



Nordic Fintech Report

Exclusive Insights from 11 Leaders
In the
Nordic Fintech Marketplace



Introduction

According to [Deloitte](#), the 5 Nordic countries--Denmark, Finland, Iceland, Norway and Sweden--together make up the **10th largest world economy**. The seven biggest Nordic banks have a combined balance sheet of over €2,000bn. Furthermore, according to [The Nordic Web](#), Nordic fintech receives the highest percentage of total investment in the region. Under this financial climate, the region's fintech market has emerged and is rapidly growing and diversifying.

We asked our Nordic contacts to share their perspective on fintech in their region. This report shares some of those findings including insights on the investment landscape, the regulatory environment, and some of the biggest opportunities and challenges that can be found in the Nordics.

Some of the **key takeaways** from their answers include:

- The Nordic customer is **digitally savvy**, and open to trying new fintech services for their everyday financial needs
- There is a **deficit of qualified developers** in the Nordics - this was a challenge that came up time and time again
- Operating in a smaller market comes with its own unique challenges, in particular **scaling**, securing larger **investments** to allow for international expansion, and **market oversaturation**.

Continue on to see what these **11 thought leaders** had to say about fintech in the Nordic region:

- **Antoni Airikkala**, Director of New Markets, [Fellow Finance](#) (Finland)
- **Hans Arén**, Chief Executive Officer & Founder, [Finopti](#) (Sweden)
- **Erika Eliasson**, Chief Investor Relations Officer, [Lendify AB](#) (Sweden)
- **Jarle Holm**, Co-founder & CEO, [Monner](#) (Norway)
- **Jonathan Klein**, Chief Executive Officer, [Brocc](#) (Sweden)
- **Julia Levander**, PR Manager, [Tink AB](#) (Sweden)
- **Simon Schou**, Chief Innovation Officer, [Copenhagen FinTech](#) (Denmark)
- **Atte Suominen**, Group Chief Executive Officer, [C Finance](#) (Finland)
- **Pedram Tadayon**, Vice President, Financial Services, [Tieto](#) (Finland)
- **Henrik Vad**, CEO & Founder, [Flex Funding A/S](#) (Denmark)
- **Erik Wikander**, Chief Marketing Officer, [Lendify AB](#) (Sweden)

We hope you find it interesting!

Antoni Airikkala, Director New Markets, Fellow Finance

	
	Marketplace Lender
	Helsinki, Finland
	www.fellowfinance.co

What are the 3 biggest growth opportunities for fintechs in your region?

1. Personal loans
2. Invoice funding
3. SME loans

What are the 3 biggest challenges for fintechs in your region?

1. Competition in customer acquisition channels
2. Increasing awareness of peer to peer loans amongst investors
3. Communicating the advantages of P2P lending as a low-volatile investment option

What does the fintech market look like in your country?

Nordic fintechs are operating in payments, lending, wealth management and more. Fellow Finance currently has around 8,000 investors, including institutions and family offices. Banks and fintechs have started to form partnerships.

What is the regulatory environment for fintech companies?

Finland, Sweden and Denmark have a good regulatory environment with clear legal requirements. Regarding P2P lending, Norway remains a bit more complex, and naturally I'm hoping for a shift towards similar legal requirements as in the other Nordic markets.

How big is the fintech startup scene in your region?

It is rather lively. The biggest reason for this is public awareness as well as the stable regulatory environment.

Which is the biggest new fintech to emerge from your country in the last 2 years?

In lending platforms, it is us, Fellow Finance. In payments, it's Holvi. And in equity based crowdfunding, it's Investdor.

What makes fintech in your region unique?

In general, the Nordic region is ideal for fintech businesses because of the high level of common trust in society, which in turn decreases the amount and need for extra bureaucracy, and has a positive impact on loan repayment.

Hans Arén, Chief Executive Officer & Founder, Finopti

	
	Real Estate Financing
	Solna, Sweden
www.finopti.se	

What are the 3 biggest challenges for fintechs in your region?

1. Attracting customers
2. Gaining confidence and trust from potential customers
3. Regulations

What does the fintech market look like in your country?

The Swedish fintech market is vibrant. Swedish fintech is very diverse - lending, savings, payments, capital raising, small credits - there are companies in all types of fintech sectors. The investor universe for fintech companies is very large. Fintech hasn't really been accepted by institutions. I believe a lot of institutions want to see them survive a tougher market first. There is absolutely a trend towards partnerships between traditional companies and fintech startups.

