

Layoffs cloud UK fintech prospects

The UK's long-term dominance of the European [fintech](#) sector has been thrown into doubt after a study found that a greater number of London-based firms have been hit by layoffs compared with their [EU](#) counterparts.

At least a dozen UK fintechs have let go of staff over the past 12 months, an analysis by the UK Trade and Business Commission found, against only half a dozen firms headquartered in the EU.

While London-based [Revolut](#) is set to hire at least 1700 staff over the next year, many of its peers have been less fortuitous, with the likes of Railsbank, Zilch Zego and TrueLayer all shedding at least 10% of staff.

The figures come amid further questions about the challenges facing London's financial services post-Brexit.

Evidence already submitted to the Commission cites concerns that the UK's financial services trade with the EU, which fell by 19% in terms of cash exports between 2018 and 2021, could be hit further when the last of the two equivalence decisions granted to the UK by the EU expires in 2025. Conversely, the EU has granted 21 of these decisions to the United States. Equivalence status is awarded when a country's regulations are sufficiently similar to the EU's to allow free trade to continue.

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The analysis comes ahead of a UKTBC evidence session with fintech leaders on what the sector needs from future trade agreements, as part of the Commission's economy-wide consultation on post-Brexit trade.

Dr Sarah Hall, professor of economic geography at the University of Nottingham, said: "The City has many strengths as an international financial centre but it is important the Government works to develop regulation that continues to support the ongoing growth of businesses and fintech across the UK in the future."

"Above all else, businesses need as much certainty as possible as they cope with challenging global conditions."