About the Summer Survey

Every year, Fintech Founders runs a Summer Survey to better understand how our founders feel about the current fintech environment.

Alongside general industry questions, this year's theme was the use of the cloud for security and resilience, in collaboration with our partner, Google Cloud.

Results reflect several major changes which affected the fintech ecosystem – including two new Prime Ministers and the collapse of Silicon Valley Bank. The increased use of AI also came across strongly in this year's survey.

Quick Summary

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Overall, founders feel confident about their businesses, but less so about the UK as a location to build a business, and 40% have considered leaving.

AI is already widely utilised in fintech products, with even more fintechs looking to incorporate it in the future.

On this year's theme, almost all respondents use the cloud in some capacity but those with dedicated security teams are in the minority, many relying on their CTOs instead.

"Government should realise that Fintech is an area where the UK can generate strong GDP growth and ensure it is properly championed within the Treasury department as a future growth engine for UK employment and wealth creation."

"UK business environment is very tough."

"With the cost of living and rising interest rates, there is a significant opportunity to grab market share as consumers look for innovative new solutions."

The UK's position as a global leader in fintech is threatened.

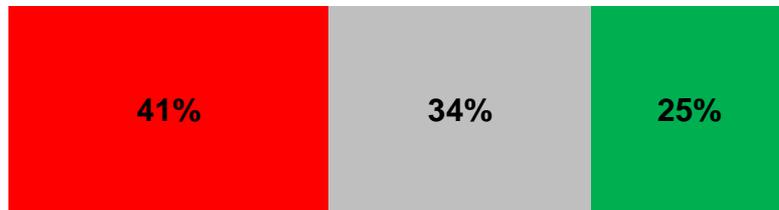**fintech founders**

Insights

- Most found the UK regulatory environment acceptable (40.6%), but more found it good or excellent than poor or awful – 33.9% vs. 25.4%.

- However, almost 70% did not believe the UK was *the* world leader in fintech, with 41.1% disagreeing that the voice of fintech is heard by regulators and policy makers.

- Just over 40% had considered relocating out of the UK in the past year, with the US the leading option.

What more could the Government do?

- Resolve issues with R&D

- Incentivize investing

- Overhaul the FCA, and simplify and upgrade regulations

- Ease accessing international talent

- More access to funding

- Engage more and provide more political support

- More clarity on emerging tech, such as AI and crypto

- Lower barriers to the EU

- Provide better general small business support

The perception of the UK as a good place to build a fintech business is under strain.

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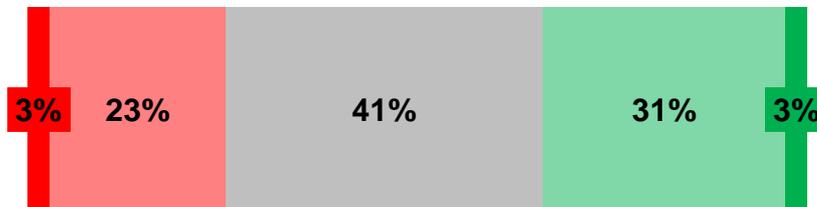### Government listens to fintech

