital revolution."*

**Maria Harris, Director, Digital Cat Consultancy & Advisory Board Member, FinTech North**

*"It's not just FinTech, we need more schemes to support retraining people into tech-orientated roles. Codebase in Edinburgh had a scheme to retrain people into developers that has successfully proven the concept. Given the career opportunity and financial rewards, there would like be demand to participate."*

**Aaron Lawson-Clark, Investment Director, LDC**

*"Gaming is where a lot of graduates are going. Gaming doesn't just have links with FinTech but all sectors. In Tees Valley we are very proud of our gaming heritage which is fed by Teesside University."*

**Craig Walton, Chief Digital Officer, Tees Valley LEP**

| Develop resources |                                                                             | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders                                                                    |
|-------------------|-----------------------------------------------------------------------------|--------|--------|--------|-------------------------------------------------------------------------------------|
| 8a                | Improve access to FinTech funding                                           |        |        |        |                                                                                     |
|                   | Improve connection with regional investors interested in the FinTech sector | X      | X      |        | <ul style="list-style-type: none"> <li>Public sector/Corporates/FinTechs</li> </ul> |

Lack of funding is a key growth barrier for FinTechs in the North East, as agreed by 53% of online survey respondents. From further analysis including stakeholder interviews, it appears a more significant barrier lies in the lack of awareness to the funding opportunities that already exist across the North East, something which was also agreed upon by 80% of online survey respondents.

The North East's private sector funding landscape requires further development to help scale up the range and depth of options available. As more FinTechs start, enter, and grow in the North East, proximity to investors will be an advantage with almost all FinTechs interviewed saying they received seed funding from local angel investors.

Stronger connections between regional investors and the FinTech sector could raise awareness of the funding opportunities already available in the region, as well as decrease the perceived risk associated with technology related investment which has frequently been raised as barrier by FinTechs in the region. This has also been the case in other regions Whitecap has analysed over recent years.

Improved communication and understanding between investors and FinTechs could be achieved through means such as an online resource to help FinTechs navigate funding opportunities as well as initiate investment interest for funders. There is also scope for FinTech events dedicated to funding, and building a clear network of FinTechs and public and private investors.

Organisations who could play a role in delivering this action include public and private sector investors, FinTech firms, network and event coordinators such as Dynamo and FinTech North, and the FinTech National Network.

The creation of a working party to help develop the funding and investment opportunities available across the region could be a valuable catalyst, not just for FinTech but more broadly.

*"Financial support for small businesses at the right time in their journey, is crucial. Companies often struggle to generate investment at the early stage, and the inward investment support from the government is generally more likely to benefit scaling businesses. More investors and funds for pre-revenue businesses in the region would be welcomed!"*

**Rachel Burdis, Inward Investment Manager, Invest North East England**

*"We secured the necessary regulatory capital with investment from a combination of North East based high-net worth individuals, businesses and local pensions funds. We continue to engage with current investors and potential new investors, both locally and nationally. Capital raise is challenging and we always welcome regional support, however we are finding long term investor channels still available in the current economic climate."*

**Stephen Lancaster, Chief Executive, GB Bank**

*"Funding exists, but the problem is access - the qualification criteria to access funding that is available in the area is still moulded around traditional businesses. Requirement to generate revenue within 6 months of starting development, and profitability within the year is pretty unreasonable for early stage FinTechs and cuts access for a lot of them. FinTechs generally require significant upfront investment before revenue."*

**Siddesh Iyer, Founder & CEO, SportFin**



| Develop resources |                                                             | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders                                                                    |
|-------------------|-------------------------------------------------------------|--------|--------|--------|-------------------------------------------------------------------------------------|
| <b>8b</b>         | Improve access to FinTech funding                           |        |        |        |                                                                                     |
|                   | Enhance links with London based and international investors | X      | X      | X      | <ul style="list-style-type: none"> <li>Public sector/Corporates/FinTechs</li> </ul> |

As well as regional networks, the North East can also benefit from national and international investor links as remote working capabilities resulting from the pandemic have helped eliminate geographical barriers, augmenting funding opportunities. This has already been a means of funding FinTechs in the North East with 63% of survey respondents believing it to be easier to obtain funding from outside the region, whether nationally or internationally.

An initiative to capitalise on the opportunity of inward investment is to create a resource highlighting the out of region funding opportunities which can be positioned to also attract investor interest in the region's FinTech sector. This is an action which may get merged with an online resource to promote regional investment from 8a.

The organisations best placed to carry out this action include public and private sector investors, FinTechs, network and event coordinators, whilst key considerations include potential conflicts of interest with other regions and counties and ownership of the resource.

As mentioned in the previous recommendation, the creation of a working party focused on funding and investment could act as a catalyst here.

*"Quite a lot is going on, but overall, despite good access to private capital and good angel investment, most people don't know how to access the finance available. There needs to be greater awareness of regional and national funding opportunities and how to access them. The infrastructure already exists."*

**David Nixon, Senior Investment Manager, Maven**

*"As a practitioner in the Angel/VC/PE sector I am keen to see the deepening and broadening of the availability of capital to support the North East FinTech Ecosystem."*

**Stephen Kevan, NED & Board Adviser**

| Develop resources |                                                              | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders        |
|-------------------|--------------------------------------------------------------|--------|--------|--------|-------------------------|
| 9a                | Enhance FinTech Research & Innovation                        |        | X      |        | • Networks/Universities |
|                   | Create enhanced opportunities for cross-sector collaboration |        |        |        |                         |

As the FinTech sector continues to mature and develop, the opportunities for significant research and innovation within the sector is becoming more prominent. The application and impact of FinTech is much broader than the Financial Services sector, and the technology that underpins FinTech innovations such as banking apps, automated reconciliation processes, and enhanced customer experience for the clients of financial institutions is the same technology that is deployed across multiple other sectors including healthcare, manufacturing, logistics, utilities, and a vast range of public services, to name but a few.

The application and impact of FinTech is much broader than the Financial Services sector, and the technology that underpins FinTech. Innovations such as banking apps, automated reconciliation processes, and enhanced customer experience for the clients of financial institutions use the same technology that is deployed across multiple other sectors including healthcare, manufacturing, logistics, utilities, and a vast range of public services.

