

Fintech Mantl scores \$40M to improve digital onboarding

Article

The New York-based fintech's Series B funding round was led by Alphabet's independent growth fund, CapitalG, and brings Mantl's total funding since its 2016 [launch](#) to \$60.7 million, TechCrunch [reports](#). Mantl specializes in white-labeled digital account opening solutions for small and midsize financial institutions (FIs), [claiming](#) that its clients see a 60% reduction in the time it takes end users to open an account. The fintech plans to use the capital infusion to

grow its headcount and expand its offerings, including with new software that could help it digitize onboarding for companies beyond FIs.

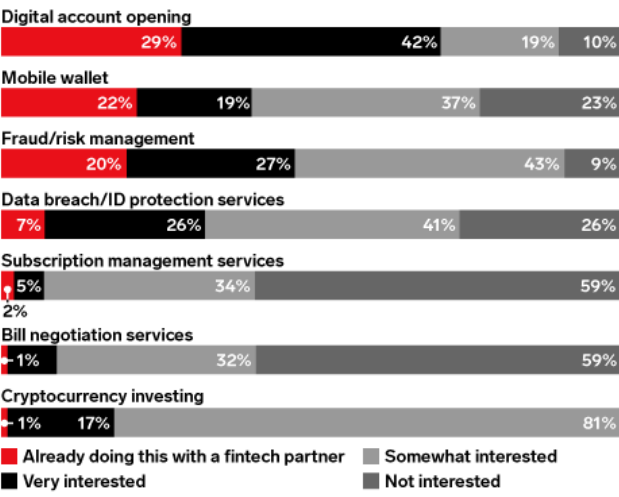
A wider suite of solutions could make Mantl a more effective partner for smaller FIs that are looking to flesh out their digital capabilities. Small and midsize FIs face an enormous competitive disadvantage compared with their larger rivals when it comes to tech spending, given bigger banks' titanic [budgets](#). One of the most common strategies that smaller FIs can deploy to narrow the gap is partnering with third-party solutions providers to modernize their legacy infrastructure instead of building products and services in-house on limited budgets and tech talent pools. The more Mantl can broaden its offerings, the more attractive of a partner it will be for prospective clients looking to pursue this strategy.

As more fintechs roll out digital account opening and switching solutions, US bank customer stickiness could start to erode. A multitude of [factors](#) can influence bank customer stickiness in the US, including the lack of deftness that currently characterizes the account switching process in the US. If a customer decides they want to move to a new FI, they need to follow a long set of [steps](#) for which they may not have the time or patience. However, if fintechs like Mantl or [ClickSwitch](#)—which offers digital account switching as a service—can break down the barriers to rapidly opening new accounts or switching banks completely, this inertia could become less of a factor holding clients in place.

A US banking market where account opening and switching is fast and easy could come to resemble the UK, where customer loyalty is harder to secure. In the UK, consumers can use the free Current Account Switch Service, which [simplifies](#) switching personal or business bank accounts to new providers. This has spurred banks to fight tooth and nail with [incentives](#) to hold their clients and poach those of their opponents—and US banks may have to follow suit if account opening and switching gets easier.

Level of Interest in Fintech Partnerships According to US Bank Executives, Dec 2020

% of respondents in each group



Note: n=260; numbers may not add up to 100% due to rounding
Source: Cornerstone Advisors, "What's Going On in Banking 2021," Jan 26, 2021
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