

A woman with curly hair, wearing a dark blazer, is shown in profile from the waist up, sitting and using a laptop. She is positioned in front of a large window that looks out onto a cityscape at sunset. The scene is bathed in warm, golden light, with a lens flare effect visible near the woman's head. A yellow trapezoidal shape is overlaid on the top left of the image, containing the title text.

Changing the face of
UK FinTech: focusing
on gender diversity
and equality

Creating a brighter future for financial services

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Foreword

FinTech in the UK has been an incredible success story and is vital to the future growth of the financial services sector. While tech-enabled innovation grabs the headlines, human talent is at the heart of FinTech's astounding growth.

Yet two years after the global pandemic, talent is scarcer than ever. That's why it's critical for FinTechs to attract workers of all types. Indeed, equipping and empowering individuals to reach their full potential is precisely how the industry will fully meet its own growth potential. Because gender equality is a key talent management goal, we are excited to share the results of our research into the state of gender equality in the UK FinTech sector. This collaboration between Innovate Finance and Ernst & Young LLP (EY) also highlights how the industry can move forward.

To be clear: diversity is broader than just gender, and even gender is not binary. For the purposes of this research, we focused on those FinTech workers who self-identified their gender. We spent time listening to women and men who work across the industry, from FinTech start-ups and scale-ups to banks, insurers, asset managers, investment firms, accelerators and other organisations.

We also heard a great deal about the challenges faced by older workers, people of colour, members of the LGBTQ+ community and others from underrepresented backgrounds as they seek to progress in the industry. But our discussions showed an increasing awareness of the opportunity for positive change and strengthened our conviction that many in the industry are committed

to diversity in all its forms. The good news is that some progress has already been made. The better news is that many industry stakeholders want to do more to support women.

We have both felt personally inspired by the impressive female leaders we have encountered at all levels of seniority and all types of financial services organisations. Boosting gender equality will inspire more people and prompt bolder innovation. Fundamentally, we believe that more women thriving in FinTech will help the industry itself thrive in the future.

Diversity is especially apt for FinTechs, given that many leading solutions are designed to create a more democratic, inclusive and equitable financial services system that works for all. Over the past decade, UK FinTech has gone from strength to strength. The industry is a world leader in financial services innovation. In the next decade, we believe UK FinTech can – and must – become a leader in diversity and gender equality. We hope the insights on the following pages will translate into useful lessons for realising that vision.

Janine Hirt, CEO, Innovate Finance
Anita Kimber, EMEA Business Transformation Leader, EY

Executive summary

The FinTech industry is one of the most dynamic in the entire UK economy. Thanks to its success in delivering the smart, intuitive tools and personalised experiences that consumers want, FinTechs have produced dramatic growth. The UK is now viewed as a global FinTech centre and, because the pandemic sparked further demand for digitalisation and new types of financial solutions, more growth seems inevitable.

£11.0 billion

UK FinTech revenue, 2019

8%

FinTech's share of the total UK financial services output*

To understand the long-term prospects for the industry, the UK Treasury commissioned an independent study, the Kalifa Review.** The final report made clear that lack of talent could be a significant threat to the industry's future success. Perhaps even more than companies in other sectors, FinTechs need to engage a wide range of skilled workers if they are to create, launch and scale innovative solutions and continue on current growth trajectories.

The Kalifa Review's recommendations focused on training and upskilling domestic workers and creating a new visa stream to bring in more global talent. In addition to these useful steps, we see an urgent need for FinTechs to

improve their ability to attract, develop and retain talent in all its forms. Specifically, the FinTech sector must make itself more attractive and welcoming to workers of all genders, generations, races and ethnicities. It can do so by enhancing its cultures and work environments – its value proposition to workers, if you will. The FinTech workforce also needs new types of skills and neurodiversity if the industry is to reach its full potential.

EY and Innovate Finance joined forces to look at gender diversity and how the FinTech sector can become more inclusive for and supportive of women. We clearly recognise that gender is only one form of diversity and an area where the sector can rapidly make dramatic improvements.

Between July and September 2021, EY and Innovate Finance surveyed 240 industry participants, held six virtual focus groups and conducted a roundtable of 15 senior executives. The methodology is shown on page 26. It's important to note that we addressed different questions to different survey respondents; for example, we asked junior and mid-level workers about compensation because it's key for the future success of the industry. Hearing directly from participants across the FinTech ecosystem gave us unique insight into the current challenges faced by females working at all levels of the industry, including founders and senior leaders. Whilst most quotes from our research participants are presented anonymously (and lightly edited for clarity), some roundtable participants agreed to be named.