The role of universities in helping deliver cross-sector collaboration is an area requiring development, and is well aligned to the evolution of the innovation grant support programmes that are available via organisations such as Innovate UK, where collaboration between industry and universities is perceived to be viewed favourably. Significantly, Innovate UK has recently launched a £7m grant programme specifically for financial and professional services, the first of its kind. The field of innovation challenges is also highly relevant to this recommendation.

Examples from other sectors / regions:

- **Plexal** started in 2012, when the Olympic Games created an opportunity to build a new technology hub for East London. The vision for “Here East” was to enable a broad set of creatives, universities and technology-led businesses of all sizes to create and innovate together via a diverse innovation ecosystem where differences are taken advantage of. The Plexal team delivers programmes for clients like Innovate UK and Transport for London, and specialises in forging connections between industry, academia, investors, startups and scaleups.
- **Nexus**, the University of Leeds’ innovation hub, enables businesses from all sectors to connect with the expertise, talent and facilities at the university - working together to accelerate and de-risk innovation and maximise commercial returns. A key aim is to attract startups that want to work with the university and create a broader community of academics, startups and entrepreneurs. Nexus currently has around 110 members, and has created 170 new jobs, a third of which were secured by graduates of the university.

| Develop resources |                                       |                                                         | YEAR 1 | YEAR 2 | YEAR 3 | Key stakeholders        |
|-------------------|---------------------------------------|---------------------------------------------------------|--------|--------|--------|-------------------------|
| 9b                | Enhance FinTech Research & Innovation | Ensure alignment of universities to key industry issues | X      | X      | X      | • Networks/Universities |

Environmental Social Governance (ESG) has become topical across all industries, including FinTech, where a strong ESG position is often required when receiving grant funding such as from Innovate UK. As a result, there was 2.5x greater venture funds investment into ESG-related FinTechs in 2020 than 2019.<sup>1</sup> However, the research identified a lack of socially focussed FinTechs in the North East, particularly compared to the likes of other regions such as Scotland where around 20% of FinTechs have a social or wellbeing focussed core proposition.

Common ESG-related topics within FinTech include addressing problems in accessible banking, debt financing, carbon footprint and ESG investing which all align to the North East's FinTech specialisms, such as banking, wealth management and payments. This suggests a strong opportunity for the North East to pioneer in socially beneficial FinTech innovation.

As a result, the North East would benefit from research and innovation challenges formed by industry and carried out by both industry and higher education. Key considerations should include how to incentivise socially focussed innovations into commercial viability inside new or existing FinTechs and how often innovation challenges should be set.

Examples from other regions:

- **FinTech Scotland's** 10 year Research & Innovation Roadmap outlines a plans for a series of innovation challenges which aim to bring together established financial services organisations with FinTech firms and academics.
- **EPSRC** and **ATI/Gates Foundation** have partnered with with Atom Bank and the Smart Data Foundry to examine FinTrust and Finclusion, specialising in reducing the digital divide.
- **ICURE** is a programme of commercialisation support for teams of academic researchers wishing to explore the commercial potential of their research. It aims to improve commercial awareness amongst academic personnel, to develop and enhance the entrepreneurial skills of early career researchers, and to strengthen links between academic and industrial communities.

*"We have worked with Atom from when they were developing their core idea to launch a challenger bank, through to today when we have true strategic partnership where we are collaborating on data science, risk analysis, developing people and creating learning opportunities. It's amazing what can be achieved when you harness the intellectual power of the university with an ambitious business."*

**Dr Tim Hammond, Director Commercialisation & Economic Development, Durham University**

<sup>1</sup> Finance Monthly (2022) ESG & FinTechs: Technology Enables Impact Goals. <https://www.finance-monthly.com/2022/03/esg-fintechs-technology-enables-impact-goals/>



# FinTech at Newcastle Business School



**Newcastle University's Business and Computing Schools lead the region's active involvement in FinTech and the broader ecosystem. The following interdisciplinary EPSRC funded projects (£8m), co-led by Associate Prof. Elliott with Prof. Aad van Moorsel, demonstrate the level of expertise:**

**2018-22 'FinTrust':** demonstrates the relevance of garnering trust and ethical protocols for trustworthy technologies across financial services. Specifically, are the technologies behind AI-based services worthy of our trust? We invented new technologies, researched how citizens use these and assessed the risk of using such technologies for society. We produced an Ethical Toolkit and a conceptual Fairness as a Service 'FaaS' platform, details of accessible findings for industry stakeholders, can be accessed here: <https://fintrustresearch.com/>

**2020-21 'Finclusion':** stemmed from our concern to ensure that all citizens benefit from new financial services. Funded by the Turing Institute/Gates Foundation and in collaboration with industry and charities, we identified that digital identification was a major barrier to financial inclusion. We built a prototype for vulnerable customers to use selective disclosure through verified credentials, and full details can be accessed via the URL cited above.

**2022-2025 'AGENCY':** examines citizens need to be empowered through technologies and user-centred tools providing a sense of control, ownership, security, and consequently trust and assurance in their online activities. We ask who is digitally responsible for harms? What are the unintended consequences of our online activities? How do we find a balance toward an equitable digital society?

**2022-2027 'UKFin+' Network:** building on our reputation within the regional, national, and international Financial Services/FinTech sector and associated academic networks, this project deviates from the traditional approach. We have £1m to award to industry/academic collaborations seeking to tackle 'wicked problems' (WPs) in financial services/FinTech. What is a wicked problem? A problem that cannot be resolved and therefore, must be managed iteratively, i.e., reducing the barriers between industry/academic collaboration. Or how do we include vulnerable customers in our products/services?

How can you access funds? Over the 5-year programme, periodic calls are released to submit your bids for seed, agile, feasibility, education/engagement and impact projects. An independent Advisory Board will duly consider applications and make the awards. In addition, the Network provides support services around user-driven co-design and corporate digital responsibility (CDR)-what impact does your organisation's, use of data and digital technologies have across social, economic, and environmental domains (e.g., ESG/SDG UN Directives)? These services aim to guide and fill 'talent/skills/knowledge' gaps and permit organisations to flourish-launching in Autumn 2022.