How big is the fintech startup scene in your region?

It is thriving due to a combination of lots of capital, skilled and talented people, and an improving public perception of entrepreneurship.

Which is the biggest new fintech to emerge from your country in the last 2 years?

Klarna and iZettle

What makes fintech in your region unique?

Swedes are picky and do not buy into just anything. You have to be good to be successful here.

Erika Eliasson, Chief Investor Relations Officer, Lendify AB

	
	Marketplace Lender
	Stockholm, Sweden
	http://lendify.com

What are the 3 biggest growth opportunities for fintechs in your region?

1. Highly profitable banks with low customer satisfaction and old IT-systems
2. Easily available high-quality credit data
3. Regulated market with digital solutions for identification and payments

What are the 3 biggest challenges for fintechs in your region?

1. High competition and companies pushing prices downwards
2. Building trust
3. Finding the right employees, especially developers

What does the fintech market look like in your country?

The fintech market in Sweden is mostly concentrated in payments and lending. The potential is large with many entrepreneurs with high knowledge within technology. Companies such as iZettle and Klarna inspire others, and have made the fintech industry attractive for investors. Fintech has been accepted by institutions, and there is a trend toward partnerships between traditional companies and fintech startups.

What is the regulatory environment for fintech companies?

Mostly supportive, for example with a new innovation center at the Swedish FSA.

How big is the fintech startup scene in your region?

We consider the fintech startup scene to be thriving thanks to many entrepreneurs, and thanks to the fact that many companies have succeeded in Sweden, which motivates others.

Which is the biggest new fintech to emerge from your country in the last 2 years?

iZettle and Lendify

What makes fintech in your region unique?

The conditions for fintech in Sweden are unique. Swedes in general have good payment behaviour, and companies have access to digital solutions for identification that help avoid fraud. There is also an established infrastructure for debt collection.

Jarle Holm, Co-founder & CEO, Monner

	
	Crowdfunding Platform
	Oslo, Norway
	www.monner.no

What are the 3 biggest growth opportunities for fintechs in your region?

1. Crowdfunding - volumes are currently miniscule compared to any other market in Europe
2. Credit scoring
3. RegTech because we have a very digitised statutory reporting regime

What are the biggest challenges for fintechs in your region?

1. Continued trust in banks: the financial downturn wasn't as big here, so trust in banks remains.
2. Regulation: in Norway the FCA is very conservative; they have a "bank first" agenda.
3. There is a lack of VC tech funding; big money goes into oil.
4. Market saturation: Norwegian population is 5M, but 150 banks, and one has 50% market share.
5. Scale: difficult to secure large investments when in a small market which limits global expansion.

What does the fintech market look like in your region?

- Norway - engineering led tech infrastructure (cards, biometrics, identity etc.); Sweden - consumer led solutions (eg. Klarna, Tink); Denmark - crowdlending platforms but small
- Investors - there are new funds coming in, but ticket sizes are small and focussing on very early stage. Norway is gaining traction. but is a few years behind Sweden
- Fintech centres around partnerships, as people like the status quo.

What is the regulatory environment for fintech companies?

It's not very supportive. The Norwegian FCA is mandated to ensure compliance to the existing regulatory framework, but this will hurt the economy. For example, it's illegal for individuals to lend money on a regular basis. This law was created 50 years ago to protect against loan sharks but today it's an obvious issue for marketplace lenders. We need an updated regulatory framework.

How big is the fintech startup scene in your region?

There is quite a thriving startup scene. It's still in the early stages, but there's a multitude of accelerators and incubators, and lots of pitch events. It has become fashionable to be a founder.

Which is the biggest new fintech to emerge from your country in the last 2 years?

In the Nordic region, it's Klarna or iZettle. In Norway specifically, it's Vipps, a P2P payment platform.

What makes fintech in your region unique?

Fintechs coming out of the Nordics are coming out of a market with a highly competitive and digital banking sector. As a fintech, coming out of this region with a competitive proposition means that you'll certainly be competitive in other regions.

Jonathan Klein, Chief Executive Officer, Brocc

	
	Marketplace Lender
	Stockholm, Sweden
	www.brocc.se

What are the 3 biggest growth opportunities for fintechs in your region?