*https://www.ey.com/en_nl/financial-services-emeia/how-fintechs-are-moving-mountains-and-moving-mainstream

**<https://www.gov.uk/government/publications/the-kalifa-review-of-uk-fintech>

Key findings: the state of gender equality and inclusiveness in UK FinTech today

Among the key findings that we'll detail on the following pages:

- ▶ Men said they were significantly more positive about the industry's diversity and inclusion performance to date, a perception which may make achieving gender equality more difficult.
- ▶ Firms founded and led by females reported having less access to equity and debt funding than those founded and led by males.
- ▶ Female employees said they are less likely to negotiate salary and bonuses when joining a new organisation, a contributing factor to the gender pay gap.
- ▶ Female-founded and female-led FinTechs attract a higher proportion of female workers than male-founded ones, which shows the importance of positive role models.
- ▶ Many senior executives in the industry understand the importance of gender diversity and inclusive cultures, in terms of both finding badly needed talent and protecting the industry's reputation.

Our survey results, focus groups and roundtable inputs make clear that the time has come for the industry to improve its gender diversity and equality. That's true not just because it's the right thing to do but also because it will help FinTechs bridge the skills gap. Our findings make clear that balancing the numbers of male and female workers is only a first step; gender equality also involves creating more opportunities for women and expanding access to resources. As outlined on the following pages, our research also highlighted various actions the industry can take to make itself more attractive to women, as well as people of colour, older workers and other underrepresented and underserved workers.



As detailed in this report, our research provides a valuable baseline of where things stand today and how the industry can strengthen its diversity, inclusion and gender equality going forward. Despite being commonly grouped together, diversity and inclusion should be viewed as independent concepts. Diversity is measured by workforce demographics, including the ages, races and ethnicities of workers. Inclusivity is defined by prevailing standards, cultures and behavioural norms. By understanding both diversity and inclusion, we gain insight into the root causes of gender inequality in FinTech.

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Diversity can be a bit of a numbers game, but it is about knowing the value of having a diverse team, audience or organisation. Inclusion is making people feel like they have a voice and can put their views forward and feel valued and respected.

Senior female executive at a scale-up

It's worth noting that the current UK FinTech workforce, including women, is largely satisfied and engaged, which helps explain why people are attracted to it. Further, UK FinTech outperforms the broader financial services and technology sectors when it comes to gender equality. Still, our findings identified the most significant gaps and challenges FinTechs face as they seek to build on that leadership position.

UK FinTech is male-dominated, but perception exceeds reality

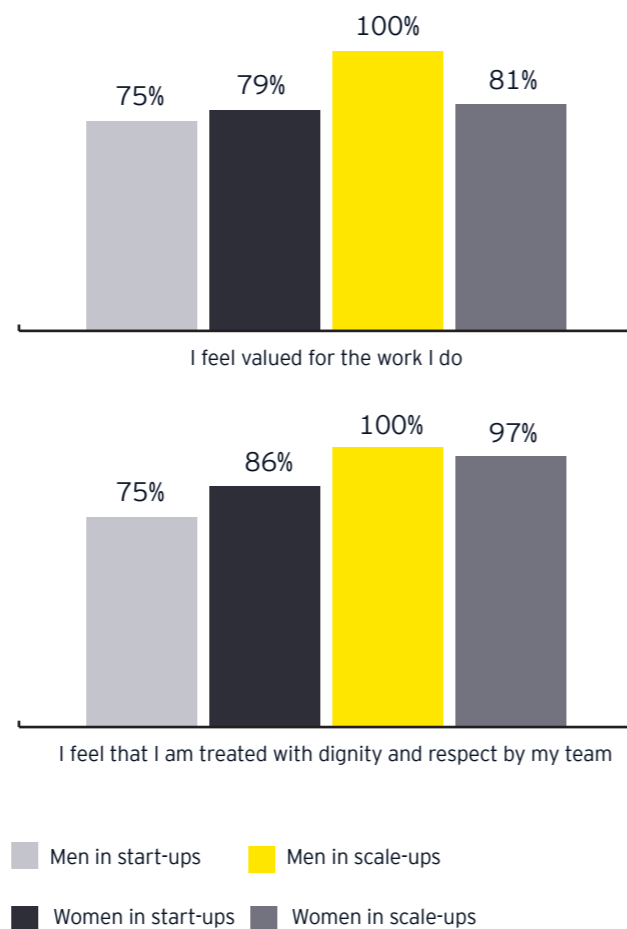
According to Tech Nation, the current ratio of male to female workers in UK FinTech stands at 2:1, an imbalance that can be addressed by proactive outreach to females, especially students and young women just launching their careers.*

Interestingly, the individuals we surveyed believe the industry to be even more male-dominated than it is; on average, our survey respondents estimated the gender split in UK FinTech to be 72% men and 28% women. This misperception suggests females are not as visible as their male counterparts.

FinTech is an attractive industry for workers, including women

According to our research, UK FinTech workers, including women, have positive feelings about the industry. The vast majority of men and women at both start-ups and scale-ups feel valued and say they are treated with dignity and respect. Further, in our focus groups, women working in FinTech said they feel more supported than women working in traditional financial services.

