

# Lloyds directs further investments in digital toward fintech partnerships

Article

The UK-based bank has spent £4 billion (\$5.13 billion) on its three-year digital transformation program, which it launched in 2018 with an initial budget of £3 billion (\$3.85 billion),

according to Fintech Futures. Lloyds' technology investments have been increasing steadily, representing 19% of its operating costs in 2019, up from 16% in 2018. It did not disclose a percentage for 2020, but its latest plans indicate it is still laser focused on tech: Lloyds will invest £900 million (\$1.15 billion) in 2021 alone into more fintech partnerships.

**Partnering with fintechs can enable Lloyds to stay on top of innovative new solutions and maintain its digital momentum from 2020.** Lloyds recently partnered with a fintech incubator program in Scotland to support the development of local startups—an example of programs it could get involved in elsewhere. Further partnerships and strategic investments in fintechs can give Lloyds access to startups with deep expertise in specific areas of tech that the bank may not have the in-house resources to develop itself. Ultimately, these efforts can ensure Lloyds' technology offerings meet the needs of its increasingly digital customer base: Its digitally active customers grew 6% in 2020 to 17.4 million, and digital sign-ins increased by 12% compared with 2019. Meanwhile, the proportion of products originated digitally increased by 10 percentage points to 85% in 2020.