At the time of writing, our social, economic, and environmental domains are facing multiple wicked problems (WPs). The UKFin+ Network provides a collaborative environment drawing financial services/FinTech together via responsible technologies in seeking to avoid 'tickboxing', 'lip service' or 'washing' mentalities to thrive. Rather, driving collaboration in recognising inclusivity, diversity, and equality of perspectives to produce methods for managing WPs.


If we fail to act and revert to compliance mentalities, then we miss the bigger picture. If sequential lockdowns have taught us as humans one thing, we need to work together, the UKFin+ Network can explore WPs, while developing skills and talent required for the future.

**Dr Karen Elliott**

**Associate Professor (FinTech),  
Newcastle University Computing and Business Schools**







*"There is a need to better connect academia and industry in order to develop research backed, deep tech businesses in the region. Developing these connections needs to be viewed as a priority."*

**Wayne Bryant, Cluster Development Manager,  
Dynamo North East**

Image credit: Graeme Peacock



# NORTH EAST FINTECH ECOSYSTEM RESEARCH & ANALYSIS

Key findings and research insights

FinTech sector size and growth

Regional overview

Funding landscape

Higher education

Talent

Collaboration



# Key findings

In this report, we share the data and insight that underpins these key findings, but more importantly we outline the strategy that has subsequently been developed to enable the North East's FinTech sector to prosper over the next three years.

**1.** The North East has an emerging and geographically diverse FinTech sector.

**2.** The North East FinTech sector has been experiencing strong organic growth.

**3.** Although there is strong growth in FinTech activity in the region, there is a need to provide better support for the development of early stage FinTech firms.

**4.** There is a need for increased awareness of the regional and national funding opportunities available to FinTechs.

**5.** There is a desire for more collaboration across the North East.

**6.** The universities in the North East are increasingly active in FinTech.

**7.** Enhanced national and international connectivity can support future growth.

**8.** The talent market is highly competitive and retention within the North East is a challenge.

# Key findings & research insights

## 1. The North East has an emerging and geographically diverse FinTech sector.

- 45 FinTechs (nearly doubled since 2019).
- FinTech workforce of 5,596 (increased by 38% since 2019).
- FinTech activity makes up 0.6% of the region's economy, highlighting the potential for growth in comparison to other selected regions:
  - 3.6% in Northern Ireland, 3.2% Leeds, 1.7% Bristol & Bath.
- 3rd smallest FS and Tech workforces in the UK, 26,000 and 77,232, respectively.
- Newcastle is the primary hub, and 76% of the region's FinTech firms are based in Newcastle, Gateshead or Sunderland, with 11% in Durham, and 9% in the Tees Valley region.
- 36% of FinTechs operate in payments, 9% in banking or banking software, and 13% in wealth management.

*"With CFIT and the new clusters, funding from UKFin and other sources on the horizon, there are positive actions occurring in the sector. However, it is usually people who make ecosystems, strategies and clusters a success. Therefore, awareness, collaboration and continued communication (from FinTech North and partners) are required to continually improve the Fintech sector in the NE."*

**Karen Elliott, Senior Lecturer (Associate Professor) in Enterprise & Innovation (FinTech), Newcastle University Business School**

## 2. The North East FinTech sector has been experiencing strong organic growth.

- 4th fastest growing FinTech sector by region at 16.1% annually.
- 81% increase in the number of FinTech startups and scaleups since 2019 (only 7 of which were founded in the North East):
  - Increasing FinTech activity in both established Tech & FS and FinTechs themselves is driven largely by inward investment (relocating headquarters and satellite offices).
  - Cost of office space remains attractive in the North East compared to other regions.
  - Cost of labour is still advantageous for employers within the North East as Newcastle is still seen as the 2nd most cost effective tech workforce of UK major cities, after Sheffield. However, the cost of labour has been levelling out across the UK due to remote working and increased tech worker demand over the pandemic.
  - Post-covid impact of the 'great resignation' and scaling tech salaries are cited by investment companies as a destabilising factor.
- 7% female founder rate of FinTechs in the region (UK average is 17%).

*"Over the last 18 months, there has been a significant increase in the number of national and international financial and technology companies enquiring about the region; wanting to know more about the unique opportunities, support and expertise here in North East England. We have also seen a large number of those companies successfully land here and fast become part of the vibrant community. "*

**Rachel Burdis, Inward Investment Manager, Invest North East England**

### 3. Although there is strong growth in FinTech activity in the region, there is a need to provide better support for the development of early stage FinTech firms.

- Our research suggests that scaling up a FinTech in the North East may be more challenging than in other regions.
- High proportion of startups vs scaleups at 79%, compared to an average of 60% we see across other regions, despite an average age of startup and scaleup of 7 years.
- Key contributing factors appear to be the availability of talent, and access to or awareness of scaleup funding.
- FinTechs with a presence in the region have received over £760 million in funding to date.
- FinTech startups have received over £110 million in funding in total, equivalent to £5.1 million per startup (this is heavily skewed by Weavr).
- The majority of the region's FinTechs are based in Newcastle (62%) and Durham (11%), with the other 27% spread across the region, including 9% in Tees Valley.
- Established FinTechs have received over £600 million in funding, equivalent to £67.4 million per FinTech.

*"I moved from London to Durham within the last couple of years. For me, the North East feels like a young ecosystem in terms of developing and scaling FinTechs. The region needs external expertise including funding and knowledge. I feel there a lot of activities underway that are trying to develop the ecosystem but they're not yet working together collaboratively."*

**Patrycja Maksymowicz, Chapter Director, Leeds & Newcastle, Startup Grind**

### 4. There is a need for increased awareness of the regional and national funding opportunities available to FinTechs.

- At least 20% of NE FinTechs received some form of funding since the start of 2021, including 20% of startups and scaleups.
- VCs in the region have successfully funded several FinTechs but do not have specialist domain knowledge.
- There is also increasing opportunity for non-regional or non-UK investment such as from US-based tech investors.
- There is a strong angel investing landscape in the region who are more geographically bound than large investors.
- There is considerable public sector funding in the region: and the North East is to be one of the largest beneficiaries of the Levelling Up the UK campaign, including £265m of Government investment to support cross-border partnerships, innovation and growth, and £660m of additional funding for the British Business Bank Northern Powerhouse Investment Fund to finance a new round of the fund to boost SME growth through microfinance, debt and equity finance.
- Several investors from outside the region have recently exited, presumably due to a lack of deal flow.