No	Don't know	Yes
41%	34%	25%

■ No ■ Don't know ■ Yes

UK is *the* world leader of fintech

No	Don't know	Yes
70%	11%	19%

■ No ■ Don't know ■ Yes

UK regulatory environment

Awful	Poor	Acceptable	Good	Excellent
3%	23%	41%	31%	3%

■ Awful ■ Poor ■ Acceptable ■ Good ■ Excellent

Considered relocating abroad
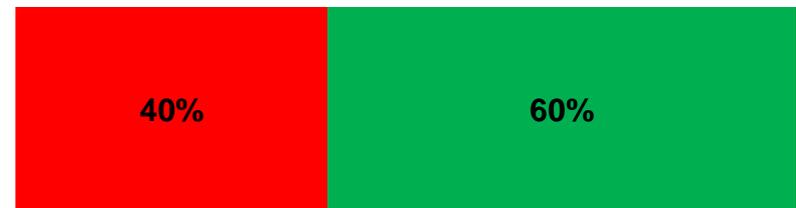
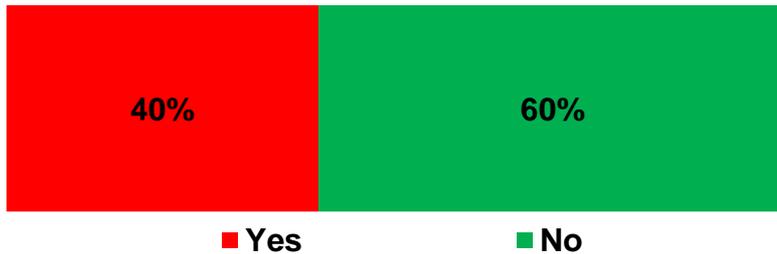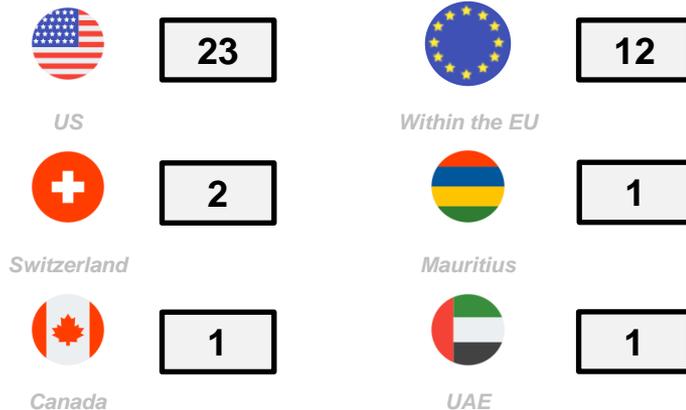| Yes	No
40%	60%

■ Yes ■ No

Many founders have considered relocating out of the UK in the past year, mostly to the US.

Considered relocating abroad past year

40%	**60%**

■ **Yes**   ■ **No**

Where have you considered? (count)

|			
🇺🇸	**23**	🇪🇺	**12**
US		*Within the EU*	
🇨🇭	**2**	🇲🇺	**1**
Switzerland		*Mauritius*	
🇨🇦	**1**	🇦🇪	**1**
Canada		*UAE*	

Main reasons why

- Access to a larger market

- Talent access and costs

- Cost of doing business

- Brexit

- Access to funding and investors

- Taxes

- Lack of government support

- FCA as a poor regulator

Founders have a positive outlook for the future of their businesses, despite market and regulatory challenges.

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Insights

- Most respondents feel either quite or very confident about their business outlook over the next 12 months, but this is down from last year – 84% vs 91%.

- Main barriers to growth identified were access to funding and market conditions.

- There was a wide range of opportunities identified for fintech and businesses, including the use of AI.

