

Chrysalis emerges with £75m stake in Smart pensions platform

A frenzy of capital-raising by UK-based financial technology companies will continue this week when a prominent London-listed fund manager takes a £75m stake in Smart, the retirement savings platform.

Sky News has learnt that Chrysalis Investments, which has backed companies including buy-now-pay-later lender Klarna, Starling Bank, the digital lender, and the cross-border payments app Wise, will announce on Monday that it has made the equity investment in Smart.

Chrysalis's stake will form part of a £165m Series D funding round, of which £110m comprises the issuance of new shares to investors.

The announcement is expected to coincide with the publication of Chrysalis's half-year results.

It will be by far Smart's largest fundraising since its launch as Smart Pension in 2015 in anticipation of huge demand from companies ahead of a final government deadline for pensions auto-enrolment in 2018.

Advertisement

Smart has attracted an impressive list of strategic investors, including Barclays, JP Morgan, Legal & General, the Link Group and Natixis Investment Managers.

The company is said to have seen very strong growth last year, with assets on its platform having grown by 160% to £1.8bn.

More from Business

Youth publisher LadBible explores £400m float as audiences boom

Prince Philip: New £5 coin released to commemorate Duke of Edinburgh

Matt Hancock 'affair': Aide Gina Coladangelo's brother has top job at company with NHS contracts

Government accused of 'sowing confusion' over travel rules as airline boss slams 'variant scariant'

Full list of updated green, amber and red countries – and the rules when you travel

Why does a rich country like Germany need such a dirty source of energy?

It is one of a number of fintechs to have sought to disrupt a pensions industry historically hamstrung by out-of-date technology and which was little understood by millions of consumers.

Smart operates one of the big four UK auto-enrolment master trusts, and plans to use the new funds to expand its services in the UK, US, Australia and the Middle East.

Last year, it struck deals for its platform to be deployed by the likes of Bank of Ireland's insurance arm, New Ireland Assurance, and the global insurance giant Zurich

The US is seen as a particularly attractive growth market because of new legislation relating to pensions auto-enrolment.

In aggregate, the global retirement market is said to be worth as much as \$55trn of assets under management, making 'pensiontech' a fast-growing segment of the fintech industry.

Earlier this year, Pensionbee Group, which owns an app enabling people to consolidate their pension pots in one place, floated on the London Stock Exchange.

Its shares closed on Friday just under 10% below their offer price of 165p.

A spokesman for Smart declined to comment on a new funding round, but said: "For anyone following Smart's trajectory over the last few years, it will be no surprise that we are pushing forward further internationally and growing at an ever-faster pace.

"The global retirement market has been behind the times when it comes to technology, and with regulatory changes sweeping the globe, our Platform-as-a-Service model powered by our single global retirement technology platform is perfect for financial services companies and governments trying to get to grips with delivering for their members and citizens as they save for retirement and beyond."

Chrysalis Investments could not be reached for comment on Sunday.