

At the intersection of financial services and fintech, meet ClearBank

As part of our quick fire questions series - or QFQs - we spoke to Charles McManus, CEO at ClearBank about providing transactional solutions, functioning as a bank and being built on innovation.

Temps de lecture : minute

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ClearBank was founded to address a gap in the market around reducing friction in clearing and allowing for greater innovation for fintechs. It set out to remove the barriers in banking for pioneering fintechs, and enable them to integrate innovative banking services without the cost and complexity of acquiring a banking licence.

Tell me about the business - what it is, what it aims to achieve, who you work with, how you reach customers and so on?

ClearBank acts as an intermediary platform providing transactional solutions, but also as a functioning bank. This is a unique position, as it allows ClearBank to sit at the intersection of financial services and fintech, supporting innovation and access to payments. Critically, its innovation enables other banks, fintechs and financial service providers to offer banking products they otherwise wouldn't have been able to.

ClearBank offers its services through the use of an API, to integrate with a bank's operating system in real-time. It offers connections to multiple

payment schemes, including BACS, Cheques, CHAPS and faster payments. ClearBank's entire IT system was designed from scratch, to bolster competition and innovation and allow for more efficient and cost-effective transactions.

How has the business evolved since its launch? When was this?

Since it was founded in 2016, ClearBank has evolved from agency banking partner to BaaS partner, to a leading, preferred Embedded Banking partner today. It now provides a variety of accounts, payments and Embedded Banking solutions to its client-base, which has expanded to include acquirers, wealthtech, banks and saving platforms and providers. It also supports pre-regulated firms as it supports them on their journey to becoming regulated.

Tell us about the working culture at ClearBank

Our values are at the very heart of ClearBank's culture. As a business built on innovation and entrepreneurialism, we've fostered an open and inclusive environment where curiosity is welcomed, and people are empowered to perform at their best. We put great emphasis on honesty and transparency.

Like many businesses, during Covid, we moved to remote-first working, and we're now entering a new phase built around flexibility. We currently have two offices - one in London and one in Bristol - and are seeing more and more people choose to come into the office. In addition to a weekly meet-up, we host quarterly events, which bring everyone together and are great fun. It's fantastic to see people getting to enjoy the social side of work again.

How are you funded?

ClearBank is privately funded, most recently finding support with a *£175M investment from Apax Digital in Q1 2022*, and further from PPF Group and CFFI Ventures.

What has been your biggest challenge so far and how have you overcome this?

From a business perspective, attaining profitability has been the greatest challenge we've accomplished. It took us six years and a lot of hard work. From the outset, we were committed to achieving it responsibly and sustainably, in contrast to the 'growth at any cost' model adopted by many in the industry. When you team this with the current economic backdrop, we were proud to announce ClearBank had become profitable last year. We are now one of the few new banks to have reached profitability, with only 5% of new banks globally achieving this milestone.

How does ClearBank answer an unmet need?

In its 2021 report, 'How well are fintechs serviced by banks?', ClearBank found that over half of fintechs felt that their agency bank was more focused on offering loans and funding/debt products than explaining and developing more technology-led offerings.

As such, ClearBank meets this need by focusing on allowing fintechs, among its other clients, to foster innovation and have access to the latest technology within the financial services space, to open up new revenue streams and streamline existing offerings.

What's in store for the future?

Following its most recent funding round in March 2022, ClearBank has set its sights on international expansion. This is beginning with expansion into Europe, starting in the Netherlands. This year is set to be an exciting one, as ClearBank plans for and begins to roll out its expansion strategy.

What one piece of advice would you give other founders or future founders?

This applies in both the personal and business sense. Strive to be the absolute best at one thing; being good at lots of things won't get you far. You can still pivot and evolve – once you've found what makes you famous, dig your moat and build upon your competitive advantage.

And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

Every day is different for me, but I am a real morning person – I do not burn the midnight oil, but I'll happily start the day at 5 or 6 in the morning. I've learned to recognise this throughout my career, and I am very conscious to avoid taking on hard tasks or making difficult decisions at the end of the day when I'm tired.

Charles McManus is CEO of *ClearBank*.