

Virgin Money pumps up UK SMB lending experience with Trade Ledger partnership

Article

The UK bank is making its latest move in recent months to strengthen its product suite for small and medium-sized businesses (SMBs) in its home market by [partnering](#) with Trade

Ledger, a fintech that offers banking software. The partnership, which Virgin Money [unveiled](#) last week, will use Trade Ledger's software to speed up the bank's lending process, improve customer experience, and reduce its borrower risk. The offering is also geared toward businesses recovering from the coronavirus pandemic, which makes it the latest among UK banks to try a recovery play for the SMB market.

Virgin Money has recently rolled out multiple fintech partnerships to cater to SMBs:

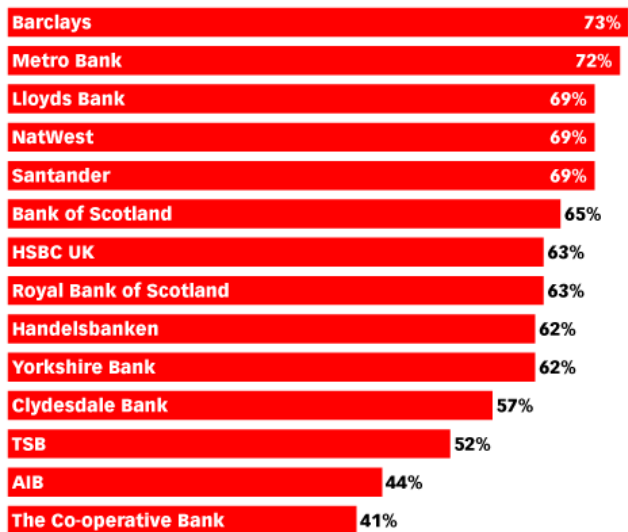
- In November, the bank [teamed up](#) with Redspire, a [vendor](#) for Microsoft customer relationship management software, to overhaul its business current account—akin to a checking account in the US—into what it dubbed a “wellness tracker.” Virgin Money is aiming to hit 20,000 SMB customers by 2022 and 100,000 by 2025.
- It followed up by [naming](#) Waracle as its app developer in December and [teaming up](#) with Codat in January 2021. Under the latter deal, Codat, which [connects](#) companies to their financial institutions' software, will work with Virgin Money to enhance its data flow with SMBs.

Partnering with fintechs to pump up its SMB offerings is a high priority for the bank—Derek Smith, head of digital solutions, [called](#) such deals “a huge part of our overall strategy”—and doing so lets the bank more quickly move products to market than would building them internally. A partnership approach also lets Virgin Money pivot faster should SMB customers' needs change.

Virgin Money is among several UK banks tackling the issue of retaining SMB customers beyond the pandemic. With its newest partnership, the bank said it is seeking to acquire SMB customers that have been ailing due to the coronavirus pandemic, and the added convenience of streamlined lending processes may give them reason to stick around once the pandemic ends. Virgin Money is one of several UK financial institutions that will face post-pandemic retention challenges, to which some are already responding. Recent examples include NatWest, which has rolled out a [rewards](#) app through its Tyl unit that merchants can use to build and maintain support from their own customers, and Starling's [Marketplace](#) of business integrations, which [offers](#) SMBs access to third-party financial services such as PensionBee.

Likelihood that UK SME Customers with Business Current Accounts Would Recommend Their Business Current Account Provider to Friends and Family Based on Digital and Mobile Banking Services, July 2019-June 2020

% of respondents



Note: n=16,800

Source: BVA BDRC, "Business Banking Service Quality - Great Britain," Aug 17, 2020

260323

[InsiderIntelligence.com](https://www.insiderintelligence.com)