

# FS*tech*

## Paragon Bank enters online market

Paragon Bank has launched in the online space this week, offering loans and savings products to UK customers and SMEs.

The new financial institution has been granted a banking licence by the Prudential Regulation Authority and is part of the FTSE 250 Paragon Group, which is already established as a mortgage and consumer lender.

Paragon Bank will initially offer car financing loans, with easy access and fixed rate savings accounts to follow online in the spring, supported by a UK-based customer services team. Personal loans will also be available at the end of the year.

The bank will operate from headquarters in Solihull and be led by managing director Richard Doe, who was previously chief executive of ING Direct UK.

Commenting on the new opening, Doe said: "Paragon Bank will bring choice and customer focus to the UK banking market, by providing consumers with straightforward, competitive products that are transparent, easy to understand and manage. Our aim is to establish Paragon Bank as a trusted banking partner for our customers and business partners."

Industry observers said that the launch of a new challenger bank was a sign of "entrepreneurial energy" in the financial services sector.

Freddie McMahon, head of innovation and strategy at FusionExperience, commented: "Paragon's success in the financial services market will lie in its decision to join the industry with simple products that have low levels of risk.

"By launching an online-only offering that is focused on personal loans and savings, Paragon can reduce the overheads associated with compliance and capital adequacy requirements so that it can quickly achieve scale and focus on delivering a competitive offering."