

FINTECH REPORT

SEVENTH EDITION

Shifting focus from growth to sustainable profitability – fintech enters a new phase

2026

Swedish
FinTech
Association.

SUMMARY

The proportion of companies that raised capital in 2025 is the lowest since The Swedish Financial Technology Association (SweFinTech) started measuring this; at the same time, more companies are profitable. The recruitment rate fell during the year and a sizeable percentage opted not to change their headcount. The regulatory burden remains heavy and a majority of companies believe the cost of compliance has increased significantly over time. Companies feel that understanding of the industry has declined and dialogue with the Financial Supervisory Authority (FSA) has deteriorated. Just under a third of the companies have had difficulties opening a bank account at a Swedish bank.

SweFinTech's goal is for the fintech industry to continue to grow and be competitive. In this report we have compiled the views of our members on the development of the fintech industry.

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Swedish FinTech Association.

SweFinTech is an industry association that gathers together 110 companies from the Swedish fintech sector with the mission of improving the conditions for fintech in Sweden. The association was founded in 2017 and has an important role in creating a bridge between authorities, decision-makers and the business community.

SweFinTech's vision is to be a relevant voice in the public debate and to help Sweden become the country with the best opportunities for fintech companies to become established and develop.

PURPOSE OF THE REPORT

This is the seventh edition of SweFinTech's annual report which is primarily aimed at increasing knowledge about the Swedish fintech industry and helping to create even better opportunities for its growth. As in previous years, this report will give an up-to-date picture of the Swedish fintech industry, describe how the industry has developed in 2025 and shed light on the challenges faced by Swedish fintech companies.



COMMENTS FROM THE SECRETARY GENERAL

Competitiveness, innovation and strategic autonomy have been guiding principles in Europe in recent years. The EU's simplification efforts are intended to ease the regulatory burden on European companies. The focus needs to be on innovation and growth – not administration. We have seen initiatives to harmonise the European capital markets, increase investment among consumers and improve access to capital. In the meantime, geopolitical tensions are putting increasing pressure on Europe to be more independent in areas ranging from defence to digital infrastructure.

The fintech industry is ready to do its part to meet these challenges. The ways in which it will do this include increasing diversity in the payment market and reducing dependence on non-European payment infrastructure through tokenisation, stablecoins and account-to-account payments.



We welcome the EU's simplification efforts given the heavy regulatory burden and greatly increased compliance costs. Unfortunately, the Swedish government has chosen to go in the opposite direction by increasing reporting requirements instead of reducing them. In Sweden the focus is being shifted from innovation to administration, with entry barriers going up for start-ups. This is a negative environment for the fintech industry and harms the image of Sweden as a role model in innovation. The increase in duplicate reporting is a serious problem and may in time result in companies choosing to leave Sweden for other markets that have more reasonable and innovation-friendly regulations.

The Swedish fintech industry has long been a leader. If this is to continue, we need to preserve the conditions that have contributed to its progress. The conditions are in place for a second wave of fintech companies, including through the EU's proposed framework for open financial services Financial Data Access Regulation (FiDA). The framework has the potential to increase European companies' control over their own finances and create tailored services. It is also intended to promote innovation and competition in the financial market. This is a concrete tool to realise the EU's ambition of promoting growth and competition, which is unfortunately being stifled by interests that gain from locking in customers and a lack of competition. Now it is up to the politicians to show courage and make sure this project is completed. It would benefit both customers and Swedish fintech.

Roslana Cederhage

Secretary General, SweFinTech

THESE ARE SWEFINTECH'S MEMBERS

SweFinTech has grown during the year, increasing from 100 member companies in 2024 to 110 in 2025. The members whose core business is in the fintech industry represent several different product segments.

29%

Payments and Transfer

Bolageriet, Brite, Centiglobe, D21, Finshark, GoKind, Juni, Lesslie, Lunar, Movitz, Open Payments, Payer, Plusius, Qliro, Surfboard Payments, TF Nordic, Tidypay, Transfer Galaxy, Trust Anchor Group, Trustly, Walley, Waytobill, Worldline, Zimpler.

28%

Cloud services, Software-as-a-Service and regtech

Brayns, CTI, Enable Banking, Fimento, Gimi, Insurley, Knowit, Knownid, Kreditz, Leanon, Metafore, Pingwire, Pliance, Roaring, Sharpfin, Springflod, Strise, Swimbird, Tab, Tink, Vilja, Xpektor, Zwapgrid, ZWEBB.

21%

Lending

Anyfin, Billender, Bliq, Caporum consulting, Creddo, DBT Capital, Enklare, Fairlo, Fedelta, Float, Fortnox, Kameo, Lendo, Lånekoll, lånestopp, Resurs bank, Sambla, Toborrow.

10%

Wealth Management and Cash Management

Brocc, Coeo, Fxity, Invoier, Lysa, Opti, Savelend, Zlantar.

7%

Crypto and blockchain

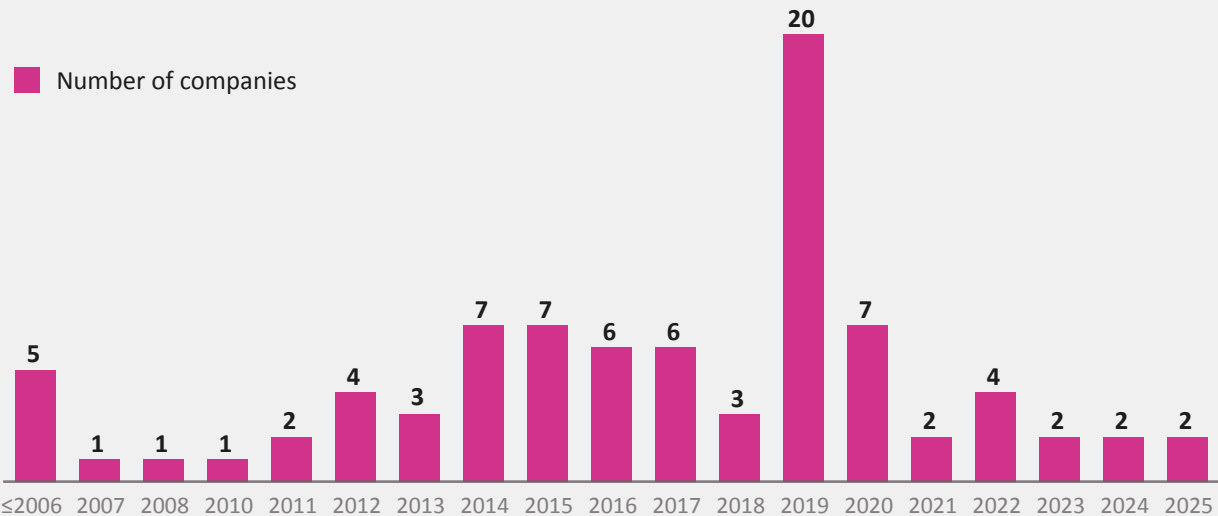
Funding Partner, Goobit, Safello, Tessin, Trijo, Valuno.

5%

Investment and Trading

Centevo, Fondab, Fondo, SAVR.

How long has your company been in business?





01.

