

Fintern raises £32m to expand access to affordable loans in the UK



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On the back of their public launch in March, London-based startup Fintern has announced that it has raised £32m in equity and debt funding.

The equity funding comes from a variety of angels, including several fintech founders and business leaders. Debt financing will be provided by Hamburg-based fintech financier Varengold Bank. This provides Fintern with the capital necessary to take the first step in its mission to provide £1b of consumer loans by 2025.

15m people across the UK struggle to borrow for unexpected costs with many of them forced to turn to payday and other high-cost lenders. With this new funding, Fintern will be able to open up access to affordable loans, helping many avoid often unshakable debt spirals.

Unlike other lenders who simply rely on a credit score to make a decision, Fintern takes a more holistic approach by looking at each customer's entire financial situation - incomings, outgoings, current repayments and repayment history. They do this by leveraging Open Banking and AI to analyse their customers' transaction data, allowing them to open up affordable lending to a much wider audience in the process.

To apply for a loan, you simply need to download the Fintern app (available on both iOS and Android), connect your bank account and select the amount you'd like to borrow. From there, Fintern's AI takes over to assess affordability and decide whether or not to offer a loan.

Fintern currently offers loans of £500-£5,000 for durations of up to three years with a variable APR of 18.8%.

Gerald Chappell, Fintern CEO and Co-founder commented "This fundraising puts Fintern in a strong position to deliver on our mission to increase access to affordable personal credit. Our distinctive data driven approach to lending allows us to bypass credit scores, increase approval rates and lower APRs. We're delighted to be partnering with Varengold Bank on the funding of our loan book, benefiting from their deep experience and commitment to Fintech lending innovation."

Alison Harwood, Head of Varengold's London Branch, had this to say: "We're thrilled to be partnering with Fintern to provide wider access to affordable borrowing in the UK. This is another example of Varengold's wider mission to support fintechs across Europe in providing innovative, customer-centric lending products. Both Varengold and Fintern are passionate about changing the consumer lending landscape in the UK and we're excited to be working together towards that goal."

Fintern is a digital consumer lender on a mission to expand access to low-cost personal finance. Fintern takes a holistic approach by analysing each customer's entire financial situation - incomings, outgoings, current repayments and repayment history - rather than relying solely on a credit score, like many traditional lenders. They do this by leveraging Open Banking and AI to analyse their customers' transaction data. This allows them to serve large swathes of the population who have traditionally only been able to get payday and other high-interest loans.

Fintern was founded in 2020 with a team from McKinsey, EY, Bank of America Merrill Lynch, HSBC and XiaoMi.

Fintern is authorised and regulated by the Financial Conduct Authority, firm reference number 929244, a member of Cifas (the UK's leading anti-fraud association) and registered with the UK Information Commissioner's Office in compliance with the Data Protection Regulations 2018.

Varengold Bank is a German financial institution founded in 1995 and granted a full banking licence in 2013. In addition to its head office in Hamburg, the bank has presences in London and Sofia. Core business areas are Marketplace Banking and

Commercial Banking. Within Marketplace Banking, the focus is on the cooperation with European FinTechs, especially lending platforms.

Varengold Bank's service portfolio includes Funding, Debt and Equity Capital Markets products, Fronting Services for products subject to banking licence requirements and International Payment Services.

The Board of Managing Directors consists of Dr. Bernhard Fuhrmann and Frank Otten, who –together with an approx. 100-strong international team – continuously help to drive the modernisation of the finance sector.

Varengold Bank is registered with the Federal Financial Supervisory Authority (BaFin) under 109 520 and its shares (ISIN: DE0005479307) have been listed on the Open Market of the Frankfurt Stock Exchange since 2007. For more information, see Loan Example: £2,000 loan repayable over 36 months. 36 monthly payments of £71.66. Rate of interest 18.8% p.a. (variable). Representative 18.8% APR (variable). Total amount repayable £2,579.56. Credit is subject to your individual financial circumstances and borrowing history. Failure to keep up with repayments may impact your credit score and therefore your ability to access credit from other lenders in the future.

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Press Contacts

1. **Alison Lancaster**

Editorial

editorial@pressat.co.uk

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