*"Funding and talent is always the restriction. We need to make sure any new FinTech hub gets off the ground with proper community interaction."*

**Aaron Lawson-Clark, Investment Director, LDC**



## 5. There is a desire for more collaboration across the North East.

- The North East has a complex public sector landscape due to overlapping responsibilities of local authorities, councils, and combined authorities.
- Remote working has improved collaboration opportunities within and outside the region.
- There is demand among FinTechs for better collaboration with established FS and Tech organisations.
- There is demand among FinTechs for better cross-working with universities. Most notable beneficiaries to date include several larger players like Atom Bank, Sage and Newcastle Strategic Solutions.
- There is strong interest in physical hub(s) to provide support for the growth of the cluster.
- In a region famed for its dynamic social scene, there is a strong sense that creation and maintenance of a vibrant FinTech community is vital to success.

*"Our purpose is focused on our Region, and we like to work with local partners, however I think FinTech across the North East ecosystem is fairly limited for us. Only a small number of prospective suppliers and partners are in the North East or indeed the wider north of England. We would love to see more and we are open to investing in such businesses."*

**Manila McClean, Chief Information Officer, Newcastle Strategic Solutions**

## 6. The universities in the North East are increasingly active in FinTech.

- Ranging from research, through to academic curriculum, the region's universities exhibit a strong and growing appetite to engage in FinTech related activity.
  - Newcastle has recently led the winning bid for a major national FinTech research programme across UK academia and industry.
  - Funding has been realised from EPSRC, ATI/Gates Foundation partnering with Atom Bank and Smart Data Foundry to examine FinTrust and Finclusion, specialising in reducing the digital divide.
  - Northumbria University and Sage worked in partnership with the government's Business Basics Fund, welcoming accountants to take part in the Making Accountants Digital Enablers (MADE) programme.
  - Durham University has significant research expertise across its faculties including Quantitative Research in Financial Economics (QRFE) and Centre for Banking, Institutions and Devpt (CBID).
  - In Tees Valley, Teesside University now offers a FinTech MSc and business engagement.
- There is an opportunity to link this activity to help strengthen the North East's overall FinTech proposition and position it as forward thinking in respect of the increasing national efforts to create value by better linking academia and industry.

*"We are actively engaged with Teesside University. They have an exceptional, high-quality business school and exciting plans for the future. By working in partnership with the University we can help attract and maintain students in the Teesside region by offering well paid, high quality job opportunities on the doorstep."*

**Stephen Lancaster, Chief Executive, GB Bank**

## 7. Enhanced national and international connectivity can support future growth.

- There is limited evidence of links between the North East and other key UK FinTech clusters, but there are key strengths in other regions that could be accessed. For example, although sustainability is a common theme in the economy, with a lack of FinTechs in the North East with ESG as their core postposition. In comparison, approximately 20% of the FinTechs in Scotland relate to social inclusion or wellbeing (including health related).
- The UK is a target market for many international FinTech firms, and the North East has enjoyed inward investment success which gives it credibility to step up its efforts to attract more firms to the region.
- Anecdotally during the course of this project we heard that there has been a marked increase in enquiries from financial services firms looking for space in Darlington, since the announcement that 'Treasury North' will be based in the town.
- In the parallel Cybersecurity sector, overseas foreign direct investment from firms such as Artic Wolf (US based), could set a precedent for the FinTech sector to follow.

*"Over recent years the evolution of the different regional clusters has been a striking feature of the development of the UK FinTech ecosystem, which continues to be a global success story. It really is a special time for UK FinTech and as international leaders in the sector; FinTechs should be thinking globally as we expand as a nation".*

**Peter Cunnane, Director of International & National Initiatives, Innovate Finance**

## 8. The talent market is highly competitive and retention within the North East is a challenge.

- There are 5 regional universities, with over 120,000 students, generating over 40,000 graduates per year (1/3 of students).
- 17,460 'tech, engineering and computer science' students in the north east universities (5.2% of the UK) – 18.8% higher than the proportion of students.
- There is general demand for FinTech related courses below masters level – e.g. very short post grad courses.
- FinTechs are losing employees to higher paid jobs, being incentivised by 'location-less' remote working contracts.
- A lack of awareness of the job opportunities available in the North East relating to FinTech and Tech generally has come up several times in interviews.
- Establishing more of a regional FinTech community can help with talent retention.

*"Tech teams have been growing and there is high demand for developers, including from tech firms and non tech firms. It's a candidate-led market and salaries have been going up. Historically (and even now) the North East pays less than other regions, but the pandemic has made it more challenging as people can now work for firms in other regions or countries."*

**Paul Lancaster, Senior Consultant, IT & Tech, Nigel Wright Recruitment**



"As a tech firm based in the North East we have seen exponential growth since the early days of founding our business. We're actively engaged in FinTech projects across areas of financial services including banking and insurance, and we would welcome the opportunity for more engagement opportunities with the established financial services organisations and FinTech firms in the region."