DEVELOPMENTS IN THE SWEDISH FINTECH INDUSTRY IN 2025

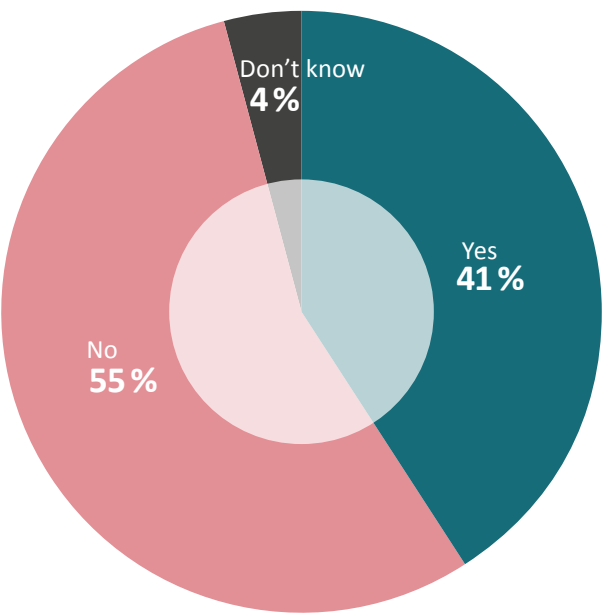
PROFITABILITY INCREASING

According to data compiled by Copenhagen Fintech, there are an estimated 370 active fintech companies in Sweden – a lower figure than the 450 companies active in Sweden in 2019 according to Growth Analysis (Tillväxtanalys)¹. Recent years have been challenging for the industry, with high inflation and a more reticent capital market. Economic concerns have contributed to the industry maturing, with many companies in the Nordics shifting their focus from growth to profitability. A

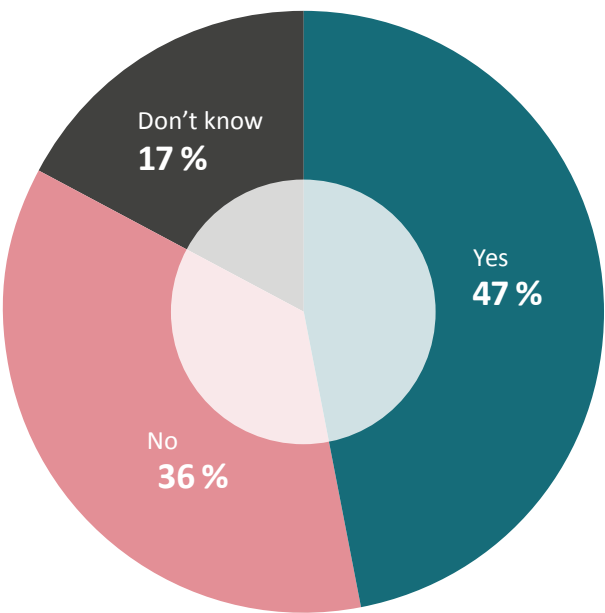
new financial ecosystem that is based on scaleups, deeper expertise and consolidation has started to take shape.²

Throughout 2025, global fintech investments increased by a total of 21 percent compared to 2024, which may be a sign of a potential recovery.³ In Europe, total fintech investments rose by 23 percent during the first half of 2025 compared to the first half of 2024.⁴

Did you raise capital in 2025?



Do you need to raise capital during the coming year?



Percentage of companies that have raised capital over time



1 Growth Analysis (2021) "Svensk Fintech"
2 Copenhagen Fintech (2025) "Nordic Fintech Report"
3 Innovate Finance (2025) "FinTech Investment Landscape 2025"
4 Finch Capital (2025) "State of European Fintech 2025"

In Sweden, 41 percent of the companies raised capital in 2025, compared with 48 percent the previous year. This is the lowest figure since SweFinTech started measuring capital raised by the members and 28 percent of the companies believe that raising capital is their biggest challenge. The fact that the capital market has been more sluggish is also reflected in another statistic: capital raised by fintech companies in the Nordics in the first half of 2025 was the lowest in five years according to Finch Capital.⁵ This may be an indication of investor caution during an economic downturn and that financing terms have become tougher.

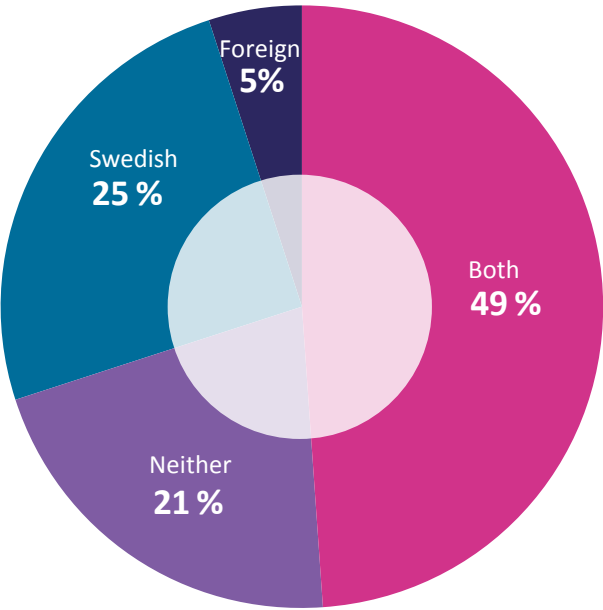
The low level of capital raised may also be a sign that companies are still pursuing profitability. 45 percent of the companies are profitable – an increase of 13 percentage points compared with the previous year. The level of capital raised during the year also clearly reflects the capital requirement that companies expressed in the report from the previous year, where 40 percent of the companies stated that they needed to raise capital in 2025.

The companies that have not reached profitability have runways of varying lengths; in other words, the amount of time they can carry on without capital. Just over 12 percent of the companies can manage up to one year without capital inflow, while the percentage that can carry on for three

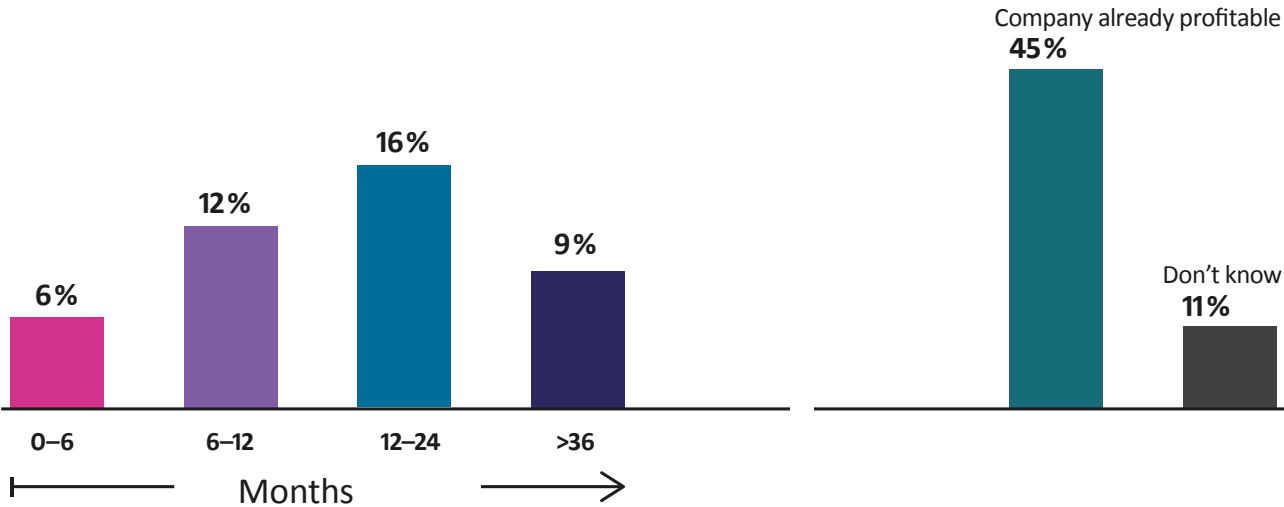
years or more has fallen from 12 to 9 percent. 46 percent need to raise capital in the coming year.