Confidence for business outlook

| 1% | 15% | 58% | 26% |
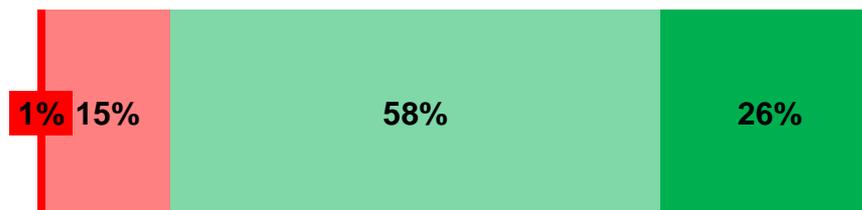
■ Not confident at all ■ Not very confident ■ Quite confident ■ Very confident
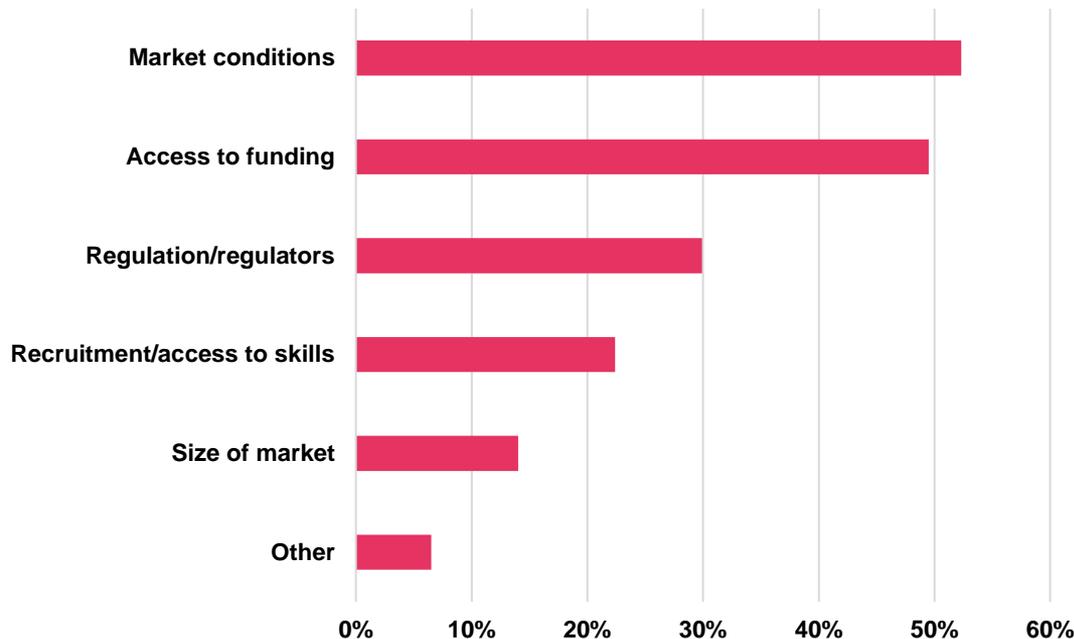
Key opportunities

- Geographic expansion

- Using AI, data, and new technologies

- Expansion into new areas of finance

- Addressing interest rates and cost of living

- Open banking

Attitude to government has remained stable, but the view of the UK as the fintech leader has declined significantly.

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Government listens to fintech