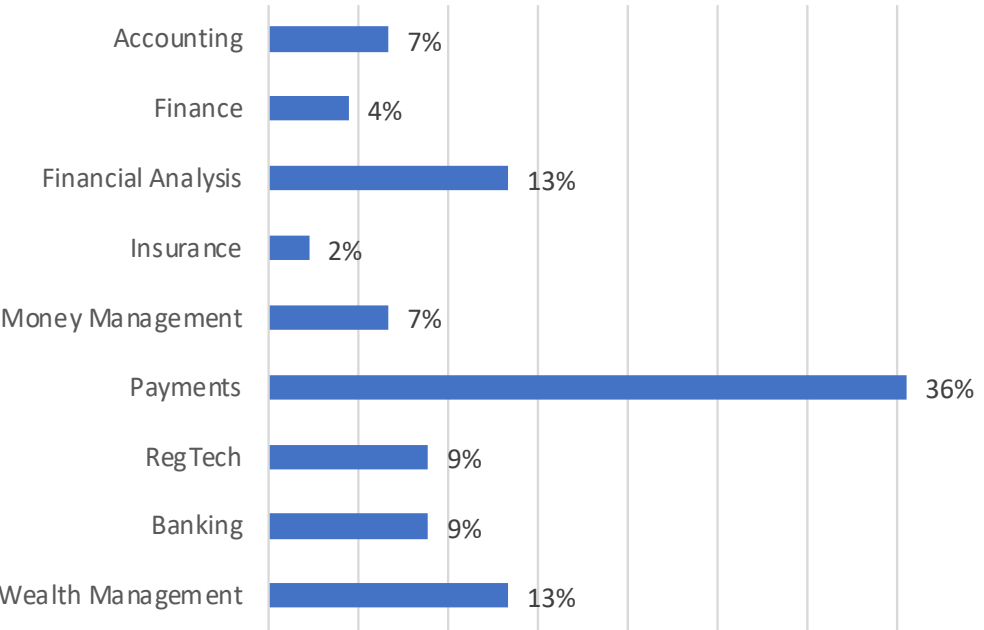
Sarat Pediredia, CEO, hedgehog lab



Image credit: David Allan



As previously mentioned, the North East's 45 FinTechs are scattered around the region, with key clusters in Newcastle and Durham. 69% of these FinTechs are considered startups, 18% scaleups and 13% established (definitions for each can be found in Methodology on page 13)



Although there are some crossovers in the sub-sectors these FinTechs compete in, very few are direct competitors, emphasising the opportunity for constructive collaboration to benefit the sector regionally and nationally.



# FinTech sector size and growth

The North East has a relatively small but fast-growing FinTech sector. Whitecap has identified 45 FinTechs across the region which is greater than expected, with an 81% increase in the number of startups and scaleups since 2019. This growth can be derived from several strengths that are highlighted throughout this report as well as the global tech growth resulting from the Covid-19 pandemic.

Four of these new FinTechs were attracted from outside the region, highlighting the perceived advantage of setting up a satellite or relocating to the North East primarily due to the regions' cost advantages.

FinTech activity in established tech and FS organisations has accelerated over the past three years due to considerable inward investment into the North East. Over the last two years, only London created more jobs through inward investment, and proportionally the North East created nearly 50% more jobs than London, with 8,500 new jobs created across multiple sectors.

Whilst the numbers indicate aggressive growth, they reflect an increasing volume of FinTechs and FinTech activity, rather than the scaling of incumbent FinTechs. This is highlighted by a high proportion of startups vs scaleups at 76%, compared to an average of 60% we see across other regions, despite a high average age of startup and scaleup of 7 years.

*"Since opening our office in Newcastle we have seen a really strong pipeline of people coming through and we have grown our team in the region from 0-41 people in 12 months. At BJSS we deliver with cross functional agile teams and our Newcastle team is made up of Software engineers, Architects, Platform Engineers, Quality Assurance, BAs & Delivery managers experienced in a wide range of tech and industry sectors. September this year has seen us take our first graduates in the region with more to follow through our award winning academy system in November and February. We're really enjoying the journey so far in Newcastle and a lot of this is about the people we're hiring."*

**Lisa Mountford, Head of Delivery (Nottingham/Newcastle), BJSS**

*"Access to talent is a key reason people come to the North East due to good quality of universities. The average cost of talent is lower in the North East but this is being eroded in areas such as tech talent."*

**David Nixon, Senior Investment Manager, Maven**

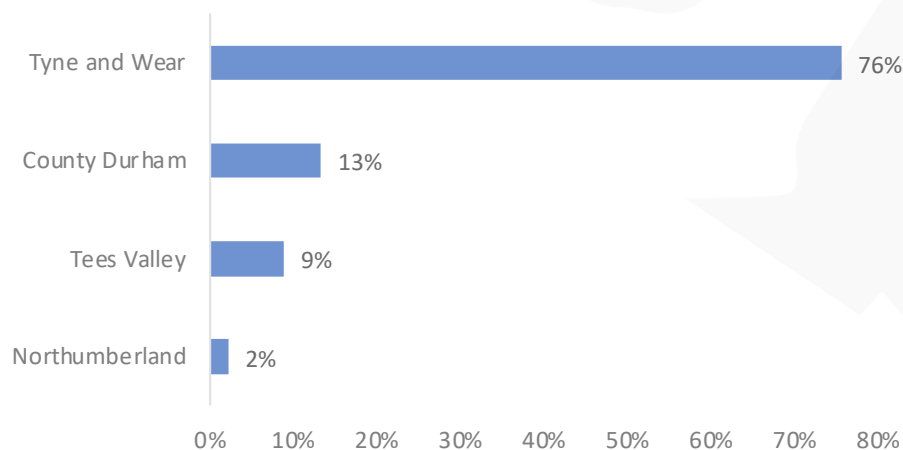
Inward investment highlights:

- **CPI**, the independent technology innovation centre, moved into The Catalyst building on Newcastle Helix – 03/2022.
- **Artic Wolf** announced its European HQ would be in Newcastle, with the support of Invest Newcastle and £1m from the North of Tyne Combined Authority, creating 100's of jobs – 01/2022.
- **Version 1** has expanded into Newcastle, bringing 200 new jobs to the region – 02/2022.
- **Ocado** created up to 300 new jobs in Sunderland as the first occupier to take space on the former Vaux Brewery site - 07/2019.
- **BT** announced 150 new jobs for its EE division and second multi-million pound contact centre in North Tyneside – 12/2021.
- **HMRC's** state-of-the-art regional centre will be based at the new Newcastle's Pilgrim's Quarter development and will accommodate approximately 9,000 staff from HMRC – 11/2021.
- **BJSS**, a tech consultancy that has experienced rapid UK and international growth over recent years, recently opened a Newcastle office and has already hired in excess of 30 people – 09/2022.