Half of the companies have raised capital from both Swedish and foreign investors. Foreign investors can be an important piece in the puzzle to secure growth capital because the Swedish capital market is relatively small in terms of larger funding rounds.

Have you raised capital from Swedish or foreign investors?



If your company does not raise new capital, how long can you remain in business?



5 Finch Capital (2025) "State of European Fintech 2025"

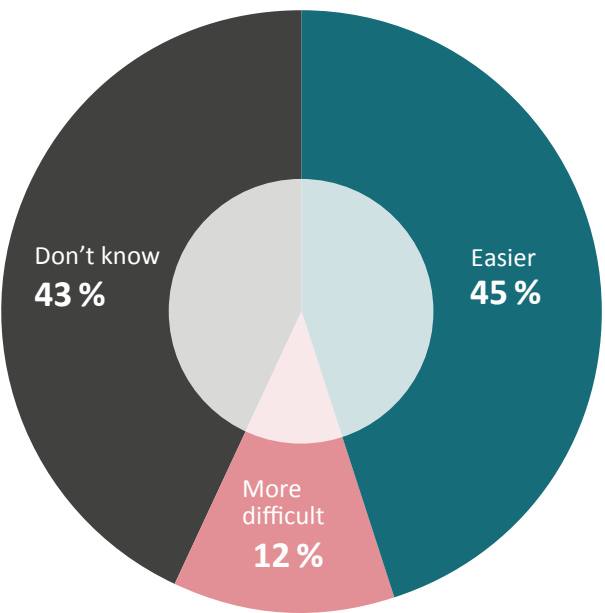
PACE OF RECRUITMENT SLOWING DOWN

The cautious increase that was evident in the previous year in the pace of recruitment has been erased. Fewer than half of the companies have increased their headcount over the past year, down 13 percentage points from the previous year. Meanwhile a lower percentage of companies have needed to terminate employees; 16 percent have reduced their workforce – a decrease of 7

percentage points. At the same time, the proportion that have not changed their headcount has doubled, signifying that companies are taking a cautious stance.

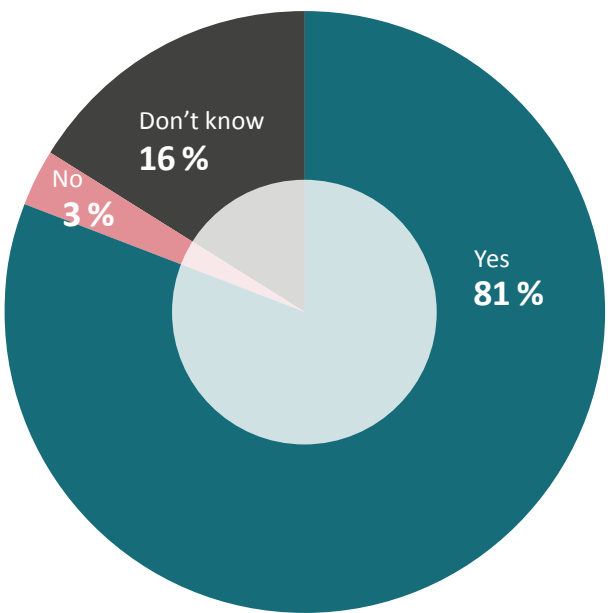
There are signs of some optimism: 81 percent of the companies are in need of new recruits in 2026, up 8 percentage points from the previous year.

Did it become easier or more difficult to recruit relevant talent in 2025?

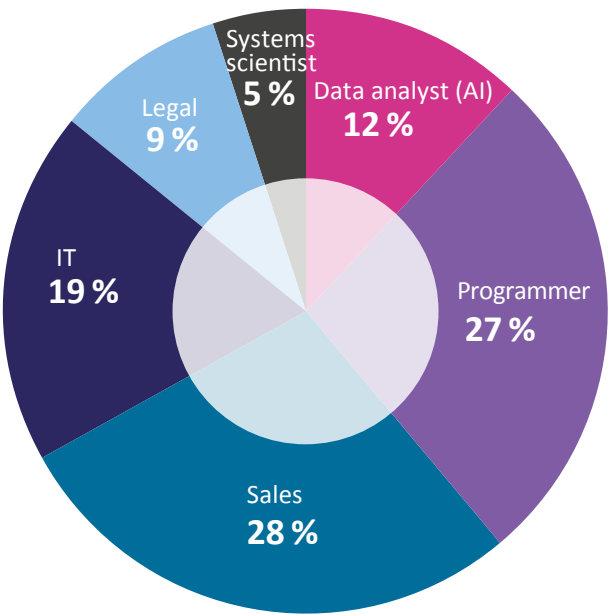


Almost half of all companies believe that it became easier to recruit relevant talent in 2025. In highest demand was expertise in sales and programming, followed by IT skills.

Do you need to recruit in 2026?



Which skills have you added?



FINTECH CONSOLIDATION

– MATURITY, EXIT PATH, OR THE END OF INNOVATION?

Alexis Kopylov, CEO DBT

Over the past decade, bank challengers and fintech companies have driven the development of more user-friendly, transparent, and data-driven financial services. At the same time, banks have reduced their physical presence, increasing the need for digital customer journeys. This is where challengers have excelled, with faster development cycles and solutions designed for digital use from the outset.

Banking is a game of scale, and the market is now entering a new phase where several challengers are being acquired or integrated into larger financial groups. This is a clear sign of maturity. Challengers have proven their relevance, built solutions that work at scale, and created technical infrastructure that established institutions now want to access. Consolidation is reshaping the market as entrepreneurial speed increasingly meets institutional stability.

We have recently experienced this transition ourselves. Since becoming part of NOBA Bank Group earlier this year, we have strengthened our funding platform. The partnership has amongst other things brought size and a new funding structure enabling larger ticket sizes, longer tenors, more flexible amortization structures, and a lower cost of funds that allows more competitive pricing.

Customer value as the decisive factor

For customers, consolidation can bring greater security, more stable pricing, and access to a broader range of financial services within one ecosystem. At the same time, the fintech sector has reshaped expectations: clear pricing, simple onboarding, and services designed around the customer rather than internal processes. If these

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Consolidation is becoming a natural step as fintech companies mature and financial institutions seek to combine innovation with scale.

principles remain guiding forces within larger institutions, customer value will continue to improve.

The balance between maturity and innovation

When a fintech company becomes part of a larger structure, a delicate balance emerges. Entrepreneurial companies are driven by speed and the ability to make decisions with limited information, while large organizations often operate through processes, risk frameworks, and regulatory structures.

If the challengers retain clear mandates, dedicated teams, and a culture that encourages experimentation, innovation can continue to thrive with greater impact thanks to stronger resources and stability. But if integration leads to excessive centralization, the innovation that created value risks being lost. Consolidation itself is therefore not the problem, the challenge lies in how it is executed.

Implications for Swedish SMEs

For small and medium-sized enterprises, consolidation can both strengthen and weaken market

conditions. Continued innovation can lead to better products, greater transparency, and improved access to capital. But if market dynamism declines, the risk is a more uniform landscape with fewer alternatives.

We are already seeing this shift across the Nordic financial landscape. Over the past year, several fintech companies have been acquired by larger institutions, including Swedbank's acquisition of Stabelo, Länsförsäkringar's acquisition of SAVR, and Borgo's acquisition of Hypoteket. During a panel at The Fintech Day last year, I had the opportunity to discuss this trend with Michael Wolf, Carl Johan Nordquist, Daniel Aarenstrup, and Hampus Brodén. Many of the reflections shared on stage echo what we are now seeing across the market: consolidation is becoming a natural step as fintech companies mature and financial institutions seek to combine innovation with scale.

