

German savings platform Raisin just hit a €1.7 billion investment milestone



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Over 50,000 people across Europe have invested more than €1.7 billion (£1.4 billion) through German savings startup Raisin's platform, the fintech announced on Tuesday.

The figure is [up from €1 billion \(£860 million\) announced in April](#). The growth has come from new customers and existing customers putting more money through the platform, head of Europe Katharina Lueth told Business Insider.



Raisin's cofounders.

Berlin-based Raisin, founded in 2013, lets customers across Europe invest in savings accounts around the EU that offer the best interest rates.

Lueth told BI: "The basic idea is we have theoretically a single European market but when you look at flow of capital, and in particular savings products which I would say for 80% of EU residents is still their most important product, it's still a highly localised market. That means customers can't really benefit from interest rate differentials across the EU. If I wanted to open a bank account in Poland, say, it would be virtually impossible.

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"What we do is allow customers a very simple way to access offers across borders with other European banks. With us what you do is open an account once and then from that account onwards you have very simple access to all those savings products and switching between banks is a lot easier."

Raisin, formerly known as WeltSparen, does not hold customer money, instead opening an individual account for each saver with the corresponding account. Raisin currently has a

German, English, and French-language version of its service and Lueth says the majority of investment currently comes from Germany.

Lueth says much of the money that has been invested over the platform has gone to high-yield savings accounts in "peripheral" EU countries such as Bulgaria, Croatia, Portugal.

But she adds: "On the other hand, we also see a strong attraction to perceived stable countries, for example Swedish banks or German banks."

Raisin has 20 banks signed up to its platform and today also announced that Portugal's Haitong Bank, a subsidiary of China's Haitong Securities, is joining.

Lueth says: "One big things [for banks] is diversification of sources of funding. Most banks get most of their funding from a single market or two or three markets. It's always nice to not just stand on one leg, so to speak. The second thing is we take care of a fair amount of the process for the bank."

Lueth says the Brexit has not had a noticeable effect on activity on the platform (it only have one UK bank signed up, FBN Bank), saying: "Largely speaking I think people are very much in a wait and see mode at the moment."

However, she says that the company would have to rethink its presence in the UK if there is a "hard" Brexit and the UK loses its passporting rights.

Raisin raised [€20 million \(£16.1 million\)](#) in August 2015. The funding round was led by Palo Alto-based Ribbit Capital and London's Index Ventures.

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