# Regional overview

The North East region covered in this report includes four primary sub regions: Tyne and Wear, County Durham, Northumberland, and Tees Valley. This project has not involved a deep dive into the individual economies of these regions, focusing primarily on the evidence and potential for FinTech and related activity in the financial services and tech sectors.

Proportion of FinTechs by Sub-Region



As noted by the Kalifa Review, Newcastle and Durham are the two primary locations for FinTech. However, when analysing the geographical dispersion of the FinTech firms in the North East, a wide spread can be observed with nearly a third located outside Newcastle and Durham.





# Key regions for FinTech

## Tyne & Wear

### URBAN CENTRES:

Newcastle, Sunderland, Gateshead, South Shields, Tynemouth, Washington



**1,127,200**  
population

**34**

FinTech firms



**£25.7bn**  
GVA

### OTHER SECTOR SPECIALISMS:

Advanced manufacturing, professional and business services, digital, energy, health & life sciences.

Local Enterprise Partnership: **North East LEP**



## Tees Valley

### URBAN CENTRES:

Middlesbrough, Darlington, Hartlepool, Redcar & Cleveland, Stockton-on-Tees



**677,100**  
population

**4**

FinTech firms



**£13.25bn**  
GVA

### SECTORS SPECIALISMS:

Energy & renewables, logistics, offshore, business services, gaming, life sciences, chemical & process, advanced manufacturing, engineering.

Local Enterprise Partnership: **Tees Valley LEP**

## County Durham

### URBAN CENTRES:

Durham, Peterlee, Newton Auckland, Bishop Auckland



**522,100**  
population

**6**

FinTech firms



**£8.5bn**  
GVA

### OTHER SECTOR SPECIALISMS:

Advanced manufacturing, digital, electrification, health life sciences, space & satellite application.

Local Enterprise Partnership: **North East LEP**

## Funding landscape

The availability of funding across the regions of the UK has improved considerably over recent years. According to Innovate Finance, the industry body for the UK FinTech sector, in 2021 there was a 237% increase in investment outside of London and the South East, reaching \$696m by the end of the year. Whilst 2022 has seen a more subdued picture, the growth reported the previous year should not be ignored.

The North East is considered to have substantial investment infrastructure from both public and private sources. The North East is to be one of the largest beneficiaries of the Levelling Up the UK campaign, including £265m of Government investment to support cross-border partnerships, innovation and growth, and £660m of additional funding for British Business Bank Northern Powerhouse Investment Fund to finance a new round to boost SME growth through microfinance, debt and equity finance.

There are mixed attitudes regarding angel investor funding in the North East. It is considered the fourth smallest regional angel investor network in the UK,<sup>1</sup> however it has also been cited as strong by startups and provides most of the seed funding for FinTechs in the region. This suggests that although it may be relatively small, it is likely not under supplying demand.

Whitecap's previous analysis into the North East's FinTech sector in 2019 highlighted opportunity for more scaleup funding for FinTech and tech companies generally.<sup>2</sup> Despite new entrants to the region since then such as Foresight, this opportunity is still apparent in 2022. As a result, we have heard of organisations seeking investment from the US instead, with remote capabilities from the pandemic eliminating the geographical boundaries of the pitching process.

FinTechs that currently have a presence in the region have received over £760 million in funding to date with at least 20% of startup and scaleups analysed in this research receiving some form of funding since the start of 2021. In total, startups have received over £112 million in funding, equivalent to £3.5 million per startup, whilst scaleups have received over £45 million in funding, £5.1 million per scaleup, and established FinTechs have received over £600 million in funding, £67.4 million per FinTech.

## Talent

The North East has a workforce of almost 1.3 million, with an estimated 26,000 and 77,000 working in financial services and tech respectively. Despite this representing a relatively low concentration, as previously noted, these workforces are some of the fastest growing in the UK.

Although fast growing, the North East has also felt considerable pressure in the competition for tech talent. As is the case across the UK, the North East has an 'imperfect labour market', characterised by high barriers of entry in the form of training due to the technicality of many tech roles, resulting in an overly expensive workforce. This has been exacerbated by recent market conditions, most notably during the Covid-19 pandemic which saw increased demand for tech talent, whilst supply remained somewhat constrained. Furthermore, there has been a trend towards remote working contracts, allowing North East based talent to earn London based salaries. This double impact has had a profound effect on salary inflation, for example the average salary of Javascript HTML and CSS Developers has increased by 14% between 2019 and 2022 to £40,000, whilst the average salary for DevOps roles increased 22% to £55,000.<sup>3</sup>

Additionally, during this project we heard that the undersupplied tech labour market has lengthened the time to hire. A recruitment process previously taking three months to fill a role can now take closer to six-nine months, and a counter-offer culture has developed. Overall, the tech labour market is currently extremely competitive and is acting as a barrier to the future growth the North East's FinTech sector.

Some of the largest regional employers have been taking action to mitigate against these challenging market conditions. For example, Newcastle Building Society is a sponsor of the Newcastle United Foundation, and its 'new futures' programme included a STEM conference at St James Park, which featured 50 organisations and 3,000 children. Meanwhile its subsidiary Newcastle Strategic Solutions is running after school clubs for year 5 and 6 schoolchildren, using basic programming language. It aspires to scale this up as the initial activity has been led by 4-5 developers running it in their own time.

*"Like many businesses, we have found recruiting and retaining talent challenging over the last year. The rise of roles enabling remote working for London based organisations has changed the dynamic of the talent market, making vacancies difficult to fill due to the availability and affordability of talent in the North East."*

**Leanne Cullen, Operations Director, Waterstones**

<sup>1</sup> <https://ukbaa.org.uk/wp-content/uploads/2020/10/20201008-BBB-Business-Angels-Report-Final.pdf>

<sup>2</sup> <https://www.whitecapconsulting.co.uk/wp-content/uploads/2019/12/North-East-FinTech-Ecosystem-Report-2019-20-high-res.pdf>

<sup>3</sup> Nigel Wright Recruitment 2019 & 2022 reports

## Higher Education

The North East's 5 universities are often praised as one of the unique strengths of the North East and seen as integral to the development of the FinTech sector. Our survey shows access to talent as the most valuable characteristic for the future of the North East FinTech ecosystem.