At its best, consolidation can create a stronger ecosystem for growing businesses by combining fintech innovation with the financial strength of established institutions. Maintaining a vibrant climate for innovation will be crucial if Sweden's SMEs are to continue growing. Looking ahead, I also believe we will see more interesting partnerships and acquisitions as the sector continues to mature and new collaborations emerge between fintech companies and established financial institutions. ■



QUALIFIED STOCK OPTIONS SHOULD BE AVAILABLE TO FINTECH COMPANIES

Employee stock options are benefits where employees have priority in purchasing shares in their company at a favourable price. This is a common tool used by startups to attract and retain talent, because it is often difficult to compete with established actors on salary. Two thirds of fintech companies offer employee stock options. Traditional stock options are the most common type, followed by warrants.

Traditional stock options are taxed as income and therefore include payroll taxes. There is, however, a more beneficial form of stock option – so-called qualified employee stock options. The holder is only taxed when the share is sold and is then taxed on capital income, which means a lower tax rate. Qualified employee stock options are meant to be used by small startups, but unfortunately the range of industries that are allowed to use these is limited, and the fintech industry is excluded from using this alternative⁶. Accordingly, fintech companies find it harder to compete for attractive talent compared with tech companies in other sectors. This is a big competition problem and SweFinTech will continue to push for the financial sector to be included in the qualified employee stock option system.

Which incentive programmes do you use?



FACT

Employees stock options

Employee stock options are a key tool for attracting and retaining talent, especially when competing for expertise internationally as foreign companies often offer such plans.

⁶ PWC (2023) "Personaloptioner i startups – hur fungerar det?"

SAVINGS AND INVESTMENTS UNION (SIU) IS AN OPTION FOR THE FINTECH INDUSTRY

In March 2025 the European Commission presented a proposal for a Savings and Investments Union (SIU). The proposal builds on the Capital Markets Union, expanding the focus beyond investments to include saving. The purpose of the proposal is to encourage Europeans to invest their savings in the stock market since many Europeans, unlike Swedes, save their money in bank accounts. Those accounts provide low returns and European companies are missing out on capital that could drive innovation forward.⁷

Work is already under way and the Commission has submitted a proposal for a European model for investment accounts, inspired by Sweden.⁸ This is a positive example of how Sweden's strong capital market can show the way for effective tools that facilitate and simplify consumer investment.

The SIU is part of a broader ambition to improve the financial literacy of EU citizens and their understanding of their personal finances and options. The European Commission has also submitted a proposal on open financial services with the Financial Data Access Regulation (FiDA), where giving consumers the right to share and move their financial data is intended to make the financial market more innovative, competitive and tailored. If both the SIU and FiDA are successfully implemented, they can complement each other and help the EU reach its goal of increased growth and improved competitiveness.



⁷ European Commission (2025) "Communication on the Savings and Investment Union"

⁸ European Commission (2025) "Savings and Investment Accounts"

A man with a beard and short brown hair is speaking into a yellow microphone. He is wearing a dark blue button-down shirt and a yellow lanyard with the text "SWEDISH FINTECH ASSOCIATION" repeated. The microphone has a logo of a cluster of dots. In the foreground, there are several yellow disposable cups with the same dot logo, and a glass of water. The background is dark and out of focus.

02.

POLICIES AND REGULATIONS

POLICIES AND REGULATIONS

It has been another year with a heavy regulatory burden for the fintech industry. Following the entering into force of the Digital Operational Resilience Act (DORA) in January 2025, ensuring compliance with cybersecurity requirements is very demanding for companies. At the same time, intense efforts are under way to implement the Anti-Money Laundering Regulation (AMLR), which will be strictly enforced in summer 2027.

At the end of 2025 the EU Parliament and Council of the European Union reached an agreement on the Third Payment Services Directive (PSD3) and the Payment Services Regulation (PSR), which is an important step towards a more open and resilient internal market for payments.⁹

The Financial Data Access Regulation (FiDA) negotiations are continuing after a turbulent year. In February 2025 it came out that the proposal could be withdrawn. However, after intensive discussions, FiDA is still on the table and trilogue negotiations are still under way.¹⁰

Meanwhile, Markets in Crypto-Assets Regulation (MiCA) has entered into force and the European Bank Authority (EBA) has declared that crypto asset service providers (CASP) who work with e-money tokens need to apply for authorisation as a payment service provider according to PSD2.¹¹

Alongside this are frenetic simplification efforts within the EU – the so-called Omnibus Simplification Package – intended to simplify existing regulations to reduce the burden on European companies and support their innovation and competitiveness.

The Swedish Government has chosen to go in the opposite direction. Instead of simplifying the rules, the Government has introduced stricter ones, including requiring a banking permit to issue and broker consumer credit.



⁹ European Parliament (2025) "Payment services deal: More protection from online fraud and hidden fees".

¹⁰ Đurić, Miroslav & Ritter-Döring, Verena (2026) "Fintech Outlook 2026: Key trends to look out for" Taylor Wessing

¹¹ EBA (2025) "EBA publishes No Action letter on the interplay between Payment Services Directive (PSD2/3) and Markets in Crypto-Assets Regulation (MiCA)"

POLICY PROPOSALS

An open finance regulation should be introduced and include a broad range of financial services to open up for more competition in the financial market.

FiDA, the EU's framework for open financial services, is still in trilogue negotiations between the European Commission, the Council of the European Union and the European Parliament.

Introduce a debt and credit register to improve consumer protection in the consumer credit market.

Despite a directive from the Riksdag and requests from the authorities, the Government has chosen not to proceed with a debt and credit register.

The right to a bank account for fintech companies needs to be strengthened.

Banks should be required to report in writing the reasons for fintech companies being de-risked. Companies should also have the right to appeal decisions to the Financial Supervisory Authority (FSA).

The problem remains and the debate has primarily focused on consumers' rights to a payment account. Although FSA has now been tasked with producing guidance on approaching the right to an account while considering the Anti-Money Laundering Regulation, there is still no clear focus on business accounts for financial actors.¹²

The Swedish Competition Authority should investigate competition in the financial market.

SweFinTech would like the Swedish Competition Authority to have better tools to make industry-specific investigations and examine competition in the financial market.

The final report of the investigation, *SOU 2025:22 – Improved Competition in the Public and Private Sectors*, proposes expanding the authority of the Competition Authority to investigate competition issues and decide on measures to support competition.

The Government should actively support Swedish fintech.

The Government should take active steps to support the Swedish fintech industry in any way possible. This could be through simplified and more explicit rules, access to good dialogue with supervisory authorities and targeted financial support as needed.

The Government has tasked the authorities with improving their guidance. SweFinTech is now in discussions with the Swedish Authority for Privacy Protection on allowing companies to apply to use its regulatory sandbox and has also been invited to give feedback on FSA's new Innovation Compass.

¹² The Government of Sweden (2026) "Ny vägledning ska ge fler tillgång till grundläggande banktjänster"

Several actors should be included in efforts to future-proof the financial infrastructure.

To future-proof the financial infrastructure, it is important for more actors – beyond the traditional banks – to be included in the dialogue and to be given access to the infrastructure once it is in place.

As a result of changes in the EU's Settlement Finality Directive (SFD), in spring 2025 payment and electronic money institutions (EMIs) were given the opportunity to join a settlement system such as RIX-INST if they meet certain access criteria. The bankgirot system was opened up for new participants in autumn 2025.

FSA should introduce a regulatory sandbox to promote innovation in the financial market.

