

Socure leads digital ID peers with \$450M raise

Article

The news: The US-based digital ID fintech reached a **\$4.5 billion valuation**, up from **\$1.3 billion** in March. It will use the funding to expand across new markets and reach more clients.

What's its appeal? Its solution has proved popular across industries, including telehealth, gaming, ecommerce marketplaces, and the public sector. But the digitization of financial services over the past year is where Socure truly struck gold:

- **Banking.** Four of the five largest global banks use Socure. Digital account openings are soaring, pushing banks to adopt digital ID solutions to remove friction from the onboarding

process and face off against their neobank competition, [per Insider Intelligence's "Account Opening in the Next Normal" report](#).

- **Payments.** Seven of the 10 largest credit card issuers and the top **buy now, pay later** providers use Socure. In addition, [Capital One](#) invested an undisclosed amount in the fintech in June. With consumers increasingly transacting online and **card fraud losses expected to hit \$32.04 billion globally this year**, payment firms are flocking to Socure to ease fraud detection and strengthen merchant relationships.
- **Crypto.** We previously pointed out in our analysis of fellow **digital ID provider [Onfido](#)** that crypto presents a lucrative sector as exchanges compete to offer the most seamless onboarding. Socure already serves crypto exchanges—just as they've begun to command the [leading](#) share in trading app downloads—and it could soon extend its solution to [banks](#) also seeking to add crypto services.

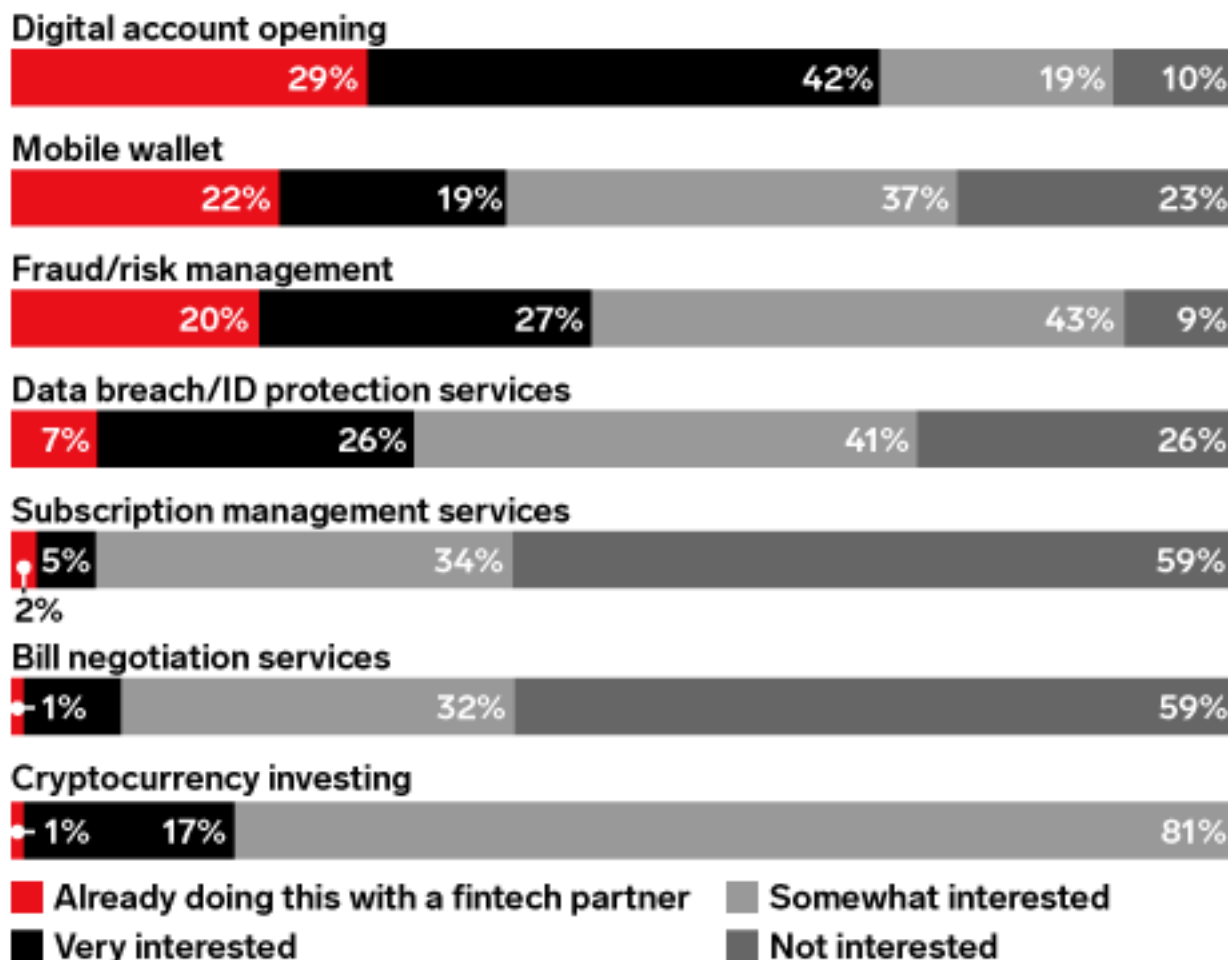
Piggybacking on the fast-growing fintech sector provided a significant tailwind to Socure ahead of its raise: It has seen **221% year-over-year (YoY) customer growth and five consecutive quarters of YoY revenue growth**.

Looking ahead: Socure CEO Johnny Ayers told TechCrunch the company is considering an IPO in the “not-too-distant future.”

Going public would give Socure even more capital to scale faster than competitors and develop more fraud detection solutions. This follows [Onfido](#) also preparing for an IPO over the last year. After a year of record growth, digital ID fintechs are banking that the digitization of financial services will accelerate, expanding their addressable market.

Level of Interest in Fintech Partnerships According to US Bank Executives, Dec 2020

% of respondents in each group



Note: n=260; numbers may not add up to 100% due to rounding

Source: Cornerstone Advisors, "What's Going On in Banking 2021," Jan 26, 2021

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