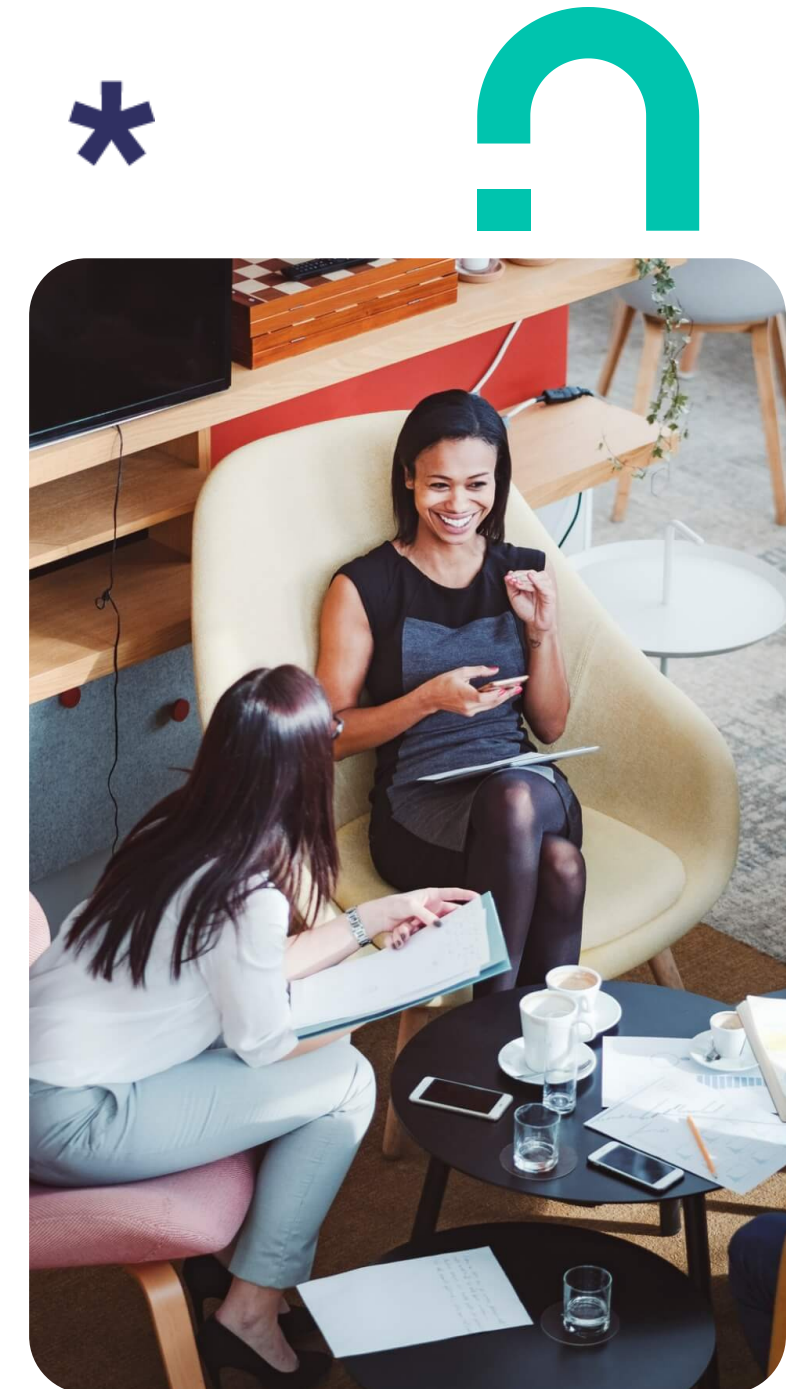


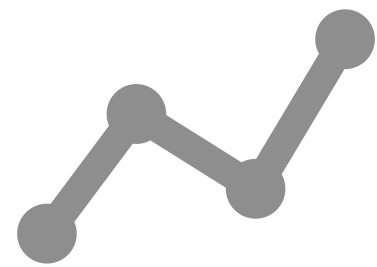
FINANCIAL SERVICES ESG

Need-To-Know: 24 Statistics on The State of UK FinTech ESG



2022 will be a big year for FinTech across the UK. In the wake of COP26, planning and implementing ESG goals is high on the agenda for a large number of financial organisations.

