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Insights by Nicola Breyer

**The Maturing of FinTech:
Challenges, Opportunities,
and What's Next**



Nicola Breyer, is a seasoned FinTech leader, investor, and entrepreneur with over 25 years of experience, is a passionate advocate for Open Finance and sustainable innovation.



In an exclusive interview with Cribb Executive Search, Nicola shares her perspective on the rapid maturation of the FinTech industry, the growing influence of regulation, and the increasing role of data-driven finance. As a leading voice in the field, she highlights the challenges and opportunities shaping the sector's future. Speaking at FIBE 2025, Nicola delves deeper into these themes, offering valuable insights on key trends and what's next for financial innovation in an evolving digital landscape.

The FinTech industry has undergone a significant transformation in recent years. Once defined by rapid disruption and exponential growth, the sector is now entering a phase of maturity—marked by a focus on profitability, regulatory adaptation, and technological convergence. Maturity can also mean significant scaling efforts, as we are seeing companies like N26, Qonto, Revolut, IDNow, Raisin, Klarna and more grown exponentially and strive for either long-term independent growth or an IPO. FinTech is also by far more than start-ups.

Financial Institutions all have large technology organisations, who overcome legacy issues, generate significant number of jobs, and contribute to the digital transformation of our sector. Against this backdrop of transformation, industry events like FIBE play a crucial role in fostering collaboration and knowledge exchange.

• A Shift Towards Sustainable Growth

“The FinTech industry has grown up,” Nicola notes. After years of hypergrowth and venture-backed expansion, companies are now prioritizing sustainable business models. While major players like Revolut and N26 have cemented their place in the industry, a new „technological middle class“ of mid-sized, regulated firms is emerging—creating long-term stability and jobs.

This shift comes with challenges. Funding has become more selective, and not every startup will survive the transition. However, Breyer sees this as a healthy normalization, allowing experienced founders to launch new ventures with a clearer path to profitability.

• Regulation: A Barrier or an Opportunity?

FinTech has always thrived on innovation, but regulation is now playing a defining role in shaping the industry's future. **“For instance, Europe has a unique opportunity to create a unified regulatory framework around open data, digital identity, AI and safe data spaces across 27 countries,”** says Breyer. However, the challenge lies in striking a balance between imposing strong rules for regulatory protection, compliance and fostering.

She warns that established financial institutions may use lobbying to slow down change. To counter this, open dialogue between policymakers, regulators, startups, and incumbents is essential. Initiatives like the Open Finance Charter aim to bridge this gap, ensuring that a measured voice looking at the opportunities, striving for pragmatic regulatory frameworks contributes to regulation and fosters innovation, rather than stifles progress.

- ## AI, Digital Identity & The Future of Finance

Looking ahead, Breyer highlights generative AI, digital identity, potentially European payment schemes, and the digital euro as defining themes for the industry. AI-powered financial solutions are on the rise, but she cautions against the hype, emphasizing that structured, regulated data is key to meaningful genAI applications.

Digital identity is another critical area. With the EU planning to introduce an EU-Digital Identity wallet by 2026, secure and user-controlled data wallets could transform how individuals manage their financial and personal information, using the EUDIW as a basis. Similarly, the digital euro is closer to becoming a reality, offering a new approach to digital payments. Ultimately, the industry is moving beyond the hype cycle into a more structured, innovation-driven phase.

“Payments will always be a foundational flow of FinTech,” Breyer says, but the real breakthroughs and value creation are more likely to come from a more interconnected, data-driven financial ecosystem.

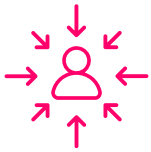
- ## Boosting Diversity: The Push for More Female Leadership in FinTech

Despite its evolution, FinTech still has work to do in terms of diversity. Women hold only 17–19% of leadership positions in the industry. Breyer emphasises: **„You need women at the top who bring a different kind of leadership style into the mix, but this requires a deliberate and targeted efforts“**.

During her time as CEO at Qwist, Nicola Breyer successfully increased the percentage of women in the company from **16% to over 35%**, including female developers. This achievement highlights her commitment to fostering diversity and creating a more inclusive workplace.

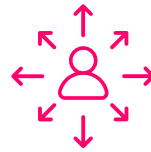
- ## Implications for Talents and Leadership in FinTech

As FinTech matures, the companies that successfully navigate regulation, embrace sustainable growth, and leverage emerging technologies will define the next decade of financial services. Nicola Breyer states, **„FinTech is no longer just for disruptors—it requires stable, strategic leadership and well-rounded talent to succeed in the evolving landscape.“** By bridging the old and the new, leaders must merge traditional finance expertise with tech-driven innovation, enabling their companies to stay competitive while navigating the complexities of regulatory challenges.



BIGGEST CHALLENGES

- 1. Regulation & Bureaucracy** – The FinTech sector in Europe faces a **complex and often excessive regulatory environment**. While structured regulation can drive innovation, too many restrictions can slow down progress.
- 2. Access to Capital** – The industry has experienced a **funding slowdown** post-2021. The market has shifted toward profitability, making it harder for startups to secure investment.
- 3. Talent Acquisition & Compliance** – Hiring qualified professionals, particularly those with **BaFin accreditation**, is a significant challenge, limiting the growth of regulated businesses.
- 4. Resistance from Traditional Players** – Large banks and insurers **lobby against disruptive innovations**, which can stifle competition and slow the adoption of new technologies.
- 5. Fragmentation in EU Regulations** – While the EU offers a chance for unified regulation, **each country still pushes its own agenda**, leading to inefficiencies and compliance burdens.
- 6. Hype vs. Reality in AI** – Generative AI is overhyped, and its practical application in financial services is **still in its infancy** due to the need for structured, regulated data.
- 7. Slow Adoption of the Digital Euro** – Although it's progressing, **consumer awareness and practical use cases remain limited**, making its widespread adoption uncertain.



BIGGEST OPPORTUNITIES

- 1. AI & Open Finance** – There is **huge potential in AI-driven financial services**, but it requires structured, regulatory-compliant data. **Open Finance initiatives** can enable data-driven innovations.
- 2. Digital Identity & Secure Data Wallets** – The **EU-wide E-ID wallet (expected by 2026)** will create opportunities for financial authentication, fraud prevention, and streamlined transactions.
- 3. Alternative Wealth & Investment Platforms** – More retail investors are entering **private equity and alternative asset markets**, driving demand for new investment solutions.
- 4. Payment Innovation & Digital Euro** – While **instant payments and new payment infrastructures** (like SEPA Instant) continue evolving, the **digital euro could reshape financial transactions**.
- 5. Tech Convergence** – The **merging of AI, payments, digital identity, and financial services** will create new business models and user experiences.
- 6. Stronger Ecosystem & Collaboration** – Initiatives like the Open Finance Charter aim to foster cooperation between startups, regulators, and financial incumbents to **streamline innovation**.
- 7. Berlin as a FinTech Hub** – With its **strong talent pool** and major players investing in tech teams, Berlin is positioned to remain a leading FinTech hub in Europe.

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