Year	No	Don't know	Yes
2021			
2022			
2023			

Legend: ■ No ■ Don't know ■ Yes

UK is *the* world leader of fintech

Year	No	Yes
2021		
2022		
2023		

Legend: ■ No ■ Yes

Confidence for business outlook

Year				
2021				
2022				
2023				

Legend: ■ Not confident at all ■ Not very confident ■ Quite confident ■ Very confident
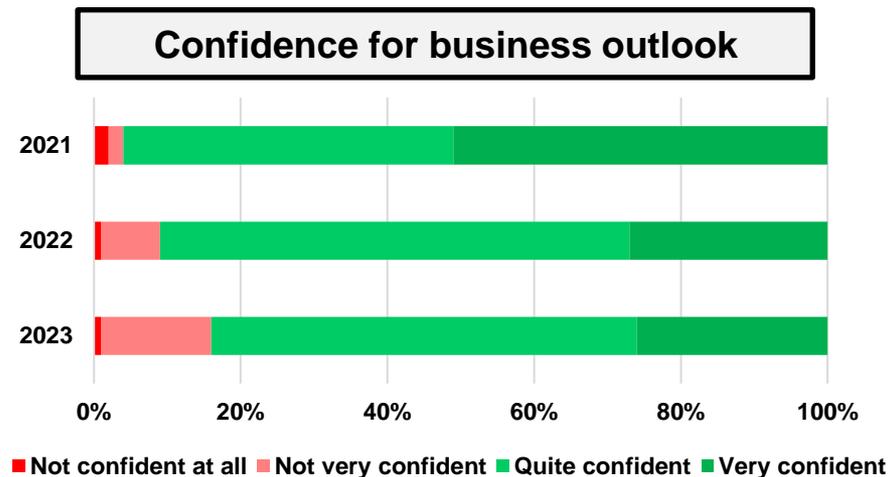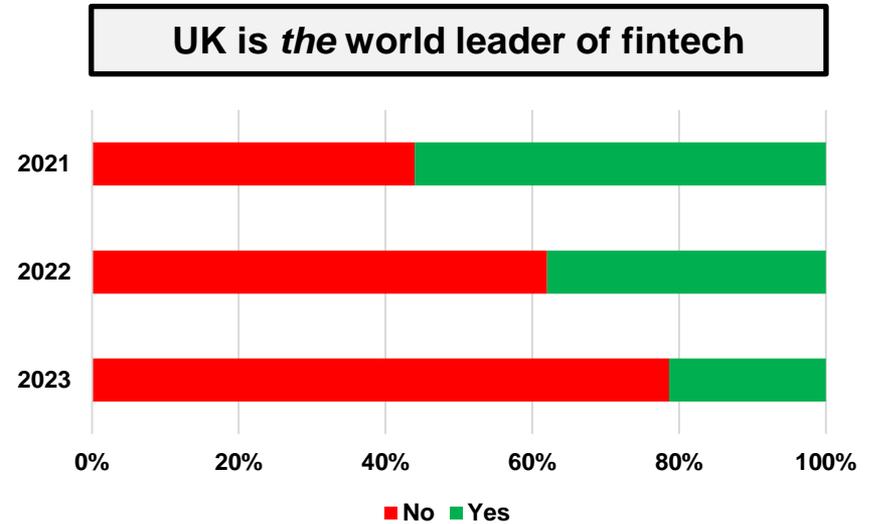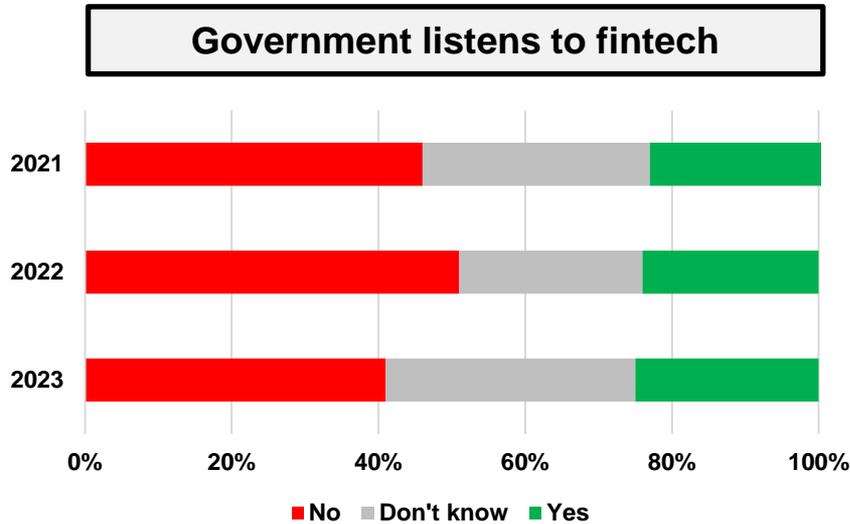
Market conditions and access to funding are the biggest challenges limiting business growth.

Main issues when growing company

Category	Value
Market conditions	~52%
Access to funding	~49%
Regulation/regulators	~30%
Recruitment/access to skills	~22%
Size of market	~14%
Other	~6%

Other

- Execution
- Macroeconomic factors
- Competition
- Press
- Incumbents less willing to change
- Success of current business development strategy
- Slow adoption rates by incumbents

AI adoption in fintech is high and continuing to grow.