Figure 1: How women and men feel about working in FinTech

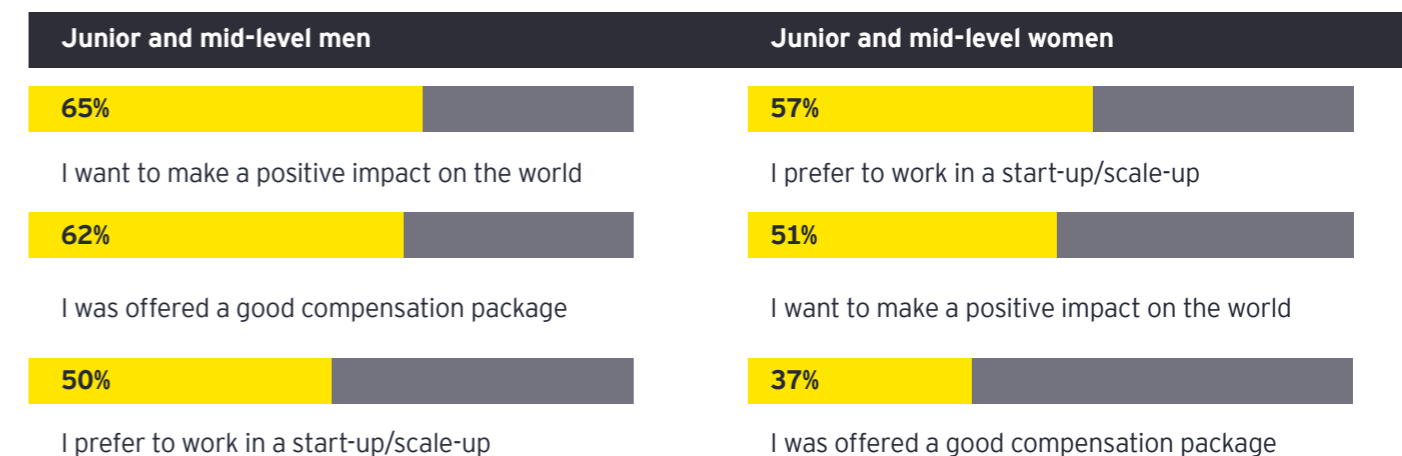


Women and men are attracted to the industry for different reasons

Whilst satisfaction is widespread, men and women have different motivations for working in FinTech. More than

half of female survey respondents said they joined the industry because they wanted to work at a start-up (57%) and because they wanted to make a positive impact on the world (51%). For men, the opportunity to have a positive impact (65%) outranked having a good compensation package (62%).

Figure 2: Motivations for joining the FinTech industry



Note: Based on responses from 26 junior and mid-level men and 70 junior and mid-level women

“The old financial services companies have a terrible reputation in terms of culture, but FinTech is much better and should be a place to which women flock. It has the ability to create profound impacts on peoples’ lives.

Senior female executive at a unicorn

“People go into FinTech because there is a desire to do things in a better way. There is so much less time wasted on internal politics and hierarchy.

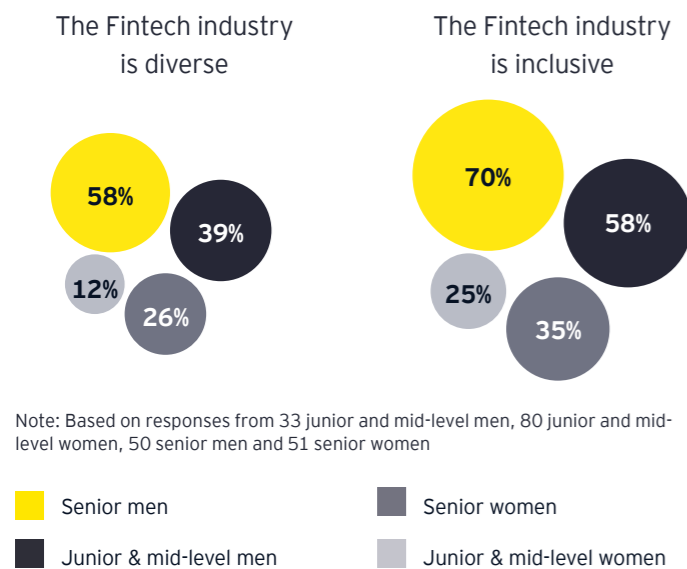
Senior male executive at a start-up

*<https://technation.io/about-us/fintech-delivery-panel/ethnic-diversity-in-uk-fintech/>

There are significant gender disparities in the perception of diversity and inclusiveness

One of the most notable gender differences is the perception gap relative to the industry's inclusiveness. A full 70% of male leaders said they think the industry is inclusive, versus only 25% of female leaders. A similar divide can be seen regarding diversity: 58% of male leaders said they think the industry is diverse, versus only 12% of female leaders. These perceptions also vary by seniority and in start-ups versus scale-ups.

Figure 3: Perceptions of FinTech's diversity and inclusion, by seniority and gender



There are several findings that can be viewed as cause for optimism. For instance, junior female workers are more positive than senior females regarding the industry's diversity and inclusion. Senior men were the only cohort in which over half of respondents felt FinTech had achieved gender equality, which suggests more junior men are more aware of the industry challenges than their senior counterparts.