1. Consumer lending
2. Payment services
3. Payment services in combination with digital credit cards

What are the 3 biggest challenges for fintechs in your region?

1. Regulation: high barriers of entry into the financial markets due to regulation. The regulatory demands are almost the same for startups as for mature companies.
2. Funding: the tax benefits that are applicable for most investments are not applicable for new innovative asset classes, adding a competitive advantage to traditional investments/platforms.
3. Banking oligopoly: 4-5 leading wholesale banks have strong positions. Combined with regulatory barriers this makes it harder for smaller firms to compete on the same terms.

What does the fintech market look like in your country?

- It's concentrated in payments, lending & wealth management with robot advisory.
- Sweden has a relatively large number of fintech angel investors and VCs, both local and international. However, for mid-stage companies fund raising remains a challenge.
- Fintech has been accepted quite well by institutions. Many banks have invested in fintech companies to acquire new technology. Institutional investors are not quite there yet.
- There is a trend towards partnerships between traditional companies and fintechs, but it's only in the early stages so far.

What is the regulatory environment for fintech companies?

The Swedish government is supportive, but the SFA mainly focuses on risks associated with fintech.

How big is the fintech startup scene in your region?

There are many startups in Sweden, encouraged by the success stories, but we need to make the financial market fair for everyone, whether it's the biggest bank in Sweden or a new fintech company.

Which is the biggest new fintech to emerge from your country in the last 2 years?

iZettle

What makes fintech in your region unique?

The Swedish system is extremely regulated, which creates a secure and stable market for the consumer. The Swedish consumer is familiar with new technologies and they adapt to it quickly. New fintech companies and new technologies are therefore appreciated as well as encouraged.

Julia Levander, PR Manager, Tink AB

	
	Banking Technology Provider
	Stockholm, Sweden
	https://business.tink.se

What are the 3 biggest growth opportunities for fintechs in your region?

1. Identifying a revenue stream amongst existing user base
2. Monetising the technology via licensing agreements
3. API based growth, enabled by PSD2

What is the biggest challenge for fintechs in your region?

One major challenge is to attract talent, mainly amongst developers. Competition is fierce in a region that is crowded with amazing fintechs. Key is to offer benefits and room for development and growth, as well as working with great technology.

What does the fintech market look like in your country?

The payment sector is of course big in the area led by iZettle and Klarna. Financial institutions are accepting challengers and tech providers alike to both drive competition and deliver technology that will help them stay competitive. Banks are increasingly seeing the benefits of buying tech off the shelf by partnering with technology providers such as Tink, instead of developing in house.

Simon Schou, Chief Innovation Officer, Copenhagen FinTech

	
	Industry Association, Incubator & Co-Working Space
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	https://copenhagenfintech.dk

What are the 3 biggest growth opportunities for fintechs in your region?

1. High quality of talent
2. Excellent data availability and digital banking infrastructure
3. Global scaling of traditionally Nordic focused fintech companies

What is the biggest challenge for fintechs in your region?

1. Finding, attracting and keeping the best talent in a superfast, growing sector
2. Going global in a region where the financial sector has mainly been regionally oriented
3. Finding the right partnership model between established financial sector and startup scene

What does the fintech market look like in your country?

It is very diversified – strongholds would be blockchain-based solutions and wealth management. The fintech investor universe isn't huge, but it's rising. Fintech has been accepted by institutions, and there is a huge trend towards partnerships between traditional companies and fintech startups, seen both in banking and insurance. As of yet, no one has found the golden way to structure these partnerships, but there has been a huge perception change from being competitors to collaborators.

What is the regulatory environment for fintech companies?

Yes, an ambitious sandbox environment was established last year.

How big is the fintech startup scene in your region?

It is growing very fast partly due to the ambitious initiatives taken by Copenhagen FinTech and Copenhagen Fintech Lab. The number of startups has risen from 70 to 200+ in approx. two years' time.

Which is the biggest new fintech to emerge from your country in the last 2 years?

Chainalysis or Pleo are among the largest new startups. Tradeshift has been the biggest globally growing company in the last two years but it was established earlier than that.

What makes fintech in your region unique?

