

Starling doubles down on its UK SMB growth ambitions

Article

CEO Anne Boden expects the neobank will hold 18% of the UK's small- and medium sized business (SMB) market in the next five years, up from its current 4.4% market share, [according to](#) Insider.co.uk. Boden cites Starling's technology as key to reaching this goal.

Starling's recent growth in the UK small- and medium-sized business (SMB) segment is due in large part to its participation in government-backed coronavirus relief loan programs.

The neobank became accredited under the Coronavirus Business Interruption and Bounce Back Loan Schemes (BBLs), which drove up its deposits: It issued £1.4 billion (\$1.80 billion) in BBLs loans, for example. Its participation in these relief programs brought Starling an influx of new customers, with business accounts nearly quadrupling from 74,000 in 2019 to over 285,000 today.

But to follow through on quadrupling its market share, Starling will need to broaden its focus to retaining its customer base in addition to onboarding efforts. Going forward, Starling must solidify its new customer relationships, as some may have only signed up to access government loans—which it won't be able to rely on for continuing customer acquisition. Further, Starling faces tough competition in the UK SMB neobank sector: Tide, for example, is aiming for 8% market share by 2023, up from its current 5%. Starling has been focused on building out its Marketplace with more services, which could help it simultaneously drive retention and customer acquisition.