More women in scale-ups feel their organisations are diverse (57%) and inclusive (70%) than those in start-ups (36% and 64%). The implication is that as firms mature they invest in and develop more diverse and inclusive cultures. It is also encouraging that junior and mid-level males recognise the lack of gender equality and inclusion in the industry.



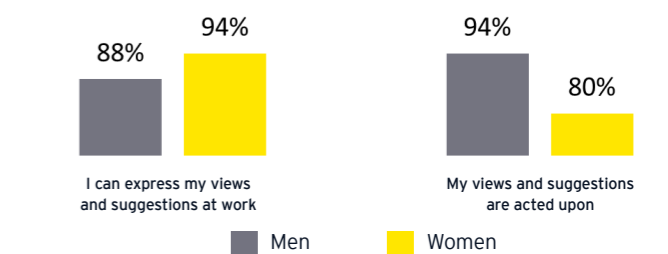
Women feel listened to but not heard

Alongside the optimistic signs, our research points to imbalances that are cause for concerns, in addition to mixed signals. Nearly two-thirds, or 63%, of female respondents believe their gender impacts how they are perceived professionally, compared with only 27% of men. The vast majority of men and women say they feel comfortable expressing themselves, yet significantly fewer women (80%) than men (94%) feel their ideas are acted on. The positive news is that, among non-leaders, nearly all (94%) of female survey respondents say they can express their views and suggestions at work, an even higher percentage than men (88%).

Women in start-ups (71%) are less comfortable than those in scale-ups (86%) in voicing 'negative' issues, such as unfairness or ethical challenge, without fear of retaliation. This may reflect that those younger companies are less likely to have the organisational structures and cultures that encourage employees to speak out.

Women also feel there are areas (e.g., technical topics) where their opinions are not necessarily welcome. Further, many feel they are invited to speak only on certain non-technical topics (e.g., diversity and inclusion) that position them as 'tokens'.

Figure 4: Sense of being heard and heeded, by gender



Note: Based on responses from 33 junior and mid-level men and 80 junior and mid-level women

An industry that prides itself on innovation and creativity must promote open dialogue and the free sharing of ideas. Unconscious bias may lead to females' opinions being ignored, which is a real cause for concern. Certainly, it stands at odds with the industry's self-image as a refreshing alternative to more traditional financial services, where rigid, hierarchical cultures are a major source of dissatisfaction. Failing to acknowledge and act on such inputs risks losing good ideas and even losing workers, as women who are reluctant to speak up may seek organisations where their ideas are valued.

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Even [at firms] with the best of intentions, as a female in a male-dominated environment, being listened to and heard are very difficult.

Mid-level female at a start-up

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The more diversity you have within an organisation or team, the more comfortable people are with speaking up.

Senior female executive at a scale-up

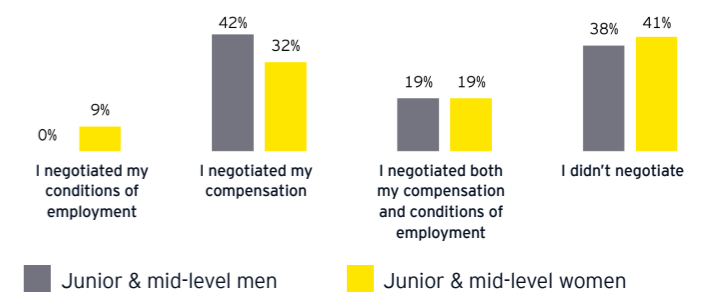
Men negotiate their compensation more than women

The gender pay gap, the difference between men's and women's median hourly earnings, currently stands at 15.4% in the UK.* That's not a problem FinTechs can solve on their own. But our survey reveals how the complex underlying dynamics play out in FinTech, as well as the critical need for the industry to get compensation right, especially with mid-level and junior workers who represent the future of the industry.

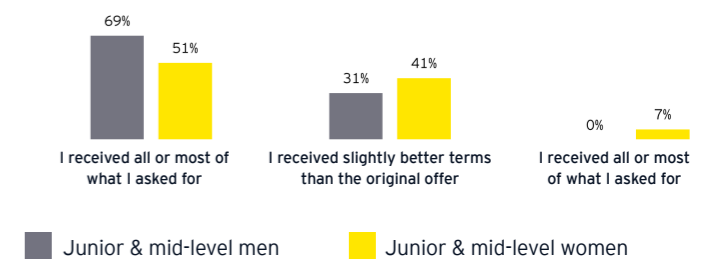
Clearly, men and women value compensation in different ways. Again, attractive compensation is a more important reason for men to join the industry, which helps explain why 42% of junior-level men said they negotiated their compensation versus only 32% of junior-level women. Interestingly, 69% of men received all or nearly all of what they asked for, compared with 51% of women. Gender equality in the future will involve creating compensation models that are fair and transparent, and accountable systems that normalise key outcomes.

Women are much more likely than men to consider the full reward package and negotiate around the conditions of employment (e.g., hours of working, location). Given that the pandemic has made hybrid and flexible working more common, there could be a shift in how women evaluate their compensation and overall working arrangements.

