

The UK is the third-biggest tech unicorn hub worldwide

Article

The news: The UK now has **100** tech firms valued above **\$1 billion** and is only the third country to cross this milestone, following the US and China, [per](#) a Tech Nation report.

Data zoom-in: For context, the UK has more tech unicorns than Germany (**42**), France (**22**), and the Netherlands (**18**) combined. The number of tech unicorns in the UK grew

exponentially: In 2017, there were just **44** unicorns; this year, **13** unicorns have already been formed, more than the **seven** for all of 2020.

How did the UK reach this milestone? A nurturing regulatory environment created fertile pastures that encouraged large fintech raises, leading unicorns to multiply.

The UK ranks **No. 1** in open banking adoption in Europe, giving fintechs standardized access to a wealth of user bank account data, which helps develop their services and attract investors. In addition, the **Financial Conduct Authority** is known to be accommodative of industry changes; for example, it recently **extended** the anti-money laundering requirements deadline for crypto trading.

As a result, fintech startups constituted the largest share of the 100 tech unicorns, at **34%**, along with other subsectors, including healthtech, travel and transport tech, foodtech, and gaming.

In 2021 alone, in the UK:

- Neobank **Starling** raised **£272 million** (\$375.8 million), bringing its new valuation to **£1.37 billion** (\$1.89 billion);
- Insurtech **Zego** reached a **\$1.1 billion** valuation after a **\$150 million** raise; and
- Insurtech **Tractable's** **\$60 million** raise last week brought the UK to the triple-digit milestone.

The bigger picture: Fintechs are driving unicorn milestones across the world.

Fintechs tied with internet software and services for the biggest share of unicorns globally, at **15%**. Payments startup **Stripe** is the highest-valued unicorn of any sector in the US, while BNPL **Klarna** and digital broker **Trade Republic** take that mantle in Sweden and Germany respectively, **per** **CB Insights Complete List of Unicorn Companies**.

Future unicorns-to-be include open banking providers and neobanks. For example:

- Sweden-based **Tink** hit a **€680 million** (\$867.9 million) valuation last December and will likely follow in the footsteps of **Plaid's** recent **\$13.4 billion** valuation.
- **Zopa** and **Atom Bank**, Starling's neobank peers in the UK, will likely reach a \$1 billion within the next year, **per** Dealroom.

Fintech Unicorns, Global

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Source: Insider Intelligence, CB Insights, March 24, 2021

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