

# Alternative banking solution Modulr has secured £18.9M

Digital alternative to commercial and wholesale transaction banking Modulr has secured £18.9M in growth capital to further develop its platform and expand into new products and markets.

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Modulr received £18.9M in growth capital from Highland Europe, Frog Capital and Blenheim Chalcot. The new growth investment takes Modulr's total funding to £53.3M. This new investment will be used to develop its product and service offering, with the introduction of card issuing and deeper European payment capabilities, and enable the company to expand further into new markets.

In 2019, Modulr became one of the few non-banks to gain direct access to Faster Payments and Bacs, as well as becoming a principal issuing member of Visa in 2020.

Modulr has been built in partnership with Blenheim Chalcot, and opened its first non-UK office in Dublin, to begin expansion into the European market. In less than four years, Modulr has scaled to processing more than £25B worth of payments through its partner clients including Sage, Liberis, Salary Finance and Iwoca.

In the four years since its founding, Modulr has established itself as the leading digital payments alternative in the wholesale and transaction payments market (\$120T each year) and is five times larger than the consumer market. Modulr is specifically targeting the \$2.7T incurred through administrative costs – 80% of

which is paid by small businesses.

*“In the past year, we’ve experienced strong growth, we’ve gained direct access to key payments infrastructure and have positioned ourselves as a trusted payments partner for some of the most ambitious companies in the UK and beyond. With Highland Europe, we have a partner which can help to further fuel this momentum, investing in our infrastructure and product suite to ensure we can provide our customers with a reliable service that’s easy to access and simple to use. This is important, particularly in the face of this tougher business landscape. With this new investment, we’re ensuring customers’ payments infrastructure can continue to work seamlessly in the background, so they have one less thing to worry about.” – Myles Stephenson, CEO at Modulr*

These high costs are incurred by businesses who rely on old and outdated banking infrastructure, where processes are still largely manual, cumbersome and inefficient, leaving businesses shortchanged and frustrated.

Modulr’s digital payments infrastructure disrupts this, by automating business payment flows, embedding payments into platforms and enabling businesses to build new payment products and services themselves. This allows businesses to scale quickly and efficiently, all supported by Modulr’s powerful payments platform.

*“No-one can deny the opportunity of the business payments market, some five times the size of the opportunity presented by consumer payments, and Modulr is the leading platform in this space. We were impressed with its strong operational resilience and its proven history of sustained stable growth within the growing B2B payments industry. Myles and the team have firmly established the FinTech as the go-to provider of payments services for ambitious businesses, and we look forward to fuelling this growth further.” – Laurence Garrett at Highland Europe*

This level of reliability and access to real-time information and payments is even more critical as businesses face an increasing amount of pressure to manage cash flow during the COVID-19 outbreak.

*“Modulr is a breath of fresh air in the enormous Corporate Payments industry, bringing clients a major step change in efficiency, flexibility and transparency delivered through their market leading technology. This, together with their direct Bank of England access, marks them out as one of stand-out European FinTech infrastructure players.” – Mike Reid, Senior Partner at Frog Capital*

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Article by MADDYNESS