

Clearscore raises \$200M to ease consumer access to credit through open banking

Article

The news: The UK credit-scoring fintech raised the mega-round from US fund Invus Opportunities, valuing it at £503 million (\$645 million), [per](#) Sky News. Clearscore says it will

use the funding to grow its product suite and staff.

What does it do? **Clearscore** enables **14 million** consumers across the UK, Australia, and South Africa to check their credit score for free. They can also share their bank account data via open banking to be matched with lending products from over **90** partners.

What appealed to investors? Clearscore's addressable market is growing rapidly.

Over **3 million** UK consumers now use open banking services, up from **1 million** in January 2020. The technology is proving increasingly popular in credit underwriting: The country's under-35s are **21%** more likely to want to share bank data to access loans than they were at this time last year.

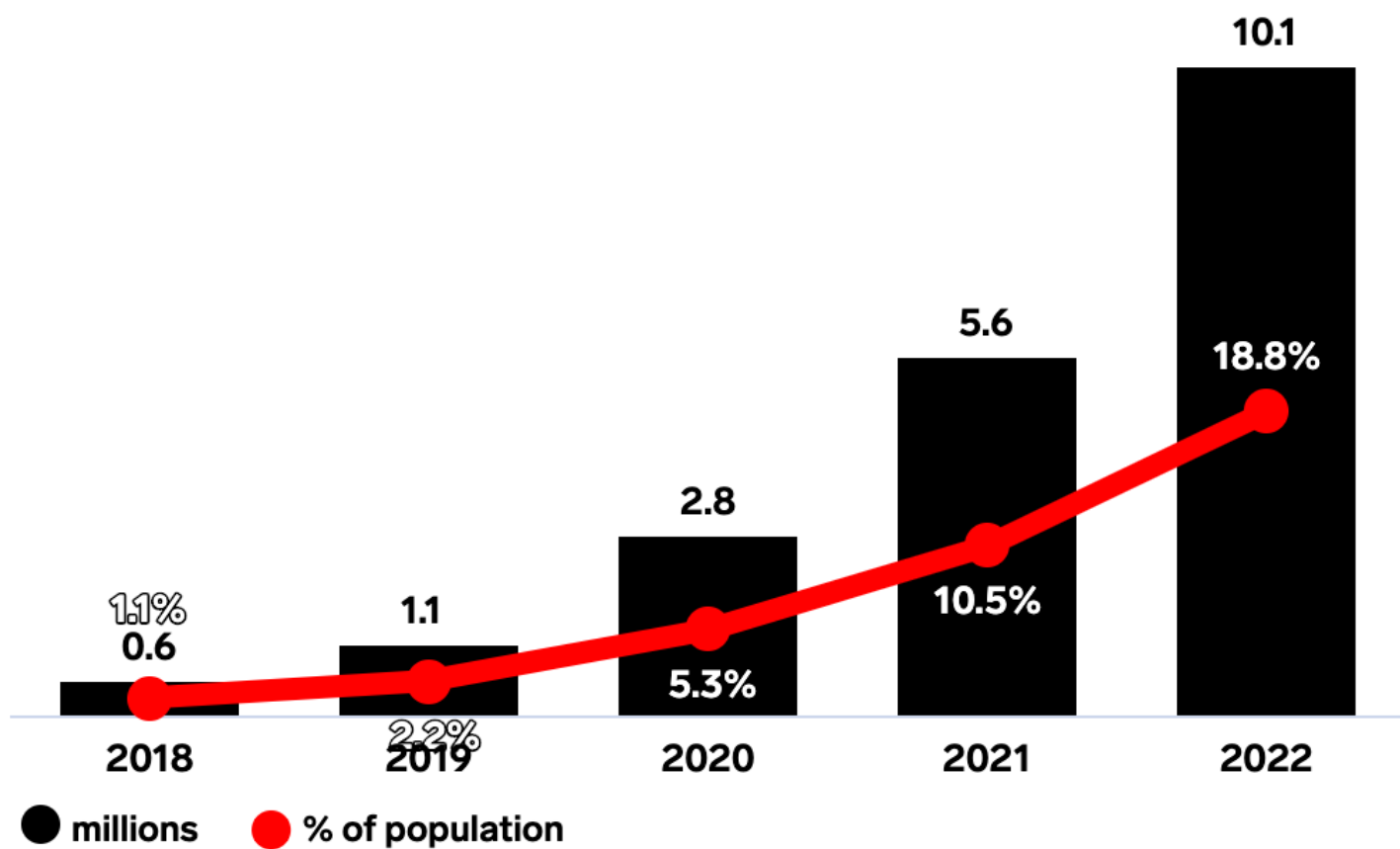
Lenders seeking to meet this demand are more likely to offer their products on Clearscore's platform because it spares them from having to build open banking capabilities in-house. This should boost the fintech's revenue as it gets a cut from recommending credit products to customers. One such lender is neobank **Zopa**. Last month, by offering its product on Clearscore's marketplace, Zopa became the **first** credit card in the UK to use open banking in its underwriting. Already, over **43,000** Clearscore users who wouldn't have been deemed eligible under normal credit-scoring methods received recommendations for Zopa's credit card.

Trendspotting: Over the past year, the UK's three incumbent credit bureaus have integrated open banking solutions, underscoring the growing importance of it in credit underwriting.

- Last June, **TransUnion** improved its open banking platform's analytics capabilities to streamline users' online journey.
- Last November, **Experian** launched its own open banking tool following a cancelled acquisition of Clearscore for **£275 million** (\$352.7 million) in 2018 due to competition concerns.
- In February, **Equifax** acquired open banking-powered data analytics provider AccountScore.

Open Banking Users

UK, 2018-2022



Source: eMarketer, December 2020

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