Figure 5: Negotiating for reward and recognition, by level and gender



Note: Based on responses from 26 junior and mid-level men and 69 junior and mid-level women; the survey did not ask senior-level executives about compensation.



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*<https://www.statista.com/statistics/280710/uk-gender-pay-gap/>

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There is a lack of transparency in remuneration, and women often lose out as a result.

Senior female executive at an incumbent financial institution

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A problem with financial services is that because people tend to hire and promote in their own likeness, ‘acting and behaving’ like people on the senior leadership team becomes relevant. But with senior leadership teams being very male dominant, the cycle can be hard to break.

Senior female executive at a scale-up



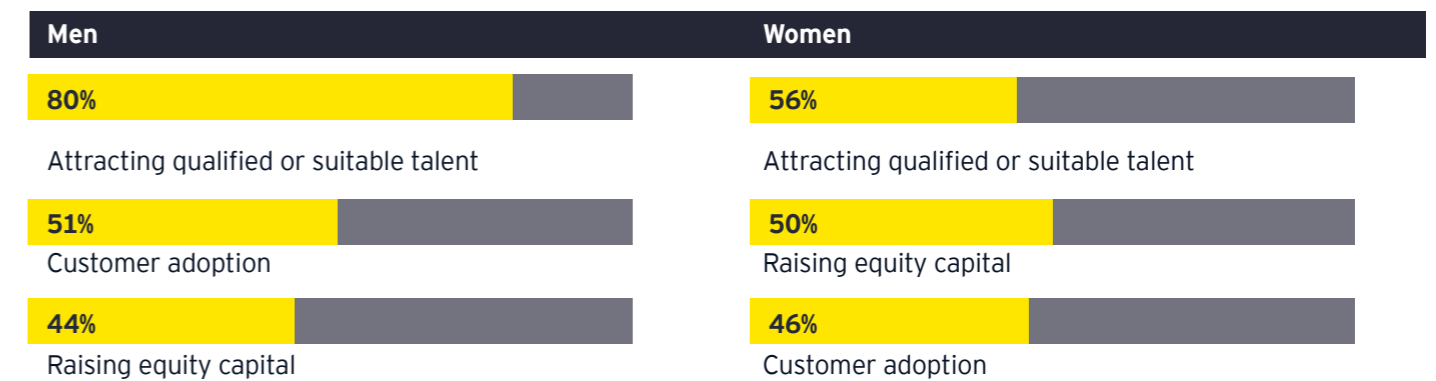
Men and women have different views of management and leadership

Male and female leaders agree on the need to strengthen current management but to different degrees. Just over half of women (51%) we spoke to are confident performance is managed well at their firm, compared with 61% of men. This is likely a result of the very dynamic and constantly changing environment in which many start-ups and scale-ups operate.

There are even greater variances when it comes to the top management challenges for senior leaders. Female

leaders perceive attracting talent (cited by 56% of female respondents) and raising equity capital (50%) as the top challenges. More men (80%) said they viewed attracting talent as the top challenge, with raising equity capital (44%) next on the list. That men recognise the need for new talent is cause for optimism and male leaders need to recognise the role of greater diversity in order to attract and nurture talent. Women’s difficulty in raising capital, which we address in more detail in the next finding, should be a clear priority for capital providers, given that it represents a potentially untapped source of return.

Figure 6: Top management challenges for senior leaders, by gender



Note: Based on responses from 45 senior men and 50 women who selected their top three challenges from a broader list.



We also asked about key challenges at work for mid-level and junior workers. For men, the top challenge was understanding the scope of their role and the metrics by which they are judged, followed by receiving recognition for their work. These tend to be key attributes under traditional appraisal models.

In contrast, the biggest challenge for mid-level and junior women was obtaining promotions or pay rises; only 13% of female respondents selected receiving recognition for their work or understanding the scope of their role and the metrics by which they are judged. Women in our focus groups also reported that a lack of transparency in remuneration and hiring practices was also contributing to gender disparities around pay and promotions.

Many women also felt it was a struggle to be perceived as leaders in a very male-dominated industry. These perceptions could deter some women from continuing their careers in FinTech. Participants in our focus groups and roundtables related how unconscious bias affected their career prospects. They also suggested better networking and more transparency around recruitment and promotion policies as potential remedies. Such measures should enhance inclusiveness for women, men and other underrepresented and underserved groups.

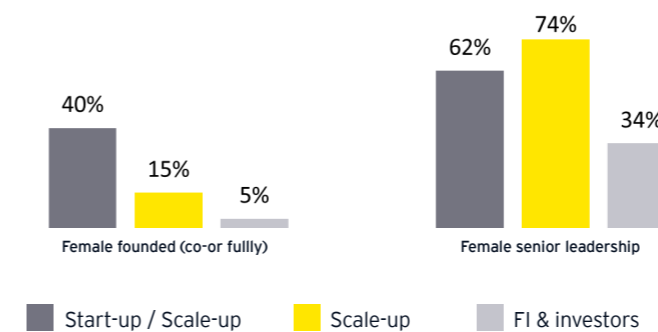
Just as it innovates with products and services, FinTech could be a trailblazer in addressing gender-based disparities relative to compensation and leadership. Finding metrics that appraise performance without gender bias is the first step. Certainly, women want pay raises and promotions, according to our results, but not at the cost of work-life balance.

