

Edinburgh's booming fintech struggling to fill vacancies with local talent

An aggressive recruitment market could hamper start-ups in Scotland's booming financial technology sector, according to senior fintech experts.

Buoyed by a £300 million UK Government investment last August, Edinburgh's fintech community is populated by a swathe of financial services innovators, but newbies looking for talent face a "hot market" which makes it difficult to secure the skills-set needed to get up and running.

Anthony Rafferty, CEO of the UK's original fintech company Origo, said the recruitment crisis had changed drastically in only a few years and was set to become even more challenging, while Head of Growth at ePOS Hybrid, Andrew Gibbon, said opportunities were outstripping available talent in all key functions.

The fintech specialists were speaking as Core-Asset Consulting published its seventh Annual Salary Guide which is a forensic review of salary levels and major developments in Scotland's pivotal financial services sector.

Origo has been in the fintech space for 30 years and is one of a group of providers helping to deliver the UK Government's Pensions Dashboards Programme. Mr Rafferty, a member of FinTech Scotland's advisory board, said: "Fintech is thriving

in Scotland and our excellent universities are producing a pipeline of really good candidates, but on a UK level there is a shortage of specialists and experts.

“Fintech is a hot recruitment market, which is testament to the number of firms which warrant good developers, testers and business analysts, but with wage inflation and higher expectations from candidates, there is no doubt it is becoming more difficult to find the right skills than it was just a few years ago.”

Edinburgh-based hospitality technology specialist, ePOS Hybrid, is actively recruiting in key areas but says “aggressive recruitment” is prevalent throughout Scotland’s fintech sector and specifically in the capital.

Andrew Gibbon said: “Organisations are fighting over the same limited talent pool within Edinburgh and Scotland and start-ups are the ones missing out on the crucial talent they need to scale and attract new investment.

“The more businesses struggle to recruit locally, the more they are going to turn to remote working options to fill the businesses critical positions. Many businesses, including ePOS Hybrid, are being forced to begin recruiting nationally and offer remote working positions as candidates simply cannot be found locally.”

Core-Asset’s annual review found the skills shortage was a combination of Edinburgh’s long-standing reputation as a major European financial service centre dovetailing with the growth of a dynamic and innovative fintech industry in which new players covered the full spectrum of financial technologies.

Louise Powrie, Divisional Director, Permanent Team, Fintech and Pensions with Core-Asset, said: “The supercharging effect of Covid-19 resulted in an extreme stress test for the industry which, enabled by technology, it passed with flying colours. The sector has proved extremely resilient to the

current global crisis and is emerging successfully from the pandemic.

“Its continued growth centres on the development of tools and software solutions to meet the need for more user-friendly platforms and applications, seamless data flow, AI-assisted dashboards, enhanced risk management, dynamic data management, online payments and transactions, and the functionality of the digital marketplace.

“Our report points to a demand within fintech for business analysts and developers, particularly those with cloud technologies, and technical and solutions architects and engineers who can work with clients to truly understand their needs and provide innovative solutions.

“The sector is well-embedded in truly agile working practises, and as such, has continued to recruit without challenge and will keep on doing so into 2022, with remote working being the norm.”

Indeed, remote working or working from home was a theme echoed by both Origo and ePOS Hybrid and a phenomenon which will continue to grow.

“In addition to being the catalyst which has pushed businesses towards digital solutions, Covid has been responsible for firmly establishing working from home,” said Anthony Rafferty.



Anthony Rafferty

“Our initial fears at the start of lockdown was that productivity would drop, but the opposite happened and working from home has really suited this part of the financial services sector. The idea of only recruiting people locally or within 30 minutes of Edinburgh is no longer the case and is totally outdated.”

Andrew Gibbon added: “Our difficulties in finding suitable candidates locally is by far the biggest factor in limiting business growth to date. Opportunities are currently outstripping available talent in all key functions, resulting in businesses having to invest far more resources into finding the correct candidates or looking further afield for the skillset required.”

The [report](#) highlights payment solutions, accountancy software and blockchain technology as mainstream fintech solutions but with cross-sector corporate applications, leading to other skill-sets being sought after, including legal, marketing, policy and regulation.

The report also forecast that during 2022 one of key industry themes will be the continued unbundling of pensions/financial services and its re-bundling around a digital architecture, putting fintech at the heart of the industry.

It said: "As financial service products have started to be unbundled and repackaged around digital architecture, the market has become more competitive, and the line between traditional pensions products and fintech services and platforms has blurred. New market entrants have emulated mainstream providers, embedding themselves in the financial technological ecosystem, and traditional firms operate much more like tech companies."

Louise Powrie believes that as national Governments and financial watchdogs introduce additional regulatory burdens, there will be opportunities for other skill-sets, including those with experience in risk and compliance and financial crime.

She said: "This broad matrix of requirements is placing pressure on the increasingly complex interaction between the technology, risk, compliance and procurement functions in international firms and financial institutions.

"Regulators in major markets are adopting divergent approaches to monitoring effective risk management for fintech firms. A key challenge is determining how policies should evolve to address both novel market activity and traditional market activity – deploying frameworks that foster innovation, whilst managing regulatory risks effectively."

Every business sector is paying close attention to the focus on investments which factor in Environmental, Social, and Governance (ESG) considerations and fintech is no exception to this trend or to the requirements of Socially Responsible Investing.

"A major factor underpinning innovation in the fintech

industry is the growing focus on climate change and the role of sustainable finance in achieving the immense challenge of transitioning to net zero and carbon neutral solutions. Fintech firms need to be mindful of ESG compliance, especially those in the digital asset space given the energy-intensive nature of certain crypto activities – and that will require candidates with specialist knowledge or interest.”

Core-Asset is Scotland’s leading recruiter in the financial services sector and has access to insights from thousands of candidates and Scotland’s top employers in the sector, which accounts for 7% of Scotland’s GDP.

Its annual Salary Guide is a report produced exclusively on the Scottish employment market which benchmarks salaries and jobs in Scotland. The data and numbers produced in it give a crucial alternative picture to the usual London-centric reports.

The report highlights how Scotland continues to build its reputation as a key hub for larger globally based investment operations businesses, continuing the trend started in the mid-1990s when firms began relocating technically complex operational roles to Edinburgh and Glasgow.

[Core-Asset Consulting](#) was formed in 2005. Based in Edinburgh, it is now an £14m business employing 22 people and works across the entire financial services sector, from the smallest boutiques to the biggest global players.

Initially the firm carved its reputation in Scotland’s globally-renowned asset management sector. However, the success of its model allowed it to expand across the wider financial services market. It now boasts dedicated accounting, investment operations and finance teams and also works in Scotland’s thriving legal sector.