

3 Year Strategy for FinTech in Northern Ireland

SUMMARY



Executive Summary

Key stakeholders from across the FinTech ecosystem have been engaged to develop an industry-led 3 year strategy and roadmap to position Northern Ireland as a leading global Fintech hub.

1 Key Strengths of the Northern Ireland FinTech Cluster

7,000
People currently employed in FinTech jobs in NI

74
FinTech firms

£391.5m
GVA (estimated)

Unique Selling Points:

- 1 **Geographical Advantage**
(UK/EU/US intersection)
- 2 **Supportive and Collaborative Community**
- 3 **Talent, Skills and Education**
- 4 **Expertise and Focus Areas**
Cyber Security, AI, Data Analytics, RegTech

2 The Vision, Mission and How It Can Be Achieved

Vision: “A dynamic FinTech ecosystem, with a connected community, recognised for its industry-led innovation driving global engagement for the benefit of the wider society in Northern Ireland”

Mission: “To build a connected community leveraging the knowledge and expertise of the existing financial services and digital sectors, coupled with funding and business support to transform the sector and benefit the wider economy in Northern Ireland”

Strategic Objectives:


Governance and Strategy


Collaboration


Profile & Eminence


Talent and Skills


Access to FinTech Support


Policy & Regulation

3 The Key Asks

FS Firms  
Strategic partnership funding to support FintechNI in securing dedicated resources to support, engage and collaborate with the local ecosystem and national stakeholders.

FinTech SMEs  
Contribute SME know-how, provide ideas/solutions to the ecosystem and form collaborative partnerships with incumbent FS firms and FDI companies.

Academia / Skills Providers 
Provide insight, guidance and appraisal to further identify ‘Talent & Skills’ requirements to support the cluster. Contribute resources to FintechNI to support key activities.

Government/ Public Sector/ Regulator  
Improve engagement on policy, regulation and frameworks with local FinTech cluster participants. Facilitate access to later stage private sector funding to support scaling.

Supporting Service Providers 
Improve engagement with the ecosystem, forming partnerships and providing strategic advice to support the growth and development of ecosystem.

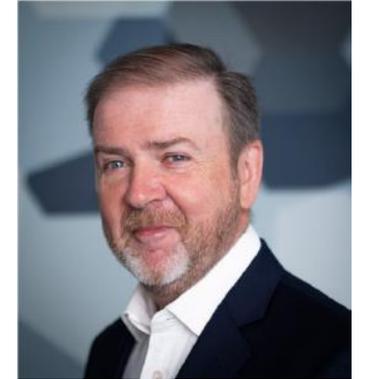
Introduction from FinTechNI

We are truly delighted to be able to bring you the 3 Year Strategy and Roadmap for FinTech in Northern Ireland, which was developed independently by our consulting partner Deloitte. The report marks an important milestone in our journey to support the continued growth and prosperity of the FinTech ecosystem in Northern Ireland. It also comes at an important time for the development regional FinTech clusters across the UK following the Strategic Review of UK FinTech conducted earlier this year by Ron Kalifa OBE.

Formed in 2019, FinTechNI is a not-for-profit industry association made up of a cross section of participants in the local FinTech ecosystem. To date, we have relied on the generous investment of time and goodwill from a range of participants who are passionate about developing and promoting Northern Ireland as a leading global FinTech hub. Our mission is to be the independent voice of FinTech in Northern Ireland and to champion and empower participants in the local FinTech ecosystem to be successful on a global stage. We are delighted that this report recognises the important role that FinTechNI plays in collaborating with other organisations, both locally and nationally in order to achieve this mission. It also provides the platform for us to further evolve the governance and long-term funding of the association in order to play in integral role in the implementation of this strategy and roadmap.

We would like to thank the more than 50 individuals from a broad range of organisations from across our ecosystem who took the time to engage with us on this project. Your input and feedback are greatly valued and appreciated. I would also like to thank the other members of the FinTechNI Advisory Board for their valuable support and guidance.