In June 2024 FSA released a report in which the authority once again rejected the idea of a regulatory sandbox.

Give better access to guidance from supervisory authorities in compliance and during permit processes.

Instead of a regulatory sandbox FSA has initiated work on an Innovation Compass. The intention is to provide regulatory guidance through structured dialogue with the financial industry where the industry has requested such guidance. SweFinTech welcomes the initiative but emphasises that the compass does not replace a sandbox because it does not allow innovations to be tested in a real-world context.

Include financial markets in the qualified employee stock option system.

The financial market is still excluded from offering qualified employee stock options which – unlike regular employee stock options – are not taxed as income.

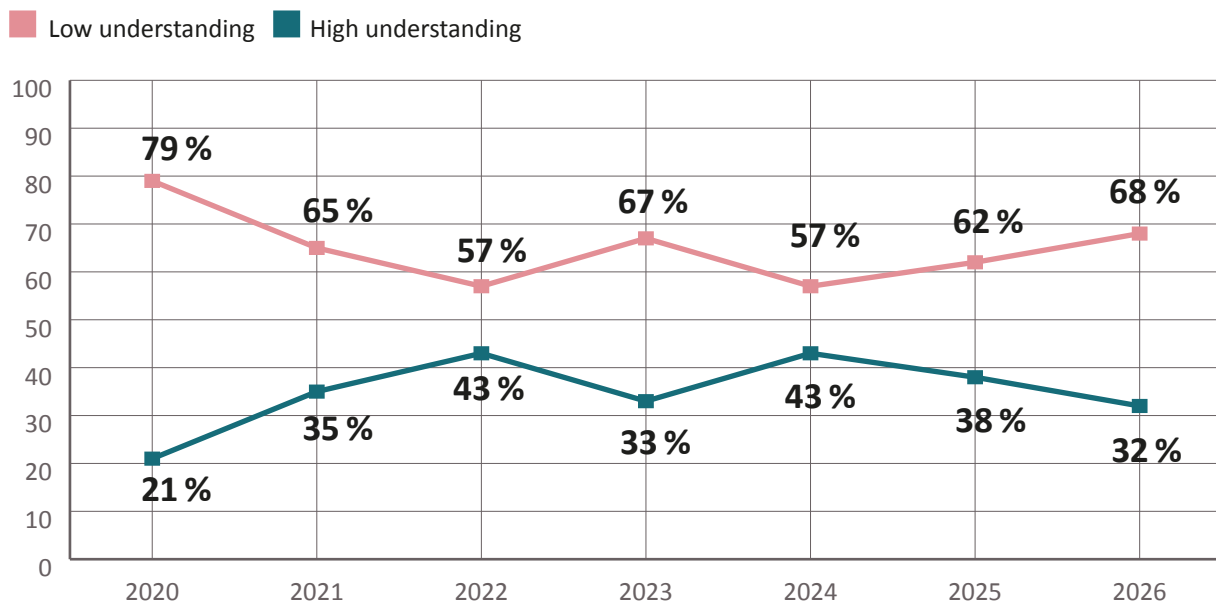
The European Commission's proposal on realtime payments in the eurozone should go into effect immediately – including in Sweden – and Swedish legislators should provide the same opportunities for realtime payments in Swedish kronor

Although the EU's Instant Payment Regulation (IPR), which requires banks to be able to send and receive instant payments, has been in force in the eurozone since October 2025, there is still no requirement regarding instant payments in Swedish kronor. The Riksbank has nonetheless opened up RIX-INST infrastructure for more payments in addition to Swish, enabling account-to-account payments. However, interest among banks has been limited up to now.

UNDERSTANDING OF THE INDUSTRY CONTINUES TO DETERIORATE

The perception is that decision-makers' understanding of the industry continues to deteriorate. 68 percent respond that the level of understanding is low – a decrease of 6 percentage points compared with 2025. These levels have not been seen since 2020.

How do you find the level of understanding of the fintech industry among politicians and decision-makers in Sweden?



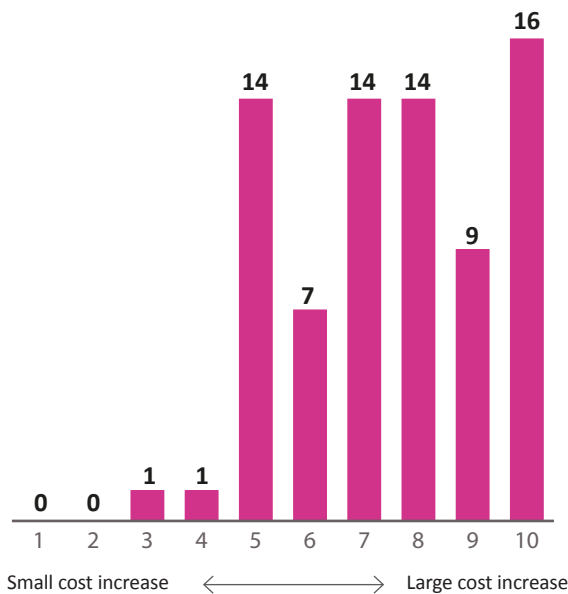
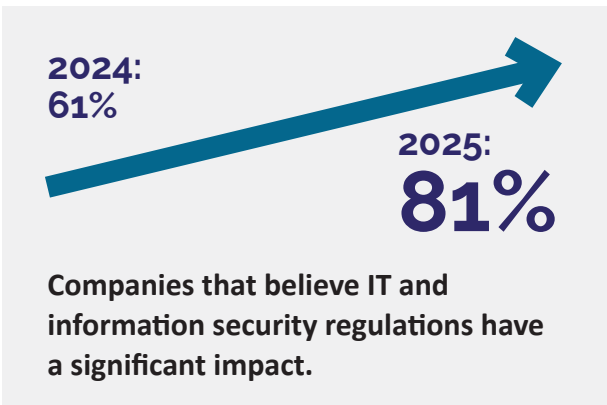
THE COST OF COMPLIANCE HAS INCREASED OVER TIME

81 percent of companies believe that the regulatory burden is heavy, which is in line with previous years. Regulations concerning anti-money laundering and combating the financing of terrorism (AML/CTF) are still having a significant impact on companies, but for the first time since SweFinTech started measuring, this is not in first place. Instead, the regulations regarding IT and information security top the list. A full 81 percent believe that this is having a major impact on their company – an increase of 22 percentage points from the previous year. Included in this category is DORA, the EU’s Digital

Operational Resilience Act which went into effect in 2025. Its reporting requirements have been shown to be both complex and burdensome. At the same time, 69 percent believe that the GDPR affects their operations – an increase of 10 percentage points from the previous year.