Women find it more difficult to raise capital

Regarding access to capital, our research confirms how women are disadvantaged. Though more women are founding FinTechs, they face familiar hurdles to success, including lack of funding, limited networking opportunities and bias.

About 40% of early-stage start-ups have been fully founded or co-founded by women. This encouragingly healthy pipeline of female-led FinTech start-ups seems to counter the conventional misapprehension that women are more risk-averse. However, we found only 15% of scale-up firms were female-founded, suggesting that females can't access the capital they need to fuel growth. There is good news in that there are much higher levels of female senior leadership across all three categories of FinTechs.

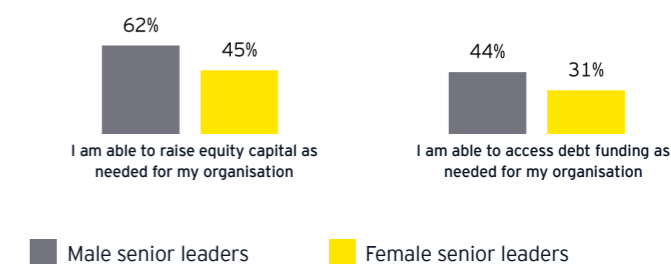
Figure 7: Female leadership of FinTechs, by type



Note: Based on responses from 33 start-ups, 92 scale-ups and 33 financial institutions and investors

Fewer than half, 45%, of women owners feel they are able to raise equity capital as needed for their organisation; for male owners, that figure is 62%. Similarly, only 31% of women feel they can use debt funding, compared with 44% of men. Research from Innovate Finance confirms these findings (see below).

Figure 8: Access to capital, by gender of leadership



The 2021 Investment Landscape Report by Innovate Finance found that only 10% of venture capital goes to female-driven FinTechs in the UK - a figure that has remained flat for nearly four years. This lack of support is particularly frustrating when you look at the strong track record female founders have in building resilient businesses. In the face of the COVID-19 pandemic, 78% of female-founded FinTechs had more than 18 months of cash reserves, compared with 50% of their male counterparts.

Looking at networking, 86% of women say they can build and leverage a network of peers and advisors, and 78% feel the work they do is supported by peers and wider society. Although those numbers are encouraging, they are noticeably lower than the 92% of men who think the same.

The impact of biases came up repeatedly during our focus groups. Women felt that their commitment and willingness to sacrifice were assumed to be lower than their male counterparts. They also felt failings by women-led FinTechs taint the views towards all women, which is not the case for male-led FinTechs that fail.

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No one discusses when men fail. If women have some mistakes, it is a disaster, but in the same situation with men, it's normal.

Senior female founder of an early-stage start-up

Certainly, it's worrying that the number of female-led firms drops significantly from start-up to scale-up, which could result from biases held by the male-dominated investor community. Capital providers must evaluate if biases, whether conscious or unconscious, are shaping their investment decisions. They may also want to consider alternative approaches to networking outside of the traditional evening meetings and early-morning breakfasts.

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So many challenges are hangovers of gender stereotypes. The sad fact is that so much of this networking comes down to alcohol-fueled late nights when people let down their guard and are willing to build up personal relationships. These are the sorts of things that, unfortunately, still drive the stereotypes.

Senior male executive of a unicorn



Female leadership results in more gender-diverse and inclusive cultures

Female-founded FinTechs have a higher proportion of female staff than those started by men, which improves gender parity. Still, industry leaders must be aware of a 'leaky pipeline' when high potential women stop progressing in their careers.

More than a quarter, or 26%, of female respondents indicated their firm had at least one female founder, compared with 17% of male respondents. Positive female leaders have a powerful impact as role models and in ensuring organisations take gender equality more seriously. Female leaders are also perceived by the survey respondents to champion more inclusive working environments. Focus group participants also strongly agreed that gender diversity in leadership positively influences organisational culture and behaviours. However, top-down leadership needs to be matched by

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If you have more women in leadership, you have a better understanding of what is a priority, like asking for leave.

Mid-level female executive at a start-up

Many respondents shared anecdotes about how underlying barriers in recruitment and development can shrink the pipeline of future leaders. For example, focus group participants expressed a belief that hiring based on connections and family ties reinforces biases. Similarly, unconscious bias means that women are hired based solely on the evidence of their achievements, whereas men are often hired based on potential. Overall, the hiring process is seen as male-oriented and favouring more masculine behaviours.

It's useful to view these results in terms of the talent gap. Recalling that both male and female senior leaders view attracting qualified and suitable talent as a major challenge, it's easy to see how boosting the industry's gender equality will create access to the widest possible pool of talent. As a first step, FinTech leaders should work to address biases in recruitment and leadership development.

