



# Does it have to be Shoreditch to be Successful?

by Sam Burgum | CRS Recruitment

From its role as the central hub of the industrial revolution in the 19th century through the likes of Richard Arkwright and John Dalton, pioneer Frederick Williams creating the first electronic stored programme computer in The Manchester Baby (1948), to redefining the sound of popular music in the 80's and 90's with The Smiths, The Stone Roses and Oasis, Manchester has been at the forefront of UK innovation.

Manchester has been home for all my life, so I feel an immense sense of pride when I think of its accomplishments, whether that be with respect to sport, music or even social change such as the suffragette movement spearheaded by Emily Pankhurst. The city that stands so proudly on the banks of the River Irwell has been a catalyst of change for centuries and continues leading the charge in the new digital era.

Working in the recruitment sector and specialising in the fintech industry, I sit at the forefront of Manchester's fastest growing market and have a genuine passion for both the industry and city itself. As such, I thought it worthwhile to educate those unfortunate enough to not be based within the borders of the M60 on why the City of Manchester has been such an important factor in helping the UK leap into the 21st century, particularly with respect to fintech.

There seems to be a common misconception, especially from those 'down south' that a northern based tech powerhouse is an impossible feat. The perception is that only the trendiest hotspots like Shoreditch can be a hub for fintech activity, where dynamic young professionals flock to be around other like-minded individuals. This is clearly not the case, and I'm keen to educate people as to why Manchester is emerging as a worldwide fintech hotspot.

In terms of financial and professional services, the city has always been the home of traditional banking behemoths such as Williams & Glyn, the Co-op Group and TSB, the last decade has however produced substantial growth in the city's financial technology ecosystem. Dubbed the 'Fintech Capital of the North' (The Data City), Manchester has seen the largest increase in new start-ups outside of London.

There are many factors that contribute to this accolade, such as having the largest student population outside the capital, an increasingly more upskilled and tech focussed workforce as a result and 'young professional' strongholds such as Didsbury, Salford Quays and Ancoats that have sparked sustainable hotspots of talent, leading to a wealth of experience and capability in the ecommerce, software, cyber security and digital industries to name but a few.

It is no secret that the labour cost is less than in the South, so companies have access to this upskilled and motivated workforce, at a cheaper price, making it much more financially viable to be headquartered here. The mainstream media outlets all being based in Media City is testament to this.

Fintech itself is not a commonly understood or even visible market other than through household names in the payments sector for example, such as Visa, Paypal and Mastercard. It sits behind everything we do, every transaction, every personal or corporate purchase. In short, fintech is any element of financial services that is being delivered over a technology platform.

In the modern era, the consumer wants simplicity. As times change and technology streamlines process, it is more important than ever to give the consumer as much flexibility as possible, especially in a post-Covid world where in the payments industry

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for example, some methods such as physical coin and paper exchanges have become less viable in a much shorter timeframe than would otherwise have been the case.

It is therefore important that the methods by which we pay for goods/services are constantly evolving, which we can see on a daily basis with the emergence of new options such as ApplePay and contactless, likely aided by the fact that card overtook cash as the UK's most popular method of payment as of 2019 and has taken a further massive leap as a result of the 'Covid-impact' throughout 2020.

Payments itself is a high growth sector for the city, its journey starting with the arrival of Worldpay and then industry defining fintechs Adyen and Klarna partly in response to the online retail boom with companies like Boohoo.com setting up HQ in the north west. The arrival of Adyen specifically was a big win for the city's fintech ecosystem and has paved the way for many more established players in payments looking at setting up a base here.

One of the most exciting new starts here is Fingopay, who offer a wonderfully innovative biometric payment solution, adopting 'Vein ID' technology as part of its proposition and eliminating the need for a wallet. While touch technology isn't the most desirable option in the midst of a global pandemic, this is still one to watch for the future and its benefits will be apparent.

In another segment of the market, an 'up and coming' enterprise payments start up currently also operating out of the Spinningfields area is Total Processing, who are a payment facilitator making waves in the UK and international market with the ability to connect a merchant to a library of acquiring options through their platform.

Manchester is also home to the fastest growing fintech outside of London in Accesspay, a cash management and financial messaging solution and a regular in Deloitte's 'Fast 50 Companies' in recent years.

Nivo are a new start in this space effectively acting as a Whatsapp group for businesses, allowing them to communicate in real time across departments and employees. They are gaining more recognition for their unique solution as each day goes by. These and the likes of Bankifi, an innovative 'Request to Pay' solution, are setting the foundations for further growth in this industry for the city.

New start digitally led banks are becoming more prevalent in the fintech space also. The recent emergence in the north west of organisations such as Oxbury and B-North will pose a threat to the traditional clearing banks due to the simplicity and user friendliness of their propositions.

Whilst we are familiar with names like Monzo and Revolut, it's great to have our own answer to these businesses more locally.

Manchester in general has seen a monumental shift in business activity of late, increasing 62% in the last 10 years alone, way ahead of other key cities such as London (44%), Birmingham (39%) and Liverpool (26%) (StartUs Magazine). This is a trend that is only likely to continue, taking into consideration factors such as HS2, connecting Manchester to London by rail in less than 90 minutes, allowing for more movement of people between the two key UK cities.

On top of this, the city's fintech ecosystem is constantly evolving, which will hopefully pave the way for further development in years to come, making it not just a central hub in the UK, but within Europe and beyond.

Innovation is an age old theme for the city as history has showcased and in the case of Manchester, particularly with respect to technology, it really does seem that 'there is a light that never goes out'...

## Links

<https://www.thedatacity.com/uks-digital-tech-cities-report-2020/>

<https://www.accesspay.com/knowledge-hub/features/3-north-west-firms-among-uks-50-fastest-growing-tech-enterprises/>

<https://magazine.startus.cc/infographic-the-uks-most-thriving-cities-for-startups/>