Finally, I would also like to take this opportunity to make special thanks to our sponsors listed below whose generous support made this exercise possible.



Alex Lee
Chair, FinTechNI



www.fintech-ni.com

Supported by



Belfast
City Council

Catalyst
extra
ordinary

fscom
Expertise that adds value.

A&L Goodbody



More than 50 individuals participated in this industry-led strategy

Technology Companies

Individuals / companies that develop technology that may have an impact on the sector ranging from early-stage start-ups to large scale technology players

Financial Institutions

Firms that provide products and services in the FS market. These institutions typically look to embed FinTech to improve existing processes / customer experience.

Academia / skills Providers

Primary, secondary and further education entities as well as initiatives / programmes to support the growth of talent. These providers support the future talent pipeline as well as the reskilling of the existing workforce.

Supporting Service Providers

Organisations that work closely with financial institutions and technology companies to provide supporting services.

Northern Ireland Fintech Ecosystem



Government, Regulator and Public Sector

Government and Public Sector entities (including the Regulator) that help to shape the local market. A key source of advice and support across the ecosystem.

Incubators / Accelerators / Co-working

Organisations that provide the capability to support technology companies and FinTech solutions through co-working space or incubator / accelerator programmes.

Funding Providers

Private investor community that are sources of funding and financial assistance for early-stage / growth companies. Includes early-stage seed investment through to larger financial backing.

Industry Bodies / Groups

Entities that act on behalf of the industry, often as a trade body or representative group. These groups act as a catalyst to enable change and bring the community together.

The Opportunity – Northern Ireland's USPs

The Strategic Review of Fintech in the UK carried out by Ron Kalifa OBE earlier this year identified Northern Ireland as one of the top 10 Fintech clusters in the UK.

Belfast is ranked as the world's top destination for financial technology investment projects and has been ranked in the top 3 Fintech locations of the future after London and Singapore. (Source FT FDI Markets 2019).

1. Geographical advantage

Northern Ireland's location is unique - an intersection between Europe and UK with access to international markets such as East Coast US. Together with an EMEA time zone and cultural proximity to English-speaking centres, this positions Northern Ireland as the gateway location across global Financial Services and FinTech Markets.

2. Supportive and collaborative community

There is a known pathway for SMEs to obtain early investment and receive support from incubators / accelerator programmes and Invest NI / local government that should be further enhanced through the FinTech opportunity.

3. Talent, Skills and Education

There is a structured pipeline of new talent, and strength in Higher and Further Education offering specialist FinTech courses which have been developed in partnership with industry.

4. Core Expertise and Capabilities

NI is known for its leading capabilities in key areas, such as RegTech, Artificial Intelligence, Data Analytics and the Cyber Security work which is globally recognised through the Centre for Secure Information Technologies (CSIT). NI can build on this and other FinTech specialities to position itself as a global leader in key FinTech domains.

The Challenges - Barriers to future growth



BUILDING ECOSYSTEM PARTNERSHIPS

The key building blocks for any FinTech cluster are all found in Northern Ireland – with representation in place across the ecosystem. This offers a strength of community, with many key stakeholders having strong links to the FDIs. There is a good level of engagement between local government and industry with healthy availability of support to nurture start-ups.

However, there are limited links between the start-up community, FDIs and incumbent financial services institutions.

As a result, SMEs must look outside of Northern Ireland early to build strategic partnerships and collaborations.



SKILLS AND TALENT

Northern Ireland has a strong pipeline of new talent, although secondary cycling and scaling needs improvement. The Higher and Further Education sector is well connected to the industry, with the emergence of specialist courses created in partnership; for example, Ulster University's BSc (Hons) in Financial Technology Higher Level Apprenticeship (HLA) and the Assured Skills Programme.

The greatest challenge is the perception of risk relating to entrepreneurship in the Fintech sector. The culture of risk-taking and entrepreneurship, particularly for young people requires a shift change, with parents pushing for traditional roles and FDIs holding most of the talent.



