

FEATURES

## I'm not ashamed to be a banker any more



Anne Boden, the founder of mobile bank Starling, tells *Margarette Driscoll* how she wants to make saving as easy as online shopping

**W**hen Anne Boden sat with an adviser at a high street bank in Maidenhead, opening an account to pay staff at her fledgling business – a brand new bank – he didn't bat an eyelid. "If I'd said I wanted to start a new country, I think he'd have just typed it in," she laughs. "It was all dull routine and endless bureaucracy."

In other words, it was just the kind of box-ticking bank she was setting out to challenge. Five years later, Starling Bank, Boden's mobile-only start-up now has more than 850,000 customers. Earlier this year, it won £100 million of investment from RBS to expand its small and medium-sized enterprise (SME) banking and has been named best bank at the British Banking Awards two years running. Given what we know about the difficulties faced by women in business – for every £1 of venture capital invested in the UK, women get little more than 1p, and 83 per cent of investment globally goes to male-led firms – it goes without saying that the Welsh tech entrepreneur is a pretty extraordinary character.

She may be small in stature – at 5ft, she must often be the shortest person at Starling's frequent, "standing" team meetings – but Boden, 59, who has become a major force in British banking, thinks big. She is on a mission to steer banking into the 21st century, and change the way we think about money.

"There was a time when I became ashamed to be a banker," she says. "At the beginning of my career, I was really proud to work for a bank. I felt I was doing something responsible, something that made the world go round. After the financial crisis, that changed. We'd messed it up. But most people in banking seemed to want to forget that and set about putting it all back the way it was before. I felt you couldn't do that. Things had changed. I started dreaming then, thinking that if I had enough nerve, I'd start from scratch."

Despite a career in conventional banking, Boden is, at heart, a techie. Starling Bank exists (other than its admin offices in London and



Good account: Anne Boden is hoping to reach the milestone of one million Starling Bank customers by the end of the year

Southampton) entirely in cyberspace. If you have an account, you operate it from your smartphone, which Boden insists (with modern devices which have fingerprint or facial recognition) is more secure than online banking. There are no branches with sofas, water coolers and mortgage advisers, but 24/7 telephone and email support. One of her aims, she says, is to help people manage their money, rather than charging exorbitant fees for overdrafts: "If I look at my Starling account, I can see instantly, down to the last penny, how much I've spent on travel or clothes. If I want to save, I can do it simply by rounding up my spending to the nearest pound so that every time I spend £1.60 on a coffee, 40p will go straight to a savings account. Online shopping has made it very easy to spend, and we're making it

as easy to save."

Her recently published book, *The Money Revolution*, sets out her philosophy and gives tips on apps worldwide that can help you invest, manage bills, pay off the mortgage (if you are of the generation lucky enough to have one) and save for retirement. Some of the techie stuff makes your head spin: Boden thinks not only cash but plastic is already virtually obsolete. Soon, we will be paying for goods only with phones, pieces of hi-tech jewellery or microchips implanted under the skin.

But beyond the talk of apps, hackathons, machine-learning and robo-advisers (set to replace human financial advisers) is a thread of financial common sense forged during Boden's modest Swansea upbringing. She went to a local comprehensive.

### 'Online shopping has made it easy to spend, and we're making it as easy to save'

Her father worked at the steelworks, her mother in a department store. "I always knew what my father earned and what my mother earned and that we were able to do interesting things, not because we earned a lot of money, but because we didn't spend on the wrong things," she says. Her father was once invited to join the local golf club and refused on the basis that being surrounded by people who were able to spend more than us would "make us feel poorer". Life for young people, in an age of

### ANNE BODEN'S CAREER LADDER HOW SHE DID IT

**January 1960:** Born in South Wales. Educated at the Cefn Hengoed Comprehensive.

**1981:** Graduated from Swansea University in computer science and chemistry. Lloyds Bank graduate scheme.

**1984:** Joined Standard Chartered, becoming head of systems and process in UK corporate banking.

**1990:** Joined Price Waterhouse, working in financial services consulting. Graduated from Middlesex University with an MBA.

**1993:** Returned to banking, working for UBS.

**1998:** Joined professional services firm AON as chief information officer and director.

**2006:** Started as executive vice-president for Europe at ABN AMRO, handling business banking for 34 countries.

**2009:** Joined RBS as head of global transaction services for Europe, Middle East and Asia.

**2012:** Became chief operating officer of Allied Irish Banks, steering it through the aftermath of the financial crisis.

**2014:** Started work on Starling and became a limited company.

**2016:** Raised £48 million in investment, then received banking licence. First Starling cards used.

**May 2017:** Starling public launch. It attracted 850,000 customers over the next few years.

**January 2019:** Made MBE for services to financial technology.

where she later helped to set up CHAPS, the UK's first real-time payments system. She held senior jobs at Standard Chartered, UBS and ABN Amro, looking after business banking in 34 countries, from France to Kazakhstan. She then took a "gap year", working in a little fintech (financial technology) start-up. "I realised my technology skills, which I thought were brilliant, were out of date," she says. "In big organisations, I had offshored and outsourced, moving teams apart rather than bringing them together. Here, people from what would be different teams in big banks, sat together, working out solutions. Systems I thought you would need £100 million to create were made overnight."

In 2012, she was asked to become CEO of Allied Irish Banks, which had been bailed out after the crash, and moved to Ireland. "I was quite successful in what people told me mattered," she says. "I reduced costs and improved customer experience, but I also went around Ireland, talking to people who'd lost their job or suffered a pay cut, who couldn't pay the mortgage, and, God, it was painful. The bank was repairing itself, but the crash had left a huge impact on people's lives."

She took a second year off to travel around the world, this time talking to organisations like Boeing Mutual, which provides financial services for workers in its US aircraft factory. She wanted to think about how banks could do things differently. She was able to do so, partly at least, because she is single and has no children. Although she doesn't think this status has been a great career advantage, financial independence and having no ties gave her the freedom to drop out and take risks. "I was fortunate to be at a time when I could afford not to work and put quite a lot of money and all my energy into what I wanted to do."

Starling Bank was set up in 2014, and now employs 700 people, set to rise to 1,000 later this year when it opens a new office in Cardiff. Not bad for the start-up whose future was threatened when, in 2015, employee Tom Blomfield led a walkout of key executives, months later setting up rival digital bank Monzo.

### 'Some people are saving for a wedding dress or a baby ... it's quite emotional'

Starling's initial customers were predominantly men in their early 30s – the fintech community in London's Hoxton. Now, that average age is creeping up: "We've got a lot of women in their 50s."

She takes an interest in customers, answering emails personally and sometimes even picking up the phone. Customers can take a picture of the thing they are saving up for when they create the "rounding-up" pot, and this is something Boden particularly enjoys seeing: "Some people are saving for a wedding dress, to take their mother to Australia, or a baby ... it's quite emotional."

It will be her 60th birthday on New Year's Day, but she's planning a party before then, as Starling looks set to achieve a million account holders: "That will be the real celebration," she says.