Meet Griffin, the technology-focused bank you can build on

As part of our quick founder questions series – or QFQs – we spoke to Adam Moulson, CCO at Griffin, about being a technology-focused bank, financial products and customer profile.

What was the catalyst for founding Griffin? When was this?

Griffin's co-founders both have technical backgrounds, first working together on the founding team of CircleCI. David, Griffin's CEO, also worked on the core banking system at an API banking startup, and was exposed for the first time to the need for greater technical integration between banks and their customers.

He saw a similar problem with Airbnb, taken aback by the scale of investment made by businesses just to manage money. It was clear to David and Allen, Griffin's co-founder and CTO, that there was a gap in the market for a bank that prioritises the accessibility and efficiency of its infrastructure and embeds itself within a business's operations. Griffin was founded in 2017 and is now a fully operational bank.

Tell me about the business – what it is, what it aims to achieve, who you work with, and how you reach customers.

Griffin is a technology-focused bank that works with its clients to create innovative and contextual financial products for their end customers. As a business, we are committed to a more equitable distribution of value e.g. end customers receiving a fairer deal because of actions like passing along more interest on deposits to our customers. Currently, fintechs and financial services companies have had to work with traditional banks who do not prioritise value or technology for their customers. Integration processes are arduous and infrastructure and connectivity are hard to manage.

We have built a bank and technology platform that can get closer to a businesses' point of need and help it create value for its own customers. One of the ways we achieve this is by enabling interest-generating accounts to be embedded in other applications, opening up a new revenue stream for our customers.

Griffin is now a fully operational bank and we are inviting UK businesses looking to offer financial services to their customers and build directly on a licensed embedded banking provider to reach out and participate in _Foundations_. This is our early-access programme, where adopters get the opportunity to work closely with our team and contribute to our product roadmap.

How has the business evolved since it received a banking licence (with restrictions) last year?

In March last year, the Prudential Regulations Authority (PRA) granted us a licence with restrictions, essentially enabling us to launch as a bank, but with restrictions on the payments and deposits we can hold. Over the past year we have been working very closely with a handful of fintechs to validate our products in the real world and scale our operations. Our experience was slightly more complicated than the typical bank's mobilisation, as we don't offer accounts directly to the end user but work with our customers to embed banking services and regulatory infrastructure within their own products. These specialised applications truly add value to end customers as they typically encounter them at the point of greatest relevance.

As a fully operational bank, we're looking forward to expanding our

partnerships with our clients and helping them to continue to build and scale innovative products. As mentioned earlier, we're excited to partner with new, innovative companies through our early access programme, Foundations.

Tell us about the working culture at Griffin

The team at Griffin is bonded by a genuine desire to have a positive impact on the world around us and we care about the impact of our operations. The overarching principle of making a difference informs the finer details of our culture as a company. We strive every day to make Griffin an enjoyable and supportive place for all our team members, encouraging kindness, empathy, thoughtfulness and transparency. We are a predominantly remote workforce with a central hub in London, but make sure to meet up with local Griffilings as much as possible.

We're also paying close attention to our impact on the environment. From day one Griffin has invested in a deeply ethical culture with robust governance. We are a member of Tech Zero, making public our commitment to minimising the company's carbon footprint.

How is Griffin funded?

We're incredibly grateful for our network of angel investors and VCs, having always shown incredible faith in our vision and people. Last June, we announced an £11M funding round, led by our friends over at MassMutual Ventures, enabling Griffin to accelerate its development as we strived to become a fully authorised bank.

We have also recently raised a further £19.1M in a funding round led by new investors NordicNinja and Breega, and our existing investor, MassMutual Ventures. The fresh funds will enable us to work with new clients across a wide range of sectors and continue to expand our product stack as a fully operational bank.

What would you say has been one of your biggest challenges so far and how have you overcome this?

Although this may be a boring answer, I would have to say gaining our banking

licence. It's an incredibly difficult process, but also a process necessary to achieve the goals at the core of our business. This process was made even more challenging by us breaking the model and building a new kind of bank for the modern digital era; we are building a new business model where we operate as a technology platform working in partnership with innovative clients and helping them deliver value to their customers. It's useful to think of Griffin as the AWS of banking – we're building the bank that companies can build on.

Our guiding principle throughout the banking licence process was to overshare with the regulators. Fostering trust with regulators whilst also introducing a new banking business model is no mean feat, and we therefore prioritised transparency as we built our product stack and worked towards a full banking licence.

Can you tell us more about the current state of play in the BaaS industry?

The BaaS industry is a well established component of the fintech industry. Current industry leaders are focused on commodity services, including card issuing, onboarding and payments.

Now, we are seeing a shift away from commodity-focused BaaS to value-creating BaaS, providing credit and deposit services. A great example is NatWest's partnership with Vodeno, demonstrating that traditional institutions also recognise the value of providing their infrastructure to their business clients as a service.

How does Griffin answer an unmet need?

As previously alluded to, banks have a unique superpower: the ability to make money from money. Griffin's BaaS platform enables businesses to also benefit from this ability, enabling new revenue streams and business models.

We've built an innovative full-stack BaaS platform that embeds risk management with regulated products like savings accounts. This makes it simple, quick and cost-effective for companies to develop and launch FSCS-backed financial products using Griffin bank licence, technology and expertise.

What's in store for the future?

Now we are a fully operational UK bank, we're working with a growing number of exciting companies throughout the country. In particular, we're focusing on industries which have undergone digital transformation in the last decade, moving from paper-based operations to digital, self-service platforms. However, these industries are often still neglected or underserved by traditional banks, and we're excited about working with them to bring innovative financial solutions to market.

A great recent example is the residential real estate industry, still undergoing a move to digital systems. Regulations introduced in 2020 ushered in increased scrutiny for the sector, causing a shift in banks' risk appetite for proptech providers and many chose to shy away from the property industry itself. We spotted an opportunity to do the hard work of properly understanding the sector and its risk profile, and were able to work with proptech companies like LettsPay to introduce a new banking business model to the property industry.

What is one piece of advice you would give to other innovators in fintech?

My top takeaway from almost 20 years in fintech is to carefully and explicitly define an ideal customer profile and stay very, very focused on the parameters decided upon. The initial definition should feel uncomfortably narrow. It can be excruciating to turn down exciting companies that want to work with you, but it's extremely important to adhere to the set customer profile and iterate on this once you have proven product market fit. It's important not to rush that.

A fintech's customers, especially early on its go-to-market, are fundamental to its future product development and commercial strategy, and therefore its key that fintechs keep their eyes on the ball.

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

I don't take part in the stereotypical founder's 10km run every morning or fasting rituals. One routine which has stuck is blocking out the first two hours of each day for reflection and thinking. Although I do take the occasional meeting if necessary, the first two hours of every work day are not for solving problems

or working with the team, but for gaining clarity on the status of all my responsibilities, thinking short, medium and long term and challenging my own beliefs with our business thesis and the direction of the industry.

I am also a keen advocate of helping people for the sake of helping people. No matter if they work for a competitor, are more senior or junior, or your views don't align, there's always value in taking the time to talk to people and tell them what you genuinely think. Trying to be helpful, deserving of trust and credible is a great use of your time, and normally finds a way of paying you back.

Adam Moulson is CCO at _Griffin_.

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