



£200 MOMENTS AGO

£20 SAVED

£500 MOMENTS AGO

£29 SAVED

500 € MOMENTS AGO

24 € SAVED

THE EXCHANGE FACTOR

Naked PROTESTS, open letters, and a conscious campaign AGAINST Donald Trump. How one fintech CHANGED how we transfer money – by removing the ‘WRONGNESS’ from banking.

WORDS AMY MOLLOY

As a fintech with a minimal marketing budget, how do you make a splash in a huge country like America? This was the dilemma the money transfer company TransferWise faced when they decided to take the start-up – co-founded by a former Skype employee – stateside.

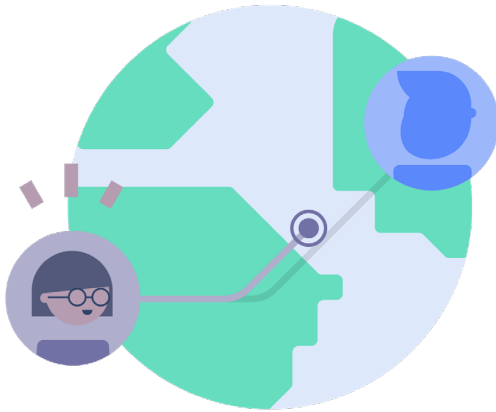
The solution? They organised for one hundred TransferWise employees, customers, and a few paid extras to walk, run and dance along Wall Street – without any clothes on.

“The first time we did anything like that stunt was back in London when we launched,” says Joe Cross, employee number 10 at the company, and head of TransferWise’s North American expansion. “It was summer in London and it wasn’t too bad. But in New York, it was the coldest February in 80 years. We left our underpants on, thank god.”

The resulting video, #Nothing2Hide, has been watched more than 50,000 times on YouTube and made headlines internationally, even appearing on *Good Morning America*. Most importantly, it spread an important message about a company dedicated to transparency.

When Taavet Hinrikus and Kristo Käärman launched TransferWise in 2011, they were frustrated by the amount that banks were charging for international money transfers, especially as many hid these fees from customers.

Taavet had worked for Skype Estonia, so was paid in euros, but he was living in London. Kristo earned pounds working in London, but had a mortgage in euros back in Estonia. They devised a simple scheme. Each month, the pair checked that day’s mid-market rate on Reuters to find a fair exchange rate. Kristo put pounds into Taavet’s UK bank account, while Taavet topped up his friend’s



Estonian account with euros. Both got the currency they needed, and neither paid a cent in hidden bank charges. And so, the idea for TransferWise was born.

Their aim was simply to “remove all the wrongness” from the banking system, letting people send money abroad at the lowest possible true cost, using only real exchange rates and tiny, not-hidden fees.

Today, more than a million people use TransferWise, with customers transferring more than £1 billion every month via the platform, saving £45 million per month in fees overall. There are now 61 countries you can send money to using TransferWise, and 38 countries you can send money from.

They recently amassed US\$58 million in a series C funding round. Sir Richard Branson took part in a previous funding round that raised US\$25 million to go towards their mission.

“Behind the business was this deep belief that if people realised just how much they were being screwed over by their banks they would, in their droves, flock to companies like ours,” explains Joe. “Out of that came the idea of transparency. How do you bring that to life in the most simple way possible? Obviously, the best way was to take our clothes off.”

The tongue-in-cheek stunt actually had a serious undertone. TransferWise launched in the aftermath of the financial crisis, opening their headquarters in London, when the economy was at its shakiest. “When I joined, there were only the founders and one other person in London,” says Joe, who previously worked for price comparison websites. “This was in 2012, four years after the banking crash. What was left was this zeitgeist of people no longer trusting the banking system.”

As an unknown fintech, they had no problem finding employees. “Our office is 200 metres away from the banks,” says Joe. “There was this stage when we were getting so many CVs from people saying, ‘I did a finance degree, I’ve always wanted to be a banker. Now I’m a banker and I hate it. Please can I come and work for you?’”

