

Payments startups snag funding to tap unmet consumer needs in key markets


Article

The news: Three fintech startups raised fresh capital to expand their consumer credit offerings in markets with needs that haven't been met by legacy payment providers.

Brazil-based credit startup Open Co raised \$115 million in a funding round led by SoftBank Latin America Fund, per TechCrunch.

- The startup was created from a merger between online lender **Geru** and **Rebel**, which used alternative underwriting data sources to extend credit. Open Co claims it's faster and offers lower interest rates than traditional banks—which lets it tap into a broader swath of Brazil's credit-hungry market.
- It's trying to solve Brazil's credit problem: An estimated **52% of consumers** need to use credit for basic expenses, per TechCrunch—but they face sky-high interest rates. In 2019, **credit card interest rates hit a whopping 299.8%**, [per](#) Brazil's central bank. The average interest rate for credit card accounts in the US that year was **14.87%**, [per](#) ValuePenguin.
- Open Co plans to put the funding toward product development, expansion, and hiring.

India-based payments fintech Uni snagged \$70 million in Series A funding, per Mint.

- Like local fintech competitor [Slice](#), Uni uses proprietary underwriting technology to extend credit to consumers who struggle to get approved by large banks that use traditional systems of determining creditworthiness.
- Uni's Pay  card automatically splits purchases into three installments spread over three months. If customers pay on time, they aren't charged interest, and if they pay everything within the first month, they get 1% cash back.
- In India, there's a large gap between credit and debit cardholders: As of September, India had about **65 million credit cardholders versus 920 million debit cardholders**, [according to](#) data from the country's central bank.
- Uni's underwriting technology, coupled with growing [appetite](#) for buy now, pay later services in Asia-Pacific, could set it up for long-term growth.
- Uni plans to put the funding toward product development.

Issuer-processor startup SuperNet raised an undisclosed amount in Series A funding, per a press release.

- The US-based startup is using the funding to [develop](#) a credit card tailored to the cannabis industry.
- Despite being a multibillion-dollar industry, the majority of consumer cannabis transactions (legal or not) are cash-based, per TechCrunch—and cannabis dispensaries often have to

allocate a lot of time and money to manage this cash. Because cannabis is still illegal at the federal level it's difficult for banks to offer payment services to businesses in the industry—which is where SuperNet steps in.

- The startup will offer customers a card that can be used to pay for products at **100 California dispensaries** starting in January. SuperNet will also process transactions for the dispensaries and offer a loyalty program.