In general the quality in terms of user interaction, design, usability etc. are very high in our region. Our consumers are among the most advanced in terms of digitalisation, and our banking infrastructure and our digital banking solutions (which predate when the "fintech" term appeared on the scene) are also of a very high quality. This means that the fintech solutions that succeed in the Nordics in general are of an excellent quality when you compare them globally.

Atte Suominen, Group Chief Executive Officer, C Finance

	
	Online Lender
	Founded in Helsinki, now HQ'ed in Luxembourg
	www.cfinance.fi

What are the 3 biggest growth opportunities for fintechs in your region?

1. The customer's needs are changing - today's customer is more demanding, which leaves an opening for fintechs to seize market share from banks
2. PSD2 that requires banks to share banking data and payment initiation
3. Collaboration with traditional banks

What are the 3 biggest challenges for fintechs in your region?

1. Tightening regulation
2. Talent acquisition - there is high demand for developers
3. High level of bureaucracy

What does the fintech market look like in your country?

- Many advances in payments, but room to further develop more flexible lending solutions.
- The investor landscape has grown, with regional and international investors. Larger investments are found internationally, but for new, local companies, it's better to start with local investors.
- Institutions: fintech has been accepted by institutions to a certain extent, with many collaborations and partnerships. But how deep is the collaboration? That's a different matter.

What is the regulatory environment for fintech companies?

In general, the regulatory environment is quite strict. Luxembourg has a very supportive and collaborative regulatory environment due to the importance of financial industry. In Finland there is limited access to government decision makers, nor is there much collaboration with the regulator.

How big is the fintech startup scene in your region?

The startup scene in central Europe and the Nordics is thriving. Customer demand for a better user experience is strong, and regulatory changes bring tailwinds for growth.

Which is the biggest new fintech to emerge from your country in the last 2 years?

In Sweden it's Klarna and iZettle. In Finland it's Ferratum.

What makes fintech in your region unique?

The Nordics are considered a low risk market. People are responsible with their money and the education level is higher than European averages. They are modern in the way in which they use and manage their money. For example, Sweden and Finland were the first markets where web banking was launched. The Nordic consumer is digitally savvy, and open to trying new services in a variety of fields, from entertainment (eg. Spotify), to communication (eg. Skype), and now also financial services.

Pedram Tadayon, Vice President, Financial Services, Tieto

	
	Software & Services Provider
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	www.tieto.com

What are the 3 biggest growth opportunities for fintechs in your region?

1. Commercial and corporate banking is an underserved area with regards to digitalisation
2. Asset financing and leasing
3. Open banking and aggregators

What are the 3 biggest challenges for fintechs in your region?

1. The size of the Nordic market, and oversaturation of fintech companies that compete
2. Building relationships and integrating with larger financial institutions
3. Fintechs with monoline product offering will suffer; they need to offer multiple products

What does the fintech market look like in your country?

It has been centred around payments and lending, with the majority in online lending and crowdfunding. Based on the successes of Klarna, iZettle and some of the online lenders, the funding and appetite to invest is still very high. Fintech has been accepted by institutions. It still has a way to go, but fintechs and banks are creating an environment to co-exist and co-operate.

What is the regulatory environment for fintech companies?

PSD2 has forced banks and other larger financial institutions to open up for fintechs. There is pressure on fintechs and lenders who have applied for bank or finance company licenses, and now realise the amount of compliance work that entails. They have simply underestimated the effort needed to become and stay compliant.

How big is the fintech startup scene in your region?

It is very big compared to the size of the market here in Sweden. It is starting to go through a stabilisation phase with many drop outs and also some consolidations.

Which is the biggest new fintech to emerge from your country in the last 2 years?

Klarna, Trustly and iZettle

What makes fintech in your region unique?

- The market is very well developed when it comes to digital financial infrastructure. This is a result of good cooperation amongst banks to invest and build common infrastructure (bank ID, payments infrastructure, mobile payments etc).
- Consumers are used to trying new financial products and services. The market adaptations for new fintech products and services is high.
- The high number of successful initiatives has created a very unique fintech talent pool.

Henrik Vad, CEO & Founder, Flex Funding A/S

	
	Small Business Marketplace Lender
	Hellerup, Denmark
	www.flexfunding.com

What are the 3 biggest growth opportunities for fintechs in your region?

1. Consumer crowdlending
2. Payments
3. Business crowdlending

What are the 3 biggest challenges for fintechs in your region?

