

Starling's global BaaS plans for 2022 could overtake the rest of its business

Article

The news: Starling Founder and CEO Anne Boden gave [an overview](#) of the company's plans to offer banking-as-a-service (BaaS) across the world in the new year.

- In a blog post about her 2022 outlook, the UK-based neobank's leader said that this entails providing its technology to other banks.
- Boden touted the turnaround potential, stating, **"If a bank wants a digital bank, they can have one up and running in months with Starling's SaaS [software-as-a-service] offering."**

More on this: Starling's overseas ambitions—[previously reported](#) in September 2021 by AltFi and Les Echos—involve plans to operate in several European countries, [including](#) Germany, France, the Netherlands, and Spain.

The same month, Boden provided a vision for Starling's BaaS arm in a LinkedIn post.

- Calling it **Starling as a Service**—a term she used again in her latest blog post—the CEO discussed how the technology could be used for industries like healthcare, retail, and utilities.
- Boden also stressed that BaaS is designed to offer advantages in areas such as cost and convenience
- She added that Starling can handle more complex banking tasks for BaaS customers, such as dealing with anti-money laundering and know your customer regulations.

The bigger picture: Boden's preview of a global expansion is one of several recent examples of different companies either making a foray into BaaS or expanding within the space—leading us to speculate whether other neobanks may also eventually turn away from consumer to B2B offerings:

- **Monese**, also a UK-based neobank, [rolled out](#) its BaaS platform in September 2021. Its product offers customization for clients across various countries.
- That same month, French standalone BaaS provider **Swan** [disclosed](#) European expansion plans after finishing a funding round.
- **Volt** spent 2021 [scaling up](#) its BaaS operations, as the Australian neobank pivoted away from its original focus.

The opportunity: In addition to supporting other banks, Starling has a chance to make its BaaS arm into a major player in the emerging embedded finance market, in which non-financial companies [can use](#) distributed software to offer financial services.

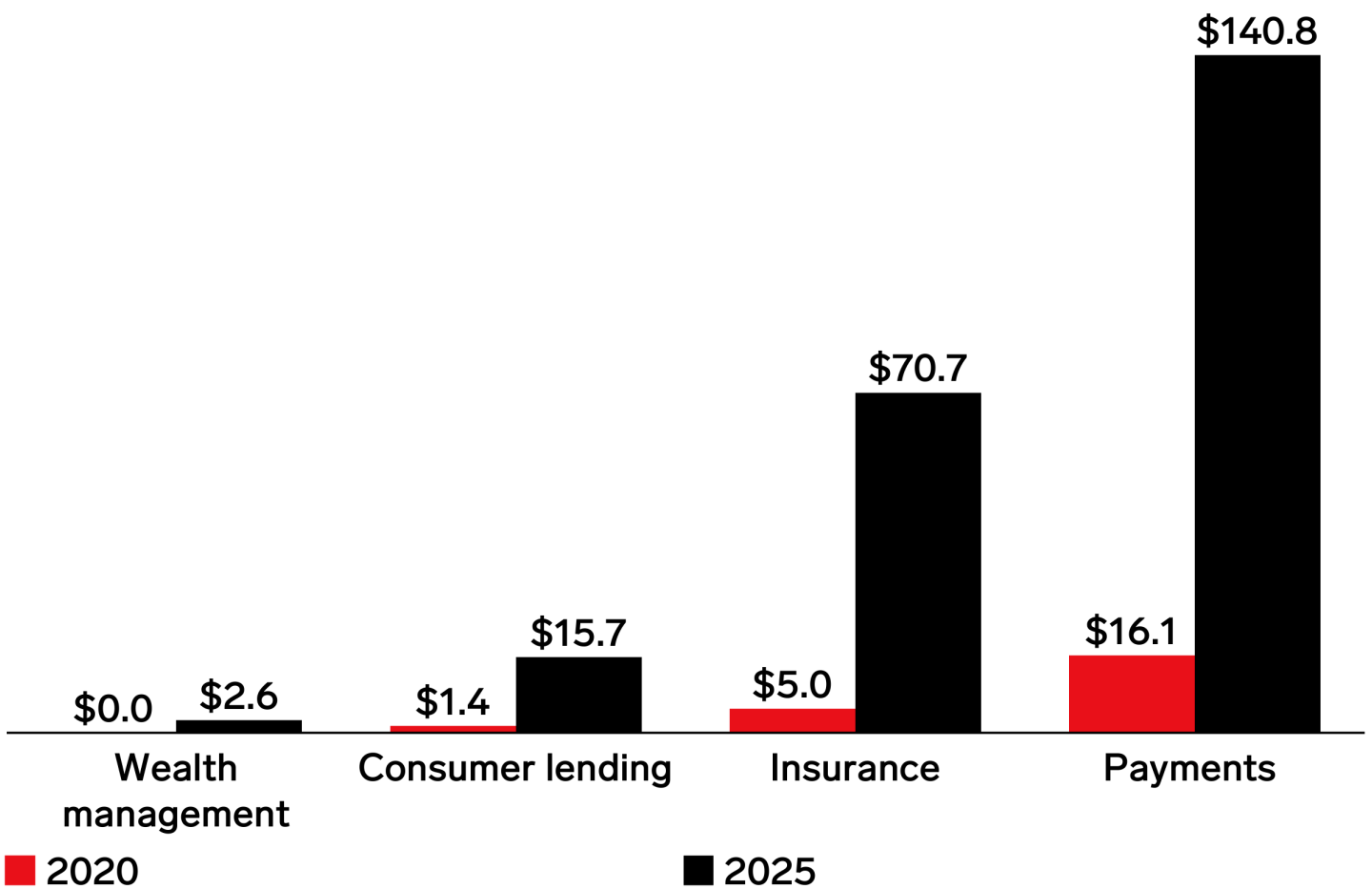
Starling [could](#), for instance, **power future Big Tech products**, should those companies want to jump into banking alongside the slew of non-financial industries that Boden enumerated. This

may involve companies offering services for payments, wealth management, and lending.

Embedded finance is poised for major growth in the coming years: Lightyear Capital projected that the size of the market will balloon by 922% from 2020 to 2025, growing from \$22.5 billion to almost \$230 billion.

FORECAST: Embedded Finance Market Value

Generated revenues, billions



Source: Lightyear Capital, 2020

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