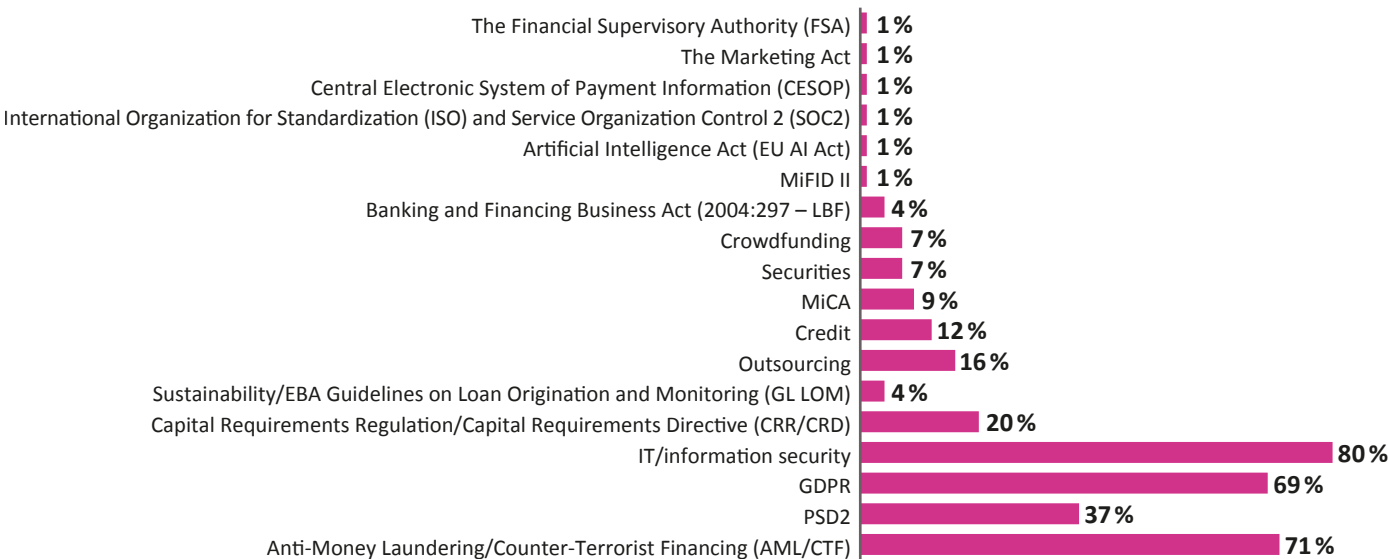
Have compliance costs increased over time?

The companies were asked to rank their cost increase on a scale from 1 to 10.



Which regulation(s) have had the greatest impact on your company’s operations?

The fintech companies were able to select multiple options.



THE REGULATORY BURDEN MAY SUPPRESS INNOVATION

The high regulatory pressure has increased the cost of compliance over time. 71 percent of the companies believe that they have had high cost increases due to the regulatory pressure, and one in five companies state that the burden is their main challenge.

Recently there has been a wave of proposals that could present an increased reporting burden for Swedish fintech companies. One example is the occurrence of duplicate reporting, where companies have to report more or less the same data to multiple authorities. This is the case, for example, the interim report “A stronger fund market”, SOU 2025:60, and the memorandum “Sample collection of data on household debt”.

There is also over-implementation, so called gold-plating of EU regulations. The Government has pushed through stricter permit requirements for consumer credit brokers than those in the rest of the EU and has proposed a new consumer credit law to include down payments for buy-now-pay-later services – a requirement that is not included in the new Consumer Credit Directive.

The regulatory burden and increased reporting requirements could create high entry barriers for

new fintech companies. An ever-increasing share of the compliance responsibility is in practice being shifted to the buyers of fintech company services, which means there is a risk of significantly increasing compliance risk and costs for them. This could lead to established actors being reluctant to work with early-stage innovative companies, regardless of the quality or societal benefits they offer. This impedes innovation, reduces competition and could also cement market structures for the benefit of actors who already dominate the market. In order for Sweden to continue to be a leading fintech country, it needs a more proportionate and innovation-friendly application of regulations, where risk is managed without suppressing new business models.

The European Commission has presented a number of omnibus suggestions, including one on the GDPR, where big changes and simplifications of the regulation are proposed. Hopefully, simplifications could help to both lower costs and reduce the regulatory burden on companies. The positive effect of this could, however, be diminished if the Government continues to place stricter requirements on Swedish fintech companies than required according to EU legislation.

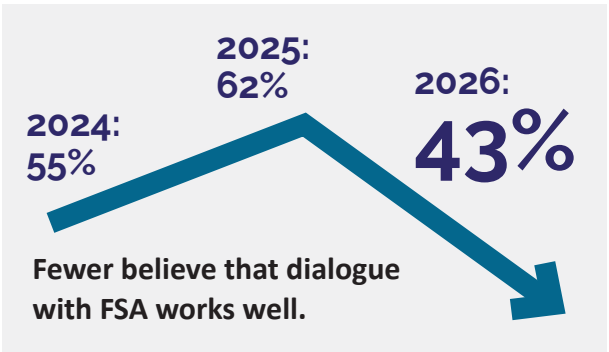


A NATIONAL DEBT AND CREDIT REGISTER IS A BETTER SOLUTION THAN SAMPLE COLLECTION

The Government has proposed that data on Swedish people’s indebtedness be collected through sample collection of data on household debt. It is proposed that the data be collected and entered into Statistics Sweden’s microsimulation model Fasit with limited public insight. Alongside this the Government has tasked FSA with gathering similar statistics on household debt.¹³ SweFinTech believes that a national debt and credit register would be a better method to gain

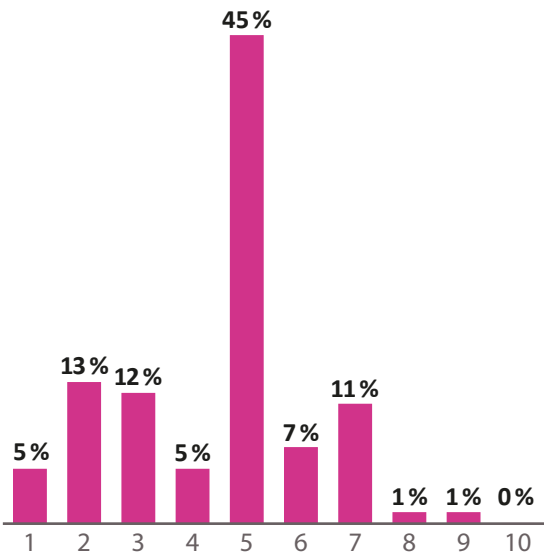
an understanding of Swedish indebtedness. This is a proposal that SweFinTech has been promoting for several years. In addition to benefitting the authorities, a register like this would also be good for companies, allowing them to assess their customers’ repayment capacity in a more targeted way and thereby reduce over-indebtedness. The register proposal received support from a majority of parliamentarians in the Riksdag.

DIALOGUE WITH FSA HAS DETERIORATED



How do you think FSA’s guidance on regulatory matters is working?

Fintech companies were asked to rank the guidance on a scale from 1 to 10.



There has been a drastic decline in how companies view dialogue with FSA. Only 43 percent give it a thumbs up, a decrease of almost 20 percentage points. Meanwhile, 75 percent of companies believe that dialogue with FSA only provides low to medium value.

SweFinTech has long been emphasising the need for improved guidance from FSA. 80 percent believe that FSA’s guidance is mediocre or poor. Only one in five companies believe that FSA’s regulatory guidance works well.

The companies also believe that the authority has failed in terms of openness for innovation, and in the application of technology neutrality in relation to regulations, supervision and guidance. Only one in five believe that FSA is open to innovation and applies technology neutrality. The remaining 80 percent believe that FSA is either mediocre or failing in that regard.

53 percent of companies are subject to the supervision of FSA. 21 percent state that they applied for a permit from FSA or another authority in 2025.

¹³ Ministry of Finance (2025) "Regleringsbrev för budgetåret 2026 gällande Finansinspektionen"

THE INNOVATION COMPASS PROVIDES HOPE FOR IMPROVEMENT

After years of actors in the financial market demanding better guidance, and after being overtaken by the regulatory sandbox of the Swedish Authority for Privacy Protection (IMY), FSA has presented a new method for guidance – its Innovation Compass.