SCALING SUPPORT FOR SMEs

Support is available for early-stage FinTechs and entrepreneurs through accelerators and government support programmes through Invest NI, TechStart and Ignite. Private funding in Northern Ireland is available, with funding focused on early-stage seed investment (up to £1m).

One of the biggest blockers to growing the sector is young Fintech companies not having the funding networks and knowledge to scale. Comprehensive strategic support and mentoring to educate SMEs is required to inform founders about long term funding options and to identify opportunities to attract international financial investment.

The Industry-led Vision for FinTech in Northern Ireland

INDUSTRY-LED INNOVATION

- + Advocates for **entrepreneurial success**
- + Supports **specialisation**
- + Encourages research supported by **world-class universities**
- + Ensures **sufficient demand** for future FinTech propositions
- + Supports the scaling of FinTechs, attracting capital and talent and encouraging a **cycle of growth**
- + Industry-led 'grand challenges' defined and solved by the FinTech sector.

GLOBAL ENGAGEMENT

- + Create bridges with other locations to enable **national and international engagement** with other ecosystems and enable knowledge & idea sharing
- + Frequent and productive **engagement** between the regulators, FDIs and technology enablers.
- + Builds on **unique location** as intersection between UK and EU with strong **access to international markets** such as East Coast US to provide a gateway to emerging FinTech hubs

“A dynamic FinTech ecosystem, with a connected community, recognised for its industry-led innovation driving global engagement for the benefit of the wider society in Northern Ireland”

CONNECTED COMMUNITY

- + **Coordinated** ecosystem players, regulators and government led by FinTechNI
- + A **collective** voice anchored to an aligned vision.
- + Supports the development of **remote teams** and required infrastructure
- + Mentoring of companies as they start up and **sharing knowledge** within the ecosystem on scaling up and entering new markets.
- + Develops opportunities for FinTechs to engage with large firms domestically

WIDER SOCIETY

- + **Benefits the consumer** with improved products and services as a result of innovation driven by increased competition
- + **Upskills** the existing pool of talent
- + Attracts experienced talent from **overseas**
- + The free market ecosystem built by FinTechs bringing different platforms together helps customers save money and boosts collaboration
- + Supports the growth of the **indigenous business population**
- + Provide a springboard for **wider FinTech development**

Mission Statement and Strategic Objectives

Mission

To build a connected community leveraging the knowledge and expertise of the existing financial services and digital sectors, coupled with funding and business support to transform the sector and benefit the wider economy in Northern Ireland.

Six Strategic Objectives:



1 Governance & Strategy

It is critical the right support is in place to underpin the four key Strategic Objectives below, ensuring the right **guidance and challenge** is in place. The focus of this objective is to define and articulate an agreed governance and strategy, driven by key stakeholders and shared by the whole ecosystem.



"Global Engagement"

2 Profile & Eminence

- To **raise awareness** of FinTech as an opportunity for business creation and wider economic growth.
- To market Northern Ireland as a **world-class location** for FinTech with a competitive offering for talent and businesses.



"Industry-led Innovation"

3 Talent & Skills

- Working with industry, build a pipeline of experienced talent attracting **skilled** workers into the FinTech sector domestically and back to NI from overseas.
- To promote FinTech as a career opportunity to the next-generation of talent and nurture a culture of **risk-taking** entrepreneurship.



"Connected Community"

4 Collaboration

- To stimulate collaborative innovation and **partnerships** across the Northern Ireland and wider UK FinTech Ecosystem.
- To enable global FinTech ecosystem engagement, partnerships and knowledge sharing to **stimulate** ecosystem growth.

5 Access to FinTech Support

- To improve financial and business support available to indigenous FinTechs with **high-growth** potential.



"Wider Society"

6 Policy & Regulation

- To build an agile and collaborative environment through government **policies and frameworks** that are attractive for FinTechs.
- Engage with **public sector** to launch a series of initiatives that interact with all areas of the FinTech Ecosystem.
- To build a **clear line of sight** for the FCA and international regulators, including CBI, to engage with and support FinTechs in NI.



This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London, EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2021 Deloitte LLP. All rights reserved.