FinTech will play a vital role in determining how this plays out, providing bespoke digital solutions to replace harmful practices and to help firms measure their climate impact. We have collated the top 24 stats to explore the current state of FinTech ESG and the trends we see arising in the coming year.



120bn

120bn

USD invested in sustainable companies and initiatives in 2021, more than two times that invested in 2020.

[Bloomberg, 2021](#)



FinTech investment is on the rise

1.

With an estimated global worth of \$127.66 billion in 2018, the FinTech market is on track to reach \$309.98 billion by the end of 2022.

2.

This dramatic growth can be attributed to last year's actions, with an estimated \$120 billion injected into sustainable investments in 2021 alone.

3.

This led to a record-breaking 151 new unicorns entering the market (privately held startups valued at over \$1 billion).



“ESG regulations and guidance will be a driver of risk going forwards. With new rules on disclosure and taxonomy, and around green investments, the compliance risk for financial institutions is growing,”

- Hannah Tindal, Head of Directors and Officers, AGCS.



“The pressure on financial services firms to integrate ESG issues into systems, processes and overall decision-making is growing on all sides. Shareholders, investors and pension funds are all starting to make their voices heard on the link between corporate attention to ESG matters and business sustainability and resilience.”

Source: [Risk.net](https://www.risk.net)

Industry need is rapidly growing

4.

In a recent survey, 80% of respondents who worked in financial services ranked ESG as either an important or the most important issue for their operations.

5.

Two-thirds of leaders believe that their ESG considerations have increased in importance as a result of Covid-19.

6.

However, 42% said they have an ineffective process, or no process at all, for identifying, responding to, and implementing changes based on climate threats and ESG-related factors.

Consumer demand is at an all-time high

7.

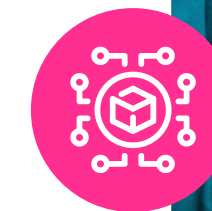
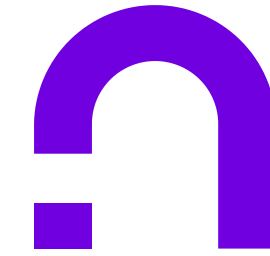
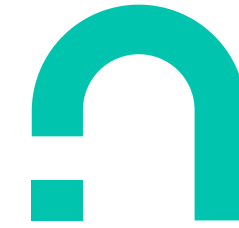
44% of surveyed consumers see ESG issues as an especially important factor when choosing a financial provider.

8.

1/4 customers are likely to switch banks due to ESG concerns.

9.

Now, a reported 86% of UK consumers are regularly using FinTech.



“With the surge of ESG investing, fund managers need ESG data, tools and analytics to aid decision making.”

Jason Stevens, CTO, Ultimus Fund Solutions



“Changes in consumer demand are beginning to affect the corporate bottom line as consumers are increasingly aware of ESG practices. They have higher expectations of the companies behind the products to operate their businesses ethically and responsibly, and demand greater transparency about how they conduct their business.”

Source: KPMG

Key ESG focuses for FinTech

10.

When considering which categories the newest FinTech start-ups fall under, the most popular ones appear to be carbon offsetting and carbon accounting.

11.

One example of a startup that does the latter is CarbonChain, A UK based company that provides carbon accounting products and helps industries access green financing.

12.

Other aims for FinTech’s include ESG reporting, climate risk management and sustainable banking and supply chain analytics.

FinTech as a movement for transition

13.

Just under three-quarters of banking CEOs believe their future growth will be largely determined by their ability to navigate the shift to a low-carbon and clean technology economy.

14.

Studies have revealed that FinTech development helps economies transition to low-carbon by reducing greenhouse gas emissions.