Of the 120,045 higher education students in the North East, 14.5% study tech and computer science related courses, representing 5.2% of the UK's tech and computer science students (17,460 in total).

The regions universities are involved in key national initiatives. For example, Durham University runs the Nomis service on behalf of the Office for National Statistics. First launched in 1981, Nomis houses an extensive range of government statistical information on the UK labour market including Employment, Unemployment, Earnings and Annual Population Survey.

Over recent months Newcastle University Business School has been involved in several successful bids for FinTech-related research funding, most recently when it led a consortium of universities that won the high profile EPSRC 'Network+' opportunity to create a UK-wide research network for FinTech. Initially worth £2.5m, the bid was won in collaboration with University of Edinburgh, Imperial College London, and University of Cardiff. University of Birmingham has since become involved in this work. This was a highly competitive bid process with numerous leading UK universities involved.

Additionally, Newcastle University and Northumbria University have become the first 2 UK universities from the same city outside London to be nominated for the Times Higher Education (THE) University of the Year Award. Northumbria's listing is primarily due to its strategy to become a research intensive modern university whilst Newcastle's acknowledgement stems from its ESG commitments.

Durham University has a FinTech society and is home to the Institute of Advanced Research Computing. It is currently developing the Durham Mathematics School with Durham Sixth Form College, which will open in 2022 and be the only specialist mathematics facility in the North East. The university can also provide support for FinTech employers who want to engage with students from relevant departments such as Durham University Business School, Durham University's Department of Computer Science, the Careers and Employability Centre, and Knowledge Transfer Partnerships (KTPs).

Durham University also hosts 'FinTech Fortnight', an annual initiative that shines a light on the career opportunities available to its students. 2022 is the third year the initiative has run, including a range of employer events, offered only to Durham University students. Students hear from industry partners via employer led recruitment talks, workshops, tech talks, and alumni panel events. Their industry partners have included SaltPay, Scott Logic, Atom Bank, Morgan Stanley, and Sage.

*"We are currently working with universities to improve university spin out numbers. Universities are strong in research and now in partnership are able to professionalise teams to commercial standard to contend with the progress of other regions – especially with access to funding. They are also open to developing models for different routes to incubate startups, such as through Durham Venture School."*

**Richard Charnley, Investment Director, North Star Ventures**

*"We are trying to increase collaboration with universities. We have hired recent university graduates and masters students. We try to recruit most roles straight from university, and the universities have been good about reaching out to us to help them identify the key skills to educate."*

**Aaron Holmes, CEO, Kani Payments**

*"We are strategic partners with Durham County Council on a wide range of knowledge enabled initiatives such as innovation-focused premises, future skills and talent, supporting entrepreneurs and businesses, and also in relation to significant developments such as the future role of the metaverse."*

**Dr Tim Hammond, Director Commercialisation & Economic Development, Durham University**



## Collaboration

Enthusiasm for collaboration was one of the initial observations within the North East's FinTech ecosystem. FinTech startups have expressed interest in getting better connected to and working with the large FS and tech organisations, and that interest was reciprocated by the large incumbents who are keen to utilise spare real estate to help startups and create collaborative value at little to no cost.

Existing collaboration is supported by a number of networks across the North East through dedicated FinTech and tech groups:

- **Dynamo North East** has a FinTech Cluster aimed at developing a healthy ecosystem supporting the delivery of financial services through technology.
- **FinTech Friends** is a popular informal FinTech networking group in Newcastle, which hosts drinks and networking events, predominantly in the evening.
- **FinTech North** operates a FinTech community across the north, and has run a number of North East events, most recently a full day hybrid conference in Newcastle which was hosted in partnership with Invest Newcastle and featured more than 30 speakers drawn from the national and regional FinTech sector.
- **Startup Grind** is the world's largest community of startups, founders, innovators, and creators, focussed on the tech sector. The Newcastle upon Tyne chapter focusses on bringing the power of their global network to boost the local ecosystem.
- **Tech Nation** is a national network acting as a growth platform for tech companies and leaders.
- **Women in Tech North East** is an open network for women and non-binary people who identify as a woman, with a passion for digital and tech.

There are some notable success stories of North East FinTech firms being selected for national and international programmes. In 2019, Kani Payments, Paid and Honcho were all part of Tech Nation's FinTech scaleup cohort, making the North East the most represented region outside London in the cohort. In the same year, Paid was one of a select few FinTechs in the UK to take part in Barclays Tech Stars programme. More recently, Kani Payments is one of only 8 FinTechs globally to be selected for the Mastercard Start Path Global programme, giving it the opportunity to co-innovate with Mastercard to scale its automated reconciliation platform and advance its global expansion plans.

*"Atom bank is very bought in to the local development of the regional ecosystem in County Durham. We're working closely with Atom on a wide range of projects relating to their core business but also stretching into the future-facing considerations such as the role of climate change on things like risk and resilience."*

**Dr Tim Hammond, Director Commercialisation  
& Economic Development, Durham University**

*"As alumni of Durham University, we get invitations to do talks and to participate in events, which we really appreciate. In our early days it was really hard to get into networks. We found the university to be really helpful including introducing us to other alumni as potential investors and to get advice"*

**Will Smith, Co-Founder, Tred**



*"It would be great if there was more of a community. This would drive awareness and education. We could create a hub for fintech activity - a physical place to go, discuss ideas, challenges, potential partnerships and collaborations. It could be a go-to place to build FinTech talent and provide experiences for those wanting to start a career in FinTech. Like a learning FinTech hub, combining education and skills with industry / real-life businesses."*

**Melissa Beckett, Chief Marketing Officer, Kani Payments**



# ADDITIONAL INFORMATION

Sponsor profiles

Participating organisations



# Sponsor profiles



## Atom bank

Atom bank is the UK's first app-based bank, on a mission to make the experience of borrowing and saving simpler, faster and better value than anyone else. The bank was founded in 2014 in the North East of England, where a team of around 480 people work tirelessly to change banking for the good, for the better and for everyone.