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In a small company, the founding partners have a disproportionate impact on the perception of 'what good looks like,' which in our case is very male.

Mid-level female executive at a scale-up

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I've found it difficult to find women to hire. We all know we need to be proactive in looking for them but in a small team no one has the time and recruiters are not very helpful.

Mid-level female at a start-up

Beyond gender equality, other forms of diversity need improving

Gender diversity is just one element of building a heterogeneous workforce that mirrors society. Almost four in ten, or 38%, of survey respondents say their organisations employ underrepresented ethnicities, whilst 20% have founders from underrepresented ethnicities. Here again, we see that diversity breeds diversity – that is, when specific ethnicities are represented in high-profile senior positions, more workers from those groups will join the industry.

Looking at career background, 23% of the founders in our survey came from somewhere other than the FinTech, financial services or technology sectors. Geographically, 19% of surveyed founders came from outside of Europe, compared with 13% in the entire industry. It's clear from these findings that, to remain a global centre for innovation, UK FinTech must attract top talent from all around the world. Bringing in more leaders and staff from different backgrounds will encourage diverse thinking and fresh perspectives, which will, in turn, prompt further innovation.

The pandemic presented both opportunities and challenges for gender diversity

- Overall impact on the business
- Rise of remote and flexible working models as a future template

Overall, the industry proved itself robust and resilient during the pandemic. Among our survey respondents, 29% said the pandemic had a positive impact, whilst 50% said there was a mix of positive and negative impacts. In their last round of fundraising, just under half of leaders reported they were able to raise their target amount of capital or a greater amount. The increased demand from the acceleration of digitalisation in financial services provided a boost to the industry, but some firms struggled as clients put off decisions due to increased uncertainty.

The profound shift in working styles and attitudes since the onset of the COVID-19 pandemic can be viewed as another positive development. It provided the flexibility many female workers value and have long sought.

Further, focus group participants shared their view that remote and hybrid working and flexible scheduling can help create a more inclusive and empathetic workplace, and help firms hire the best talent.

However, progress was reversed in some important areas. Both male and female leaders at younger businesses said they had worked longer hours during the last few years, which proved especially challenging to women, who typically have more childcare duties. Leaders aiming to establish core operations, build their teams and develop a strong culture were particularly challenged.

Our research confirms that remote working is not a utopia. Increased flexibility certainly benefits many women with childcare and other non-work responsibilities, but remote working may also increase availability for work and expectations for always-on connectivity. Individual firms will need to monitor behaviours closely and define remote working policies thoughtfully, given the diverse needs of the workforce. The key is to balance agility and collaboration with individual work styles and preferences.

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The increase in remote working has levelled the playing field. People are less able to dominate situations. We have seen much more input from people who may not speak up in a room full of people.

Senior male executive of a unicorn

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When we meet face-to-face in a few months, we won't recognise each other. You employ people and they won't know you and you won't know them. They don't feel you and the mission of the project.

Female founder of an early-stage start-up

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More hybrid environment implies more equality. A male co-worker was so scared about telling me he had to do something for his children and not be fully dedicated to work. Women do that all the time.

Female, senior executive at an incumbent financial institution

Recommended actions: how FinTechs can boost gender equality

Our research implies that any solutions to address gender inequality need to be inclusive and involve the entire industry. Building on the recommendations from the Kalifa Review, we found four additional areas to prioritise:

- ▶ Support for female founders as they grow their businesses
- ▶ More inclusive working environments
- ▶ More robust and targeted recruitment and career support programs
- ▶ A data-driven business case for change

Importantly, these ideas have come primarily from the industry through the feedback and inputs we received whilst conducting our research. Though the change will not happen overnight, we believe the steps detailed below will help FinTechs expand and diversify their workforces and talent pipelines, and embed diversity into their cultures and strategies.

Support female founders

The FinTech industry needs to work more closely with the investor community to provide stronger support for female founders and leaders. Specifically, FinTechs should engage investors to recognise the value of different voices and address common gender biases that arise during investment processes.

Diversifying the pipeline of individuals coming into investment will require leadership from male champions (e.g., investors and exited founders) to support female founders and help credentialise them in the market.

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In trying to navigate a male-oriented industry, women mentoring women is great, but men mentoring women is equally, if not more, valuable.

Karan Jain, NayaOne

Redesign working environments to be inclusive

Many FinTechs grew so fast that little thought was given to intentionally designing the work environment. A more thoughtful approach is required today. A “scaling checklist” can help the industry build on the progress it has already made, including the more flexible working environments established during the last few years.

Flexible and part-time working arrangements should be modelled on lessons learned during the pandemic and the leading practices that have emerged. Review panels can examine compensation models and provide guidance for salary discussions to counter any gender bias in current appraisal processes and reward structures. Formal talent management practices should be established (e.g., staff coaching and mentoring, reverse mentoring) with clearly defined roles for leadership.

Similarly, existing HR policies should be regularly reviewed and updated because the FinTech world moves quickly and talent needs (as well as industry standards) are fluid. Those firms that actively monitor employee satisfaction (e.g., through annual pulse surveys and ongoing ‘listening’) are more likely to succeed in retaining the talent they have.

