

British-Ukrainian car finance startup Carmoola raises £103.5 million

British-Ukrainian [car](#) financing startup Carmoola has raised £103.5 million between a series A funding round and a new debt facility, which it will use to grow its team.

The [business](#) raised £8.5 million in series A funding led by [fintech](#) investment fund QED Investors, plus a debt facility of up to £95 million from [NatWest](#).

The Series A funding will be used to scale the business up and increase its [staff](#) headcount to 20.

Carmoola was founded by Aidan Rushby, Amy McKechnie, Roman Sumnikov, and Igor Gordiichuk. It provides a budget for car buyers, generates a history check and facilitates payments both online and in a showroom via a virtual card.

While its headquarters are in [Camden](#), much of the development of its back-end technology is still done in Lviv.

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The business, which launched for customers in April, said the [UK](#) car finance market is worth £120 billion.

“Used-car finance couldn’t be more ready for a fintech revolution,” Carmoola CEO Rushby said. “Consumers want the freedom to go shopping anywhere, knowing what they can spend, without sending off reams of forms and payslips.”

QED Investors partner Yusuf Özdalga said the car finance industry had not caught up with recent innovations. And so there was a clear opportunity for disruption.

“Having not adapted to modern expectations for the consumer, the car finance industry has been caught off guard by the new neo-car finance brand Carmoola, who champion the consumer at every part of the process,” he said. “Carmoola is on track to dominate the car finance sector with a game-changing approach to purchasing.”

Rushby also noted that the current car finance environment made for a poor customer experience.

“Frustrated consumers are being put in a corner with excessive rates, manipulated commission, and poor customer service, but it’s the very process of getting finance that is at the heart of the problem,” he said.

“It’s full of paperwork, lengthy processes, and lack of certainty, but most importantly, car finance is obtained after the consumer has fallen in love with the car they want, which wholly puts them on the back foot.”