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Insights

- Just over 55% of respondents use AI in their product or service offering.

- Out of those who do not currently use AI in their offering, 57.4% plan to incorporate it in the future.

- AI was one of the more common opportunities cited for the fintech sector and businesses over the next 12 months.

Currently use AI in offering

| 55% | 45% |

■ Yes   ■ No

Plan to incorporate AI

| 57% | 43% |

■ Yes   ■ No

The majority of fintechs do not have a CISO/Head of Security, with many relying on CTOs to fulfil this role.

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Insights

- The majority of respondents do not have a dedicated Head of Security.

- Of those who do not and responded, most – 2/3 – rely on their CTO for this, either directly or by overseeing a team.

- Most respondents also do not have a security operations centre, with just 37.1% responding yes.

Do you have a CISO or Head of Security?

38%	62%

■ Yes ■ No
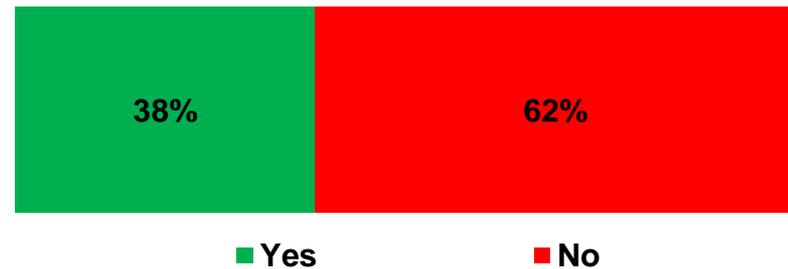
| If not, who manages security? (count)	
CTO	42
CEO	8
COO	6
Other	8

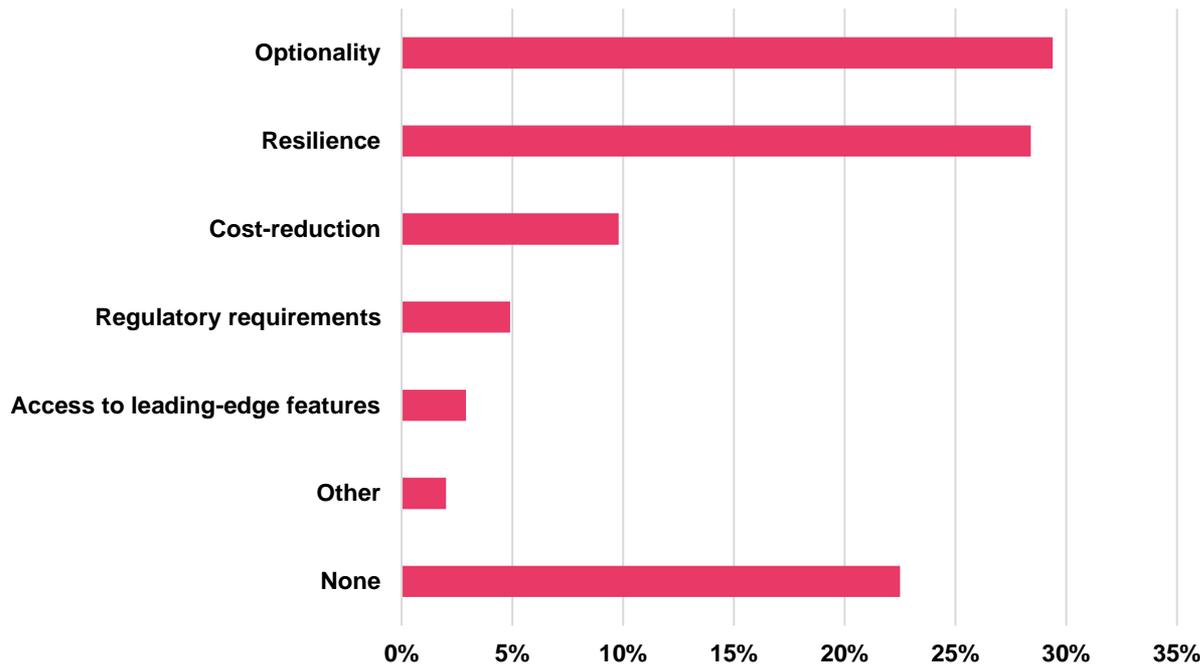# Fintechs use the cloud for both infrastructure and data.