The bigger issue was winning over customers. “We had to educate people that they had a problem,” says Joe. “Every time a certain bank tells its customers you get a free money transfer, every time an airport bureau has a big sign saying ‘no commission’, it’s lies! What they’re often doing is adjusting the exchange rate and making chunky profits without telling people.” >



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TODAY,
MORE THAN
A MILLION
PEOPLE USE
TRANSFER
WISE, WITH
CUSTOMERS
TRANSFERRING
MORE THAN £1
BILLION EVERY
MONTH VIA
THE PLATFORM,
SAVING £45
MILLION PER
MONTH IN FEES
OVERALL.

”



“

PERHAPS ONE DAY, AS AN AIRBNB HOST, YOU COULD GET ALL OF YOUR FEES THROUGH TRANSFERWISE. IT'S SUCH A HUGE MARKET – THE ENTIRE WORLD'S MONEY.

”

So, they embarked on an awareness campaign. In addition to naked marches, they enlisted the media as a megaphone and relied on building up word-of-mouth recommendations. “Our customers are crazy-viral,” says Joe. “They evangelise like you wouldn’t believe. It’s part of this anti-bank vibe, but also because the product’s good, they like it and want other people to find it.”

As the company grew, they added more currencies – and employees. Today, more than 700 employees work across 10 global offices, with the largest in Tallinn in Estonia, where the founders are from.

“The company is set up as a bunch of mini start-ups,” says Joe. “That was my mission in the US – to go out and create a mini start-up called TransferWise North America. We went out with this starting assumption that most Americans hate their banks.” But, this time, their message didn’t resonate.

“We discovered Americans are very traditional in their banking, or they were three years ago,” he says. “People chose their bank because their parents used that bank. We were coming over from Europe saying, ‘Your system is broken and we’re going to fix it for you’. We had to change our thinking around our message, rather than blazing in with a big red flag.”

Instead of focusing on transparency alone, they realised technology was their selling point. “At the time, most

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[Americans] still used paper cheques to pay their friends,” says Joe. “We found people were more interested in our tech – the idea of a cool app – rather than the ethical part of our mission.”

This earned an adequate number of customers, but how could they make

a bigger splash in the market? “At the time, people seemed to be engaging more with this immigration debate,” says Joel. “At the same time, Donald Trump emerged as a figure on the stage. We discovered through Facebook data that 90 per cent of our customers were going to vote for Hillary

Clinton. We ended up doing some very conscious campaigning.”

In a brave move, Joe wrote an ‘open letter’ to America in which he called out the ‘awkward truth’ of America’s immigration debate. Posted on Medium, it praised hard-working immigrants and the economic benefits of a country with a ‘melting pot’ of cultures.

“We created this second story about how TransferWise stands for people who have open minds and live across borders,” he says. “It was incredibly polarising, but the people who have the kinds of lives who need TransferWise, by definition they agree with us.”



It also tied in with their latest product, Borderless Account. The international account allows people to send, receive and organise money without exorbitant transfer rates. You can also get a local account number, allowing global workers to be paid by foreign clients without overseas bank fees.

“There are multi-currency accounts that have been available in the past, but they had huge fees,” says Joe. “We found one where you had to have a minimum balance of US\$100,000. We wanted to offer this product and also make it free or as cheap as possible. There’s a democratisation element.”

As a company, TransferWise are also transparent with their employees. When Taavet Hinrikus announced that he was stepping down as CEO, to be replaced by co-founder Kristo Käärmann, the news was shared with all of their offices around the globe at the same time in a group video call.

After the UK voted to leave the EU, the media erroneously broke a story that TransferWise were planning to shut their London headquarters, but that was just a rumour. They have, however, recently launched an office in Sydney, and predict that more than AU\$3 billion will be sent to and from Australia in its first year.

“A few forward-thinking banks are starting to use TransferWise to do their money transfers, which is really cool,” says Joe. “We’re getting banks coming to us asking us to power their money transfers. Perhaps one day, as an Airbnb host, you could get all of your fees through TransferWise. It’s such a huge market – the entire world’s money.” ■