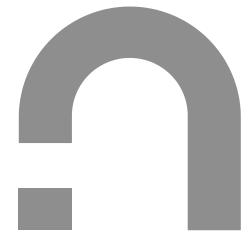
15.

Tech can help to reduce carbon in various ways, such as loans for renewable energy projects, savings accounts that direct interest to tree-planting, and secure email that saves paper usage.



"Money is the most basic form of democracy because where we chose to spend our money reflects our values and beliefs, therefore it is important to take responsibility and ownership of the impact of our money, but we can only do this when we know the whole truth and the full extent of where our money is really going."

Zoe Sear, Head of Communications at Triodos



“It is clear that next-generation ESG leaders will look quite different from earlier archetypes, as the scope of the role grows and requires a far more senior and agile executive to be considered as a credible ‘ESG 2.0’ leader.”

- Harvard Law, 2021

Big brands are stepping up

16.

As part of its £100bn Climate and Sustainable Funding and Finance ambition, NatWest is offering SME’s digital tools to help them go green.

17.

JPMorgan has pledged to lend, invest and provide other financial organisations that are tackling climate change and inequality with funds up to \$2.5 trillion.

18.

Mastercard, Finaro and GoTo have joined together to plant 1 million trees by 2025 as part of their new ESG initiative.

Impact investing is gaining popularity

19.

The impact investing market has recently grown by an impressive 40%, reaching an estimated size of \$715 billion.

20.

Most of the impact investing over the past 10 years has been heavily focused on climate change, with an estimated 40% of consumers needing reassurance that their funds weren't invested in companies that polluted the environment.

21.

However, investment for social projects is steadily gaining popularity, with brands such as PayPal contributing \$530 million toward Black and minority communities.



“Ultimately, as more businesses commit more strongly over time to the spirit (and not just the letter) of ESG – promoting stronger fairness, inclusivity, reliability, safety, transparency, privacy and accountability across their organizations – technologies will be a crucial determinant of how successful they are.”

- Chris Marsh, S&P Global Market Intelligence



Top technologies for FinTech use

22.

An ecosystem has emerged where FinTech's are harnessing a host of new technology to go green, with Deloitte revealing that the 5 main pieces of tech are blockchain, AI, security, the internet of things and the cloud.

23.

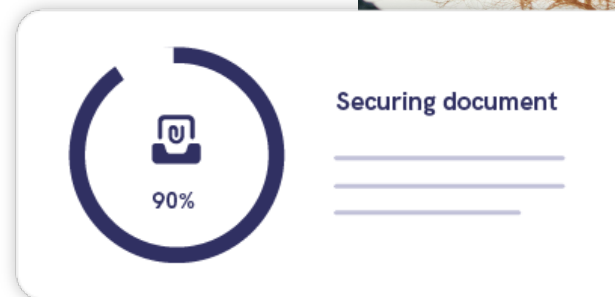
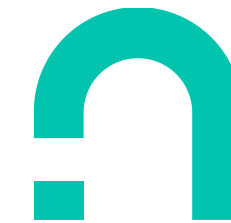
The adoption of security software is especially increasing due to rising cybercrime, with financial organisations being 300x more likely to be targeted by threat actors due to the sensitive information they hold.

24.

Solutions such as Maillock offer essential security, such as encryption and two-factor authentication, the latter utilised by nearly 80% of individuals in some form in 2021.

Does your firm have a strong ESG proposition for 2022-3? Use these ESG statistics to help you develop your ESG strategy for the year and continually refine it for success.

If you need help with your digital transformation, contact us at [Beyond Encryption](#). We empower financial services organisations to communicate digitally, securely, and compliantly. We're protecting communications throughout the financial services industry, connecting advisers, providers, platforms, and third-party services through our secure email solution, Mailock. Get in touch today to see how our team could support you to secure your digital communications.



Mailock email encryption makes it easy to digitise sensitive communications and maintain full protection and compliance with regulatory standards. Using AES-256 encryption and 2-factor authentication, Mailock empowers businesses to exchange documents with customers, partners, and colleagues using email, without opening their communications up to the risk of a cyber incident.



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