

JP Morgan in talks about snoop on stock trading app Freetrade

JP Morgan is in discussions about a takeover of Freetrade, a British stock trading app that targeted a £700m valuation during talks with investors earlier this year.

Sky News has learnt that the Wall Street behemoth is among a number of suitors to have held talks about acquiring Freetrade in recent weeks.

Freetrade, which said this year that it had surpassed 1.3m registered users in the UK and had recorded revenue in 2021 of £15.1m, also has a presence in overseas markets, including Sweden.

Its talks about a sale to JP Morgan come weeks after The Telegraph reported that Freetrade was preparing to hire Bank of America to help explore its strategic options.

One industry source said the discussions with JP Morgan were unlikely to result in a deal being agreed, while it was unclear at what valuation the negotiations had been taking place.

The US-based lender has previously backed a number of British fintech start-ups, including a banking software provider set up by Antony Jenkins, the former Barclays chief executive.

In June 2021 it agreed a deal to buy Nutmeg, a digital wealth platform, to complement the launch of its Chase brand into the UK online banking market.

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Founded in 2016, Freetrade announced a £30m funding round in May, saying that all of its existing institutional investors, including Molten Ventures and L Catterton, had participated.

The company added that The Phoenix, an investment manager, and private investment firm Capricorn Capital Group had become new investors.

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More recently, a report in the Financial Times said FreeTrade had called off plans at the start of the year to raise external funding at a £700m valuation amid a rout in technology company valuations.

A FreeTrade spokesman said it did not comment on fundraising activity, though he denied that the company was “in a diligence phase with a party”.

JP Morgan declined to comment.