The idea is to work with the industry to create the conditions necessary for more explicit, useable and accurate guidance. This initiative will be launched in spring 2026 when FSA will select one area for discussion following dialogue with the industry. Companies will then be invited to join a reference group to discuss the challenges presented by the legislation.¹⁴

The Innovation Compass is not a regulatory sandbox where companies can test their business in relation to the legislation by setting parameters. Rather, it has an advisory purpose, with the intention that the guidance will benefit the entire market.¹⁵ SweFinTech sees it as positive that FSA is making efforts to improve its guidance, and hopes

that the Innovation Compass will result in concrete and useable guidance that will make it easier for the financial industry to navigate a complex regulatory landscape.

SweFinTech would also like to stress the importance of the Innovation Compass actually having an innovation focus. It could be a new innovative business model that highlights regulatory interpretation difficulties. It could spotlight areas where guidance is needed.

With that said, SweFinTech still believes that a regulatory sandbox similar to that of the UK's Financial Conduct Authority (FCA) would be valuable for the Swedish fintech industry's competitiveness. The FCA has established a regulatory sandbox in which both authorised and as yet unauthorised companies can apply to test new financial solutions on a small scale with real customers. The UK also has the most well-established and successful fintech market in Europe.



¹⁴ FI (2025) "FI lanserar ny metod för att identifiera och hantera vägledningsbehov vid innovationer".

¹⁵ FI (2025) "FI lanserar ny metod för att identifiera och hantera vägledningsbehov vid innovationer".

THERE NEEDS TO BE INCREASED FOCUS ON THE RIGHT OF FINTECH COMPANIES TO ACCESS BANKING SERVICES AND FINANCIAL INFRASTRUCTURE

Access to banking infrastructure and trust accounts is an existential issue for fintech companies, particularly payment service providers. It is therefore concerning that just under one in three fintech companies have been subject to de-risking. De-risking is where fintech company requests to open a new bank account are denied, their existing accounts are terminated or their service offering is restricted. Those primarily impacted by de-risking are payment services and crypto companies, but the phenomenon exists in all categories of businesses.

One general observation is that the majority of the affected companies choose not to appeal or to have de-risking decisions reconsidered. The few that do take action mainly approach the account-holding bank or seek external legal advice. The effects of these steps is, however, marginal: a full 88 percent of the companies asked report that legal advice or contacting a bank or public agency has not changed their situation. This indicates widespread resignation and a perception that existing processes are ineffective in managing de-risking within the Swedish fintech sector.

FACT

DE-RISKING

De-risking means that a company has had difficulties establishing/maintaining a customer relationship with a bank or has been threatened with so-called off-boarding. For example, the bank no longer provides financial services to a company or provides services to a limited extent.



Up to now the debate has primarily focused on the right of consumers to a payment account. FSA has recently been tasked with producing guidance on approaching the right to an account while considering the Anti-Money Laundering Regulation (AMLR), but there is still no clear focus on business accounts for financial actors.¹⁶

The situation regarding the payment service providers' right to accounts is, however, improving. Through the EU's new payment services packages (PSD3 and PSR) the requirements are now significantly more strict. According to the new rules, bank decisions on access to banking services are to be objective, non-discriminatory and proportionate. This means that banks can no longer deny access with broad reference to money laundering without being able to actually prove that there is a high risk in the individual case. It is critical at this time for Sweden to proactively implement these stricter requirements to ensure that the banking sector does not use the AMLR as a tool to limit innovation and competition.

There should be a legal requirement for banks that deny or terminate a business relationship with a fintech company to provide a detailed, written explanation based on an individual risk assessment. Furthermore, fintech companies must be given a real right to appeal such decisions to FSA for fast and independent review.

¹⁶ Regeringen (2026) "Ny vägledning ska ge fler tillgång till grundläggande banktjänster"

DEFICIENT FUNCTIONALITY IN DEDICATED INTERFACES IS A PROBLEM FOR PAYMENT SERVICE PROVIDERS

Since PSD2 was launched, there has been repeated criticism from fintech companies that the banks' dedicated interfaces – Application Programming Interfaces (APIs) – are deficient.¹⁷ Seven years after the directive went into force, many Swedish fintech companies are still struggling with this issue.

54 percent believe that the quality of the APIs is poor or mediocre. Only just over one in five believe that the APIs maintain good quality. The most common problem is the APIs' lack of functionality, which can mean that they fail to meet technical requirements. Also mentioned are slow response times from the banks' support departments, system instability (temporary or lasting stoppages), deficient technical documentation, and the problem of customer authentication presenting a significant obstacle for effective use of PSD2 APIs.

Despite the shortcomings, half of all fintech companies choose not to use APIs from foreign institutions. Out of the one in four of those that do so, the majority believe that there is no significant difference in quality compared with Swedish APIs. Using a foreign interface does not solve the problem; the quality of APIs needs to be improved throughout the EU.

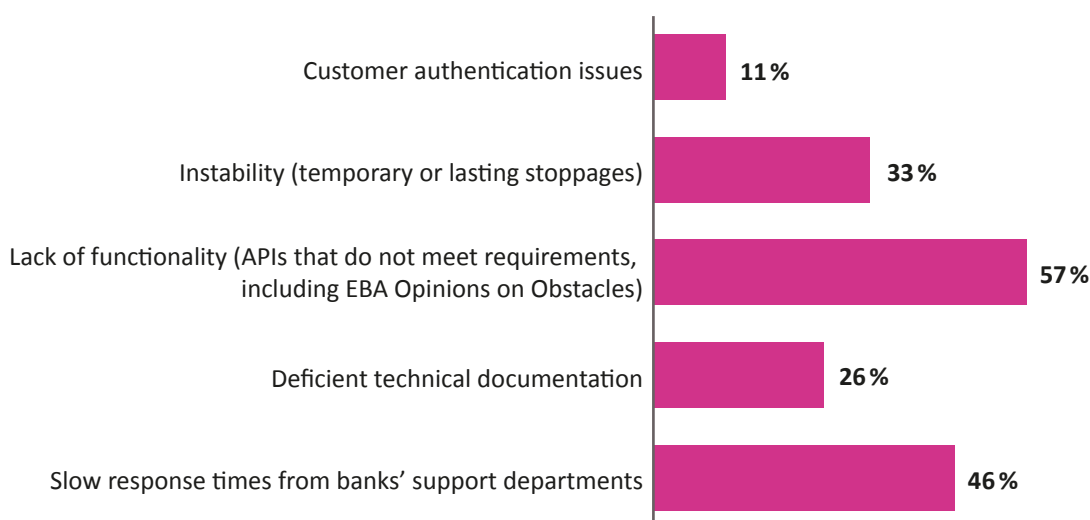
The effectiveness of FSA's attempts to fix problems up to now seems to be limited. Only 5 percent of companies have chosen to report problems with PSD2 APIs to FSA. Of these, three quarters felt that the dialogue and how they were treated by the authority was mediocre, and similar figures apply to the authority's attempts to fix reported problems. This indicates that FSA has not been able to fully address the operative challenges of PSD2 APIs.

FACT

PSD3/PS

The European Commission's proposal for a new Payment Services Regulation (PSR) and a new Payment Services Directive (PSD3) was presented in June 2023 as a follow-up to the Second Payment Services Directive (PSD2). PSD2 has been plagued by a number of problems, including uneven implementation within the EU and deficient APIs. The new regulation will place stricter requirements on APIs and is intended to harmonise implementation of open banking at the EU level.

If you have faced any challenges, which of the following are the most obvious?



¹⁷ Mansour, Osama (2025) "The platformization of banking in Sweden".