Insights

- Almost all use the cloud for infrastructure, with data a close second.

- The most common advantages for using more than one provider were optionality and resilience, against complexity to manage.

- Interestingly, respondents were split on whether they do or would consider using more than one cloud provider, with just over half (53%) saying yes.

What do you use cloud providers for?
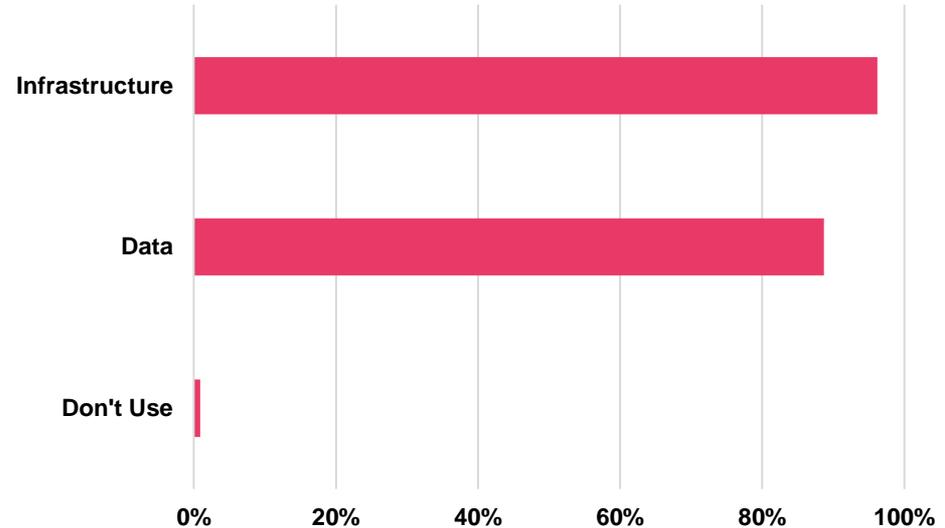
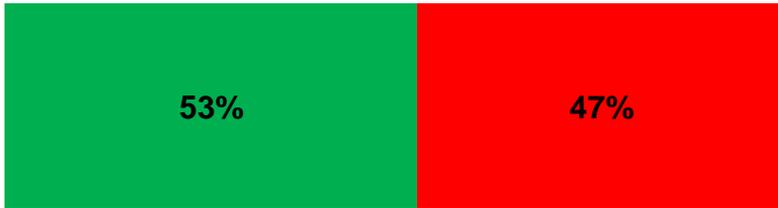# Founders are aware of a number of advantages to using multiple cloud providers.

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Advantages of multiple cloud providers?

Category	Value
Optionality	~29%
Resilience	~28%
Cost-reduction	~10%
Regulatory requirements	~5%
Access to leading-edge features	~3%
Other	~2%
None	~22%

0% 5% 10% 15% 20% 25% 30% 35%

"Depends on scale. We are too small to not be singularly focussed on one cloud provider. At scale those incentives start to shift."

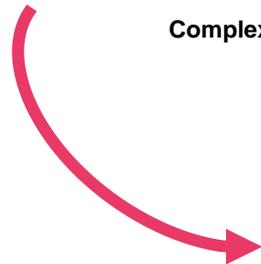# Using more than one cloud provider can be difficult to manage and implement.

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Do you or would you use more than one?

53%	47%

■ Yes　　■ No

Why not?

Complexity to manage and implement

Not required

Cost

Other

0%　10%　20%　30%　40%　50%　60%　70%