<https://www.atombank.co.uk/>



## Dynamo North East

Dynamo is an industry led, not for profit group set up with the core mission to 'Grow the North East tech Economy' through collaboration, innovation, skills. We are a voice for the sector regionally and nationally and we generate 'noise' to promote the region as a hotspot for IT/digital business.

<https://www.dynamonortheast.co.uk/>



## FinTech North

FinTech North is a community focused organisation that brings together people with an active interest in FinTech across the north. Since 2016 FinTech North has hosted nearly 100 events, including two major North East conferences. FinTech North is a member of the FinTech National Network, linking it to the wider national ecosystem.

<https://www.fintechnorth.uk/>



## Invest Newcastle

Invest Newcastle is part of Newcastle Gateshead Initiative (NGI) and is the inward investment agency for Newcastle and Gateshead. It aims to drive and deliver economic growth in Newcastle, Gateshead and the wider North of Tyne area and to do that it partners with and supports businesses throughout their investment journey and beyond.

<https://investnewcastle.com/>



## Invest North East England

Invest North East England (INEE) is the Inward Investment Agency for North East LEP area. We are the first point of contact for digital and fintech companies looking to locate in the region. Our experienced team can support investors with a range of services and connect businesses to a network of regional specialist organisations.

<https://investnortheastengland.co.uk/>



## Newcastle Strategic Solutions

Newcastle Strategic Solutions is one of the most established and successful FinTechs in the North East, providing savings management and technology services for established savings providers and challenger banks across the UK. Part of Newcastle Building Society, together we have been helping customers save for 150 years.

<https://www.newcastlesolutions.co.uk/>



## Newcastle University

Newcastle University Business and Computing Schools' leading experts collaborate over a series of projects centring on how to regain the public's trust in digital technology, specifically within fintech and financial inclusion. Winning £8m in research funding, we co-create research and fund collaborative projects both regionally and nationally, bringing insights from industry and academia together.

<https://www.ncl.ac.uk/>



## North of Tyne Combined Authority

The North of Tyne Combined Authority delivers inclusive economic growth for residents and communities across Newcastle, North Tyneside and Northumberland. Our £12m digital programme supports the growth of our digital business community, maximises the impact of data and digital across all parts of our economy and boosts connectivity and skills of our residents.

<https://www.northoftyne-ca.gov.uk/>

# Sponsor profiles



North Tyneside Council

North Tyneside  
Council

North Tyneside is home to some of the biggest names in business, as well as fast-growing, innovative start-ups. Two of the UK's largest and most successful office parks provide flexible office accommodation with first-class amenities that are well-connected to other Fintech hubs across the UK and internationally.

<https://investnorthtyneside.co.uk/>



Northumbria  
University  
NEWCASTLE

Northumbria  
University

Northumbria University is a research-intensive, modern university with a global reputation for academic excellence. It is based in the heart of Newcastle upon Tyne, which is regularly voted the best place in the UK for students, and has campuses in London and Amsterdam.

<https://www.northumbria.ac.uk/>



ROCU

The North East Regional Organised Crime Unit (NEROCU) protects our communities by disrupting Organised Crime Groups, individual criminals and those who enable them. Working alongside our partners, the ROCU network leads an integrated policing response, coordinating the key capabilities needed to achieve this as part of the response to Serious Organised Crime.

[RECCC@Durham.Police.UK](mailto:RECCC@Durham.Police.UK)



Sage

Sage exists to knock down barriers so everyone can thrive, starting with the millions of Small and Mid Sized Businesses served by us. Connected by our digital network, customers trust our finance, HR and payroll software to remove friction, deliver insights and make work and money flow.

<https://www.sage.com/>

# Participating organisations

Interviewees, online survey respondents, and contributors of input over the course of the project:

|                                    |                                          |                          |
|------------------------------------|------------------------------------------|--------------------------|
| Adopter                            | Innovation Super Network                 | Rebuildingsociety        |
| Atom Bank                          | Invest Newcastle                         | Relevantz                |
| BJSS                               | Invest North East England                | Sage                     |
| Business Durham                    | Invest North Tyneside                    | Settld                   |
| Cascade                            | Jefferson Frank                          | Spark                    |
| CBI                                | Kani Payments                            | SportFin                 |
| City of London Corporation         | komodo Digital                           | Startup Grind            |
| ClearGlass                         | Maven Capital Partners                   | Stonnivation             |
| cloud soft                         | Mercia                                   | Stuart Lynn Consulting   |
| Credera                            | Monstar Lab                              | Sunderland Software City |
| Darlington Building Society        | NayaOne                                  | Swoop Funding            |
| Department for International Trade | Nebula Labs                              | Tech Nation              |
| Digital Cat Consultancy            | Newcastle Building Society               | Tees Valley LEP          |
| Durham University                  | Newcastle Strategic Solutions            | The Data Shed            |
| Durham Ventures                    | Newcastle University                     | The Floe                 |
| Dynamo North East                  | Nigel Wright Recruitment                 | Transact Payments        |
| FinTech North                      | North East Chamber of Commerce           | Tred                     |
| FinTech Scotland                   | North East Regional Organised Crime Unit | True North Group         |
| GB Bank                            | North of Tyne Combined Authority         | Vertax Accountants       |
| Generation                         | North Star Ventures                      | Virgin Money             |
| GPS                                | North Tyneside Council                   | Waterstons               |
| Hazam Venture Lab                  | Northumbria University                   | We Are Umi               |
| Hedgehog Lab                       | Parseq                                   | Wealth OS                |
| Honcho                             | ParseRX                                  | Your North East Magazine |
| Innovate Finance                   | Polybox Solutions                        |                          |



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Leeds | Manchester | Milton Keynes | Bristol | Newcastle | Birmingham

The information contained in this report is of a general nature in relation to the FinTech sector in the North East Region and is not intended to address the circumstances of any particular individual or entity. Appropriate professional advice should be sought before taking action relating to the contents of the report. Whitecap Consulting has endeavoured to provide accurate and timely information but cannot guarantee the accuracy of such information at the date of publishing or in future.