



Scaling specialist tech teams in the Financial industry



Introduction



The financial services industry is undergoing a radical transformation due to global volatility and new innovations brought on through generative AI.



To remain competitive, tech leaders are leveraging global talent hotspots to build smaller, more nimble teams of high-output tech specialists.



This report details how building dedicated, fully integrated engineering extensions allows financial firms to scale responsibly while maintaining operational safety.

Four key technology trends in the finance industry



Hyper personalisation

Financial services are moving on from generalised customer segments to data-driven hyper-personalised models. By leveraging behavioural data and real-time transaction data, wealth managers and insurance providers are able to customise portfolios and dynamically adapt coverage offerings.



Tech modernisation

Legacy infrastructure and tech debt are still reported as the top barriers to innovation among Financial services CTOs and tech leads. More than 70% of the world's largest banking institutions still operate on core transactional systems built in the 1980s and 1990s¹.



Market pressure and profitability

Global volatility, inflation and lower interest rates due to central banks cutting rates are placing pressure on financial institutions. Growth alone is no longer possible to keep up with these demands, and so executives are looking to cost-optimisations and efficiencies to protect their margins.



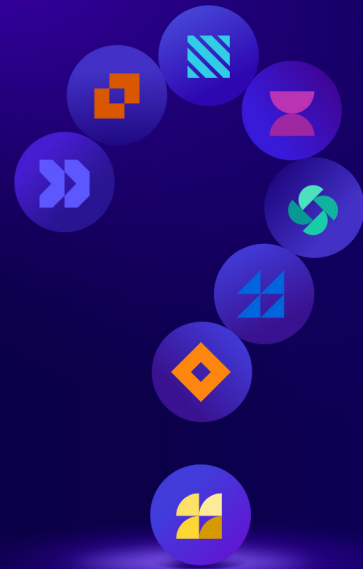
Embedded finance

The integration of financial services within non-financial applications and infrastructure has become a major source of growth recently. The embedded finance market reached \$156 billion globally in 2026 and is projected to expand significantly over the next five years². To drive this growth, financial companies need to develop scalable and adaptable API infrastructure capable of handling high-frequency requests.

¹. Accenture (2025) Accenture 2025 Banking Technology Report: The Crushing Weight of IT Debt. London: Accenture Strategy.

². Embedded Finance Hub (2026) The Embedded Financial Services Infrastructure Maturity Index 2026–2031. Global Market Insights Research

What is changing in offshoring?



Nearshoring in Europe has traditionally provided UK and Irish firms with a middle ground for software development, particularly during the post-pandemic digital transformation wave. In recent years, however, there has been a shift away from nearshoring due to a combination of overhiring in nearshore teams and inflation.



We have received feedback that salaries across Europe, inc. Eastern Europe, have increased a lot, which also impacts cost savings quite dramatically. In some cases, developers are demanding salaries on par with UK salaries.

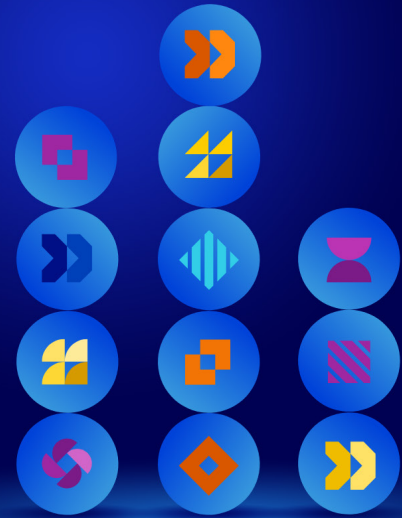


Concurrently, European finance firms have increased demand for cybersecurity experts and senior profiles with knowledge of finance regulations due to the increased demands from factors including the EU DORA (Digital Operational Resilience Act), which came into full force in 2026.



Due to these factors, more companies are reevaluating offshoring to larger tech hubs such as Bangalore. These locations have larger talent pools with a wealth of experts in both legacy and bleeding-edge technology. These are helping provide the technical skills they need with at least 50% overlap while helping with cost-optimisations.

The financial vertical intersection



The industry-specific trends and security and regulatory requirements of Financial institutions have created a unique set of challenges for technical departments in financial companies.



Specialised domain expertise

To combat the talent crunch for specialised roles, especially high-impact developers with domain and regulatory knowledge, finance tech leaders are turning to global talent spots to extend their operations. Karnataka state, for example, has **50% of all of India's AI and Machine Learning talent**, most of which is located in its capital, Bangalore³. Extending with new operation hubs enables cost-effective access to even rare skills.



High-efficiency teams