THE THIRD PAYMENT SERVICES DIRECTIVE HAS STRICTER REQUIREMENT FOR API QUALITY

Efficient, standardised APIs are crucial if fintech companies are to be able to deliver high-quality, innovative and continuous services to their customers. The fact that APIs have failed to deliver high quality since PSD2 was implemented is having a negative impact on competition.

SweFinTech hopes that the new Payment Services Regulation (PSR) will improve the conditions for Swedish payment service providers. The PSR contains more explicit requirements regarding API functionality, including a list of concrete examples of functionality failures and obstacles that are not

to occur. However, if the regulation is to be effective, thorough supervision is required to identify shortcomings and issue sanctions if problems are not fixed. One common criticism among fintech companies has been that supervision of PSD2 has been poor or uneven, and that the supervisory authorities lack the necessary expertise to understand technically complex deficiencies in the APIs that the banks are providing.¹⁸ This is an issue that must be remedied if PSR is to have the EU's desired effect of increasing innovation and competition in the payment market.

WITHOUT INSTANT PAYMENTS SWEDEN WILL BECOME LESS COMPETITIVE

The Riksbank opened up for more payments to be settled in the instant payment system, RIX-INST, in November 2024.¹⁹ There has, however, been very little interest in it from the Swedish banks. This means that it is still not possible to make instant payments directly from a bank account, even if it is a technical possibility. At the same time, there is already a range of instant payment options in our neighbouring countries, and Sweden is falling further and further behind.²⁰

RIX-INST is based on the European Central Bank's settlement system TIPS. The Riksbank is currently working on making instant payments possible between currencies and over borders through its TIPS Cross Currency project. The initiative has the potential to create a more cohesive payment market in Europe. Account-to-account payments also help to reduce dependence on US-owned payment

card infrastructure for cross-border payments. In addition to this, several European equivalents of Swish are working on facilitating efficient instant payments over national borders.²¹ The European payment market is becoming increasingly united and it is unfortunate that Swedish consumers and businesses are currently excluded from this development.

If Swedish banks are not willing to voluntarily connect their bank accounts to RIX-INST, legislation will be required to ensure that Swedish consumers and businesses have the same opportunities as in the rest of Europe. The Government should as soon as possible require an instant payment option in Swedish kronor, similar to the requirement that exists for euro in the EU Instant Payments Regulation. This would strengthen both resilience and innovation in the Swedish payment market.

¹⁸ Mansour, Osama (2025) "The platformization of banking in Sweden".

¹⁹ The Riksbank (2024) "Nu kan fler betalningar än Swish nå mottagaren omedelbart"

²⁰ Mølgaard Pedersen et al (2025) "Payments in the Nordics"

²¹ The Riksbank (2025) "Europeiska motsvarigheter till Swish vill möjliggöra betalningar över landsgränserna"

OPEN FINANCIAL SERVICES STRENGTHEN EUROPEAN INNOVATION

The Financial Data Access Regulation (FiDA) has had a turbulent year. Since the negotiations between the Council of the European Union, the European Commission and the European Parliament started, the negotiators have been subject to powerful lobbying from traditional financial market actors with the aim of delaying or limiting the scope of the proposal.²² This has slowed the progress of the trilogue negotiations on the application areas and implementation schedule of the regulation.

FiDA should, however, be seen as a tool rather than an obstacle for innovation and competition. Enabling consumers to move their financial data will result in more competition in the financial market, create innovative and personalised services and reduce the cost for customers. Demand already exists; open financial services are used by

millions of Europeans.²³ Giving consumers a better overview of their personal finances may improve financial literacy among Europeans and hopefully result in more strategic and conscious financial decisions. This is exactly the purpose of the European Commission's other initiative, the Savings and Investments Union (SIU).

Instead of limiting and delaying implementation of FiDA, the focus should be shifted to ensuring that the regulation promotes user friendliness and innovation. Unnecessary data restrictions and a long implementation period with varying time horizons within the EU will defeat the purpose of the legislation. Proof of the demand already exists; now its time for politicians to demonstrate courage so that the EU can fulfil its goal of being more innovative and competitive.

THE DIGITAL ASSETS MARKET IS MATURING

It has been a strong year for digital assets, stablecoins and tokenisation. A US government with a more positive approach to this area has contributed to investments in crypto companies almost doubling in 2025 compared with 2024. Four crypto companies are on the list of the 10 largest fintech investments globally.²⁴

Interest has increased in, for example, stablecoins, a type of digital asset that is designed to maintain a stable value compared with another asset. Stablecoins can be used for faster and less expensive cross-border payments, and there are multiple plans to create a stablecoin linked to the euro. One such stablecoin could in theory help to strengthen Europe's strategic autonomy and create alternatives to cross-border payments via non-European infrastructure.

Regulation of stablecoins is, however, considered more favourable in other markets because MiCA contains certain gaps and interpretation problems.²⁵

In Europe the focus is in obtaining a permit according to the MiCA regulation which regulates digital assets, including stablecoins. In 2026 the transition period will end and the regulation will go into force fully throughout the EU. Now it is important to ensure that implementation of the regulation is clear and harmonised within the Union. Otherwise the continent may fall behind the rest of the world in the development of innovative services for digital assets.

²² Đurić, Miroslav (2025) "FiDA Update: The EU's journey to Open Finance" Taylor Wessing

²³ Insurely (2025) "Open Finance Report 2025."

²⁴ CBS Insight (2026) "State of Fintech 2025"

²⁵ The Riksbank (2025) "Stablecoins kan ge bättre betalningar, men risker kvarstår"

CONCLUDING WORDS

The economic downturn in Sweden continued in 2025 and the share of companies that have raised capital is the lowest since SweFinTech began to measure this. At the same time, several fintech companies have become profitable and a number of SweFinTech's goals are on the way to being achieved.

Payment and e-money institutions have the opportunity to join a settlement system and FSA has presented a new method for guidance. At the EU level, a process of simplification of the rules is under way and it will hopefully lead to a lower regulatory burden on companies. These developments are important for ensuring that the fintech industry is at the forefront. There have also been setbacks, such as increased reporting and permit requirements in Sweden.

It is clear that SweFinTech is needed to speak for the industry and to secure the necessary conditions for greater competition and better financial services for both businesses and consumers.

A photograph of two men on a stage. The man on the left has curly hair and is wearing a dark suit with a yellow lanyard. The man on the right is holding a yellow microphone with a black dot pattern and is wearing a dark suit. Between them is a small table with a glass of water and yellow cups. The background is a plain wall. The image has a yellow vertical bar on the right side.

03.

ABOUT THIS REPORT

METHODOLOGY AND DATA

The analysis in the report is based partly on quantitative data from SweFinTech's member survey and partly on qualitative data in the form of open responses and interviews with representatives of SweFinTech's member companies. The survey was sent out in October 2025 to 146 companies, of which 76 responded. The questionnaire was limited to member companies whose main activities are within fintech and therefore was not sent out to law firms, consultancies and the like that are included in the total membership count. A few fintech companies who are not members also responded to the survey.

In total, the survey consisted of 50 questions covering six areas: information and background, financing, recruitment, legislation and regulations, and the financial infrastructure. The questions were both closed-ended (where the respondents chose from predefined options) and open-ended (allowing respondents to elaborate on their answers and reasoning). A large part of this report's content is based on the results obtained by SweFinTech from the survey.

The information in the report that is not based on responses from the member survey relies on SweFinTech's own knowledge of the fintech industry and information gathered through conversations with industry experts. Secondary sources, primarily from previous studies and reports, were also utilised.

Preparation of the report ran from October 2025 to February 2026.

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A BIG THANK YOU TO EVERYONE WHO ATTENDED FINTECH DAY ON 10 NOVEMBER 2025!



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