

London fintech Updraft raises £108 million to grow lending business

Lending firm Updraft today became the latest [London fintech](#) to ramp up its expansion plans after it completed a £108 million [debt](#) and equity raise to scale up operations.

The Old Street-based business, which combines smart algorithms, open [banking](#) and [credit](#) reference data to offer bespoke personal loans to its customers, will use the [funding](#) to recruit more staff, grow the number of customers it lends to and is eyeing international expansion to markets in Europe and Asia.

Aseem Munshi, CEO and Founder of Updraft, told the Standard: “We’re really excited – getting the funding in this environment was much more challenging than it was last year but our partners have been with us for a long time and they continue to invest.

“We’ve hit our key milestones this year and look forward to next year when we’ll announce our next funding raise.”

The senior debt funding round of £100 million was led by NatWest to help create a £160m senior debt facility for the business, while an £8 million equity fundraise was led by Auluk Investment and New Delhi-based LC Nueva.

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Rob Lamont, Director, Financial Institutions, NatWest, said: "As a leading bank for financial capability, NatWest is pleased to be supporting a business that improves financial outcomes for consumers in the UK, and Updraft does just this. We are confident with Updraft's growth momentum."

Munshi, who ran HSBC's credit card business before he founded Updraft in 2017, said he created the business as a result of inflexibility in the lending market, with sky-high interest rates on credit cards and banks charging fees for early repayments on loans.

"Fundamentally it's a problem of inattention – people get into credit card debt without thinking about it – it's a very behavioural product. Credit card interest is very high – it's good if you have an occasional need but it's a really bad product for the long-term and people get into these long-term debt traps," he said.

"I would argue that BNPL solves some of those aspects but it doesn't address the [behavioural] issue that you're not thinking that you're borrowing the money."