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In our industry, we still have a lot of policies that are archaic, because they were created in a different time. Our data tells us we need to adapt, and so we’re actively updating policies to enable the change we want to see.

Sarah Holmes-Hackerd, Visa

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We actively monitor employee satisfaction using a tool, which helps us look at results by segment base including gender.

Jess Houlgrave, Checkout.com

Adopt new recruitment and engagement strategies and tactics

Because increasing gender equality is a long-term – even generational – objective, the FinTech industry must think bigger and start sooner in attracting women. That means engaging and educating school-age and university students about FinTech career opportunities and, therefore, encouraging more women to prioritise studying science, technology, engineering and maths. The industry can also build on the Kalifa Review recommendation by offering embedded work placements and targeting female students.

Engaging workers already in the industry is also key. Purpose-driven mentoring for high-potential workers and senior-level executives can help women navigate many of the challenges they are likely to face. Those challenges include returning to the workplace after a break (e.g., maternity leave), negotiating (e.g., compensation, investment terms, flexible working arrangements) and career progression (e.g., promotions, transitioning to become non-executive directors).

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We support women through really high-quality external mentoring. The driver was, how do we retain female talent over more extended periods of time and how do we avoid a situation when they have a child where they think they should step back from FinTech and go to a different sector?

Alex Marsh, Klarna

Collect better diversity data and clearer metrics to monitor progress

The business case for increased gender equality will only be as strong as its underlying data. Thus, government and industry must find ways to address the lack of diversity, equity and inclusion (DE&I) data; this was a key recommendation in the Kalifa Review.

Beyond any industry-wide and government actions, FinTechs should regularly benchmark compensation packages, including both financial rewards (e.g., salaries, bonuses, equity and other benefits) and working conditions (e.g., flexible scheduling, leave allowances), as well as track the gender paygap. This goal is to increase transparency, which is key to driving real change.

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We launched a voluntary HR form ‘About Me’ to get insight from new employees into everything from their pronoun preferences to their dietary requirements. This has allowed us to get a snapshot of each individual – how they want to be compensated, including time off, their restrictions at home and parental leave, adoption and surrogacy.

Amanda Bennett, Moneyhub

The bottom line: winning the future for UK FinTech

While there is much work to do to boost gender equality, the industry has a solid base to work from. The motivated workforce has a strong sense of purpose at work, which can provide forward momentum. The broader recognition that the industry can do better and that increased diversity can help solve the talent gap is another powerful force for change.

Again, this is about doing the right thing both for the business and society. Today, the UK is a leading global FinTech center, attracting lots of capital and expertise. A more diversified talent base is essential to maintaining that position in the future. Attracting and nurturing female talent will be a massive boost, complementing the Kalifa Review’s measures to ensure UK FinTech continues on its impressive growth trajectory.

Increased diversity is also essential to the reputation of UK FinTech. As purpose, sustainability, inclusiveness and other social issues are increasingly important for consumers, investors and regulators, businesses are expected to do the right thing. Thus, the UK FinTech industry must create environments where talent in all its diverse forms can flourish. The industry’s success to date provides a great head start. So do the passion, motivation and commitment of many of the senior leaders we spoke to, all of whom understand the importance of gender diversity and inclusion to the future of the industry.

Methodology

The figures and quotes in this paper reflect input received from research participants during the last 10 months, including a survey based on 237 online interviews collected anonymously between July and September 2021.

The surveyed population consisted of individuals who work in the UK FinTech industry, including start-ups, scale-ups, investment firms, professional advisory firms, government bodies and other organisations. Nearly half, 47%, of respondents considered themselves senior leaders in their organisation (e.g., board members, c-suite, managing directors, partners), with 22% of respondents being founders.

Within our surveyed population, 62% of participants identified as women, 37% identified as men, with 1% identifying as neither. One-fifth identified as from underrepresented ethnic groups, and 20% declined to disclose their ethnicity.

We would like to acknowledge and thank the non-binary respondents in our survey population for sharing their experiences. Though the sample size was too small to allow for a like-for-like comparison with those who identified as men and women, we have included their responses where possible, including when presenting whole-of-industry or all-gender findings.

Our six virtual focus groups were conducted between November and December 2021, to explore qualitative themes and lived experiences discussing gender equality and inclusion, voice, respect, progressing, networking and COVID-19. Participants were drawn from direct invitations, industry newsletters and social media posts. The groups were 80% women and 20% men, with 25% of participants from underrepresented ethnic groups. We had representation across banking, insurance and wealth management, with 85% of participants working for a FinTech start-up or scale-up, and 25% of participants were founders.

In January 2022, we organised a roundtable with 15 senior executives from across the FinTech industry to comment on our findings and explore potential solutions to the identified challenges.

We would like to thank all our participants for their engagement, energy and honesty throughout the programme.

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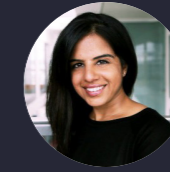
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