

# Twig and Responsible fundraise on the appeal of the circular economy

## Article

**The news:** Two recommerce fintechs based in the British Isles impressed investors with pitches that promoted their circularity and sustainability. Both started off in fashion—and couldn't have picked a better time to launch: Fast fashion is out; sustainable fashion is in.

- The UK-based fintech **Twig** secured **\$35 million from a Series A funding round** to support its future growth, per AltFi.

- The Belfast-based startup **Responsible** pulled in a **\$6.6 million seed funding round** led by Barclays' Sustainable Impact Capital program, per Finextra.

**What do they do?** The [recommerce movement](#) encourages consumers to buy used items and shop more sustainably to prevent items from entering landfills.

But these recommerce fintechs aren't just recycling or upcycling—as TechCrunch [puts](#) it, they're also “**reimagining the function of a bank as an arbiter and exchange of resale value.**”

Twig's app lets users sell and trade digital and physical items—like clothing or electronics—on its platform.

- Payments can be made in cash and in the future in digital assets like cryptocurrencies and non-fungible tokens (NFTs). The platform will support cryptocurrencies Bitcoin and Ethereum.
- [Payments](#) can then be applied to future purchases.

And Responsible developed an embedded finance platform, Buy Back, that can be integrated into a fashion brand's ecommerce site or physical stores.

- The tech is integrated at the point of purchase to inform consumers about the residual value of the items they buy.
- Consumers can return the item at any time in exchange for a store credit.

**Here's how they work:** The fintechs employ blockchain and embedded finance to appeal to Gen Zers and younger millennials, who have shown a keen [interest](#) in both the thrift and sustainability of secondhand marketplaces.

Like the digital pawnbroker [Diem](#), the Twig app comes with an emoney account—Twig's is provided by [PayrNet](#)—and a Visa debit card.

- It uses the [Hyperledger Sawtooth](#) blockchain to offer the resale value of users' unwanted items.
- Users can sell these items to Twig for instant cash—and eventually, for crypto and NFTs—and Twig resells them for a profit.
- Twig founder and CEO Geri Cupi told TechCrunch that while Twig is currently a B2C platform, “it's going to become a B2B2C platform. So it will be connected as a payment gateway of

different providers.” Cupi said Twig has already signed agreements with undisclosed retailers to plug into their infrastructure.

Responsible’s BuyBack plugin, on the other hand, is embedded within an ecommerce site as an API or at a store through scanning.

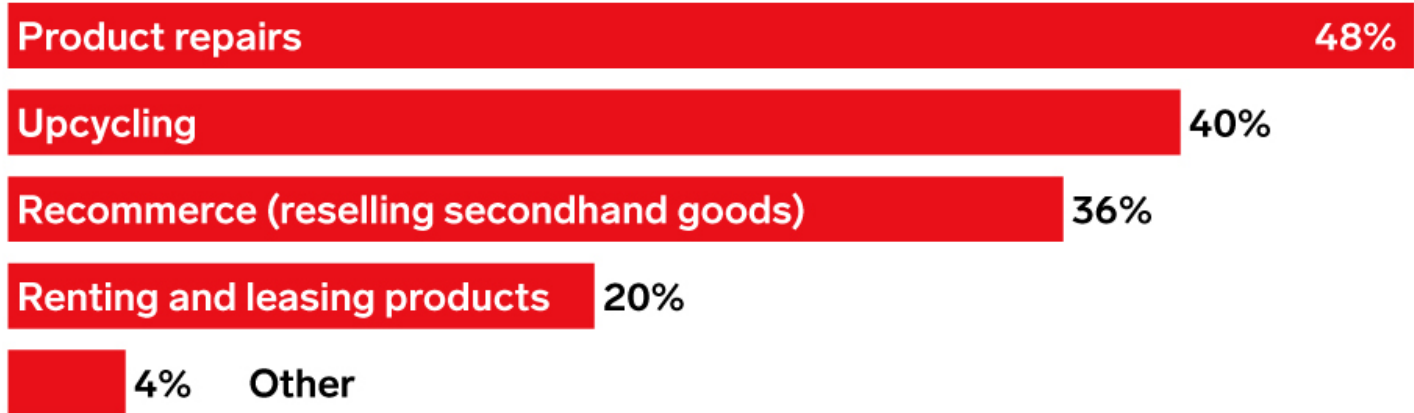
- As an embedded finance offering, the **goal** for both fintech and site is to make consumer transactions more seamless and to create a deeper brand affinity.
- BuyBack is available within the ecommerce platform **Shopify**, and Responsible said the funding round will help it **expand** into Europe and extend its partnerships with other brands.

**Why they could succeed:** Both fintechs aim to meet consumer demand for participating in the circular economy. **Sixty-two percent of global consumers** believe it’s very important that the companies they buy from adopt circular practices—highlighting the demand for environmentally minded solutions. The challenge is that reselling unwanted items can be more time-consuming than throwing them away.

**Why it’s worth watching:** Twig and Responsible help users more seamlessly resell their items for instant cash—particularly luxury items that tend to retain more value over time. But the two fintechs are also **expanding the definition of wealth beyond real estate and cars** to include other items that consumers can convert into alternative stores of value.

# Which Sustainability Initiatives Do UK Adults Want More Retailers to Offer Them?

% of respondents, Dec 2020



Note: ages 18+

Source: K3 Business Technologies, "Adapt or Fail: Meeting Customer Needs in the Now" conducted by Sapio Research, March 22, 2021

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