1. National regulations
2. Very conservative market
3. Very high costs

What does the fintech market look like in your country?

Danish fintech companies are diversified within payments, lending, wealth management, etc. The investor universe is quite small, and fintech has not been accepted by the institutions yet. There are only a few examples of partnerships between traditional companies and fintech startups.

What is the regulatory environment for fintech companies?

The FSA is trying to be supportive for fintech, but the regulations are too strictly compared with other EU countries. Where others implement the directives as minimum directives, the Danish FSA overregulates.

How big is the fintech startup scene in your region?

It is quite small compared with other EU countries. To encourage it we need less bureaucracy and administration, attractive tax rules for private investors (like in England and Sweden), and better and cheaper access to educated skills (IT developers, legal & compliance, finance, banking, etc.).

Erik Wikander, Chief Marketing Officer, Lendify AB

	
	Marketplace Lender
	Stockholm, Sweden
	http://lendify.com

What is the biggest growth opportunity for fintechs in your region?

Challenging the existing legacy bank business models. Sweden has a great environment for fintech innovation thanks to an established credit scoring infrastructure (UC), social security numbers and digital identifier (Bank ID) which reduces AML/fraud/KYC risk etc significantly, while improving the customer experience. This has fueled the growth of the fintech scene in Sweden.

What are the biggest challenges for fintechs in your region?

1. For Stockholm-based startups: the housing prices and regulation around stock options which is quite restricting.
2. For fintechs: access to talent. Stockholm has a thriving startup scene but access to talented developers is always difficult.

What is the regulatory environment for fintech companies?

In general, I would say that the environment is quite supportive.

Which is the biggest new fintech to emerge from your country in the last 2 years?

iZettle, Klarna and Trustly

What makes fintech in your region unique?

We have an environment for innovation with a well established financial infrastructure, as well as from a customer point of view a lack of customer satisfaction within the larger/legacy banks. Combined with willingness to adopt new technology, Swedes are quick to try out new fintech products and services.

Conclusion

In reading our contributors' answers, it becomes clear that Nordic fintech really is going through an exciting period right now, with lots of growth and opportunities to be found.

It also becomes clear that whilst there are commonalities across the Nordic region, each individual country also has its own unique fintech landscape which should not be overlooked. For example, Norway has a much more traditional regulatory body than some of the other Nordic countries. Similarly, Denmark is also a more conservative marketplace, with a smaller fintech startup scene than, for example, Sweden, where fintech startups are thriving.

That said, the **Nordic region as a whole is very digitally savvy, resulting in high fintech adoption rates**. This makes for a potentially attractive region for new market entrants.

Want to learn more about Nordic fintech, and network with some of the region's key players? This topic will be covered at [LendIt Fintech Europe 2018](#), taking place in London on November 19-20.

Past Nordic participants include senior representatives from [Anyfin](#), [C Finance](#), [Copenhagen Fintech](#), [Emric](#), [Ernstrom Group](#), [Fellow Finance](#), [Finopti](#), [iZettle](#), [Kameo](#), [Klarna](#), [Lendify](#), [Ostnaes](#), [Rosfelt Funding Partners](#), [Savelend Sweden](#), [Sparlån](#), [Tieto](#), [Tink](#), [Token Market](#), [Trustly](#), [Vester](#), [Zignsec](#) and more. Join them in London this November.



Many Thanks to our Contributors

We would like to thank the contributors to this report for their insightful answers and comments:

- **Antoni Airikkala**, Director of New Markets, [Fellow Finance](#) (Finland)
- **Hans Arén**, Chief Executive Officer & Founder, [Finopti](#) (Sweden)
- **Erika Eliasson**, Chief Investor Relations Officer, [Lendify AB](#) (Sweden)
- **Jarle Holm**, Co-founder & CEO, [Monner](#) (Norway)
- **Jonathan Klein**, Chief Executive Officer, [Brocc](#) (Sweden)
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- **Henrik Vad**, CEO & Founder, [Flex Funding A/S](#) (Denmark)
- **Erik Wikander**, Chief Marketing Officer, [Lendify AB](#) (Sweden)



Want to learn more and network with thought leaders like these?

Join us for [LendIt Fintech Europe 2018](#), 19-20 November in London, where 150 experts and 1200 attendees from 50 countries will gather to discuss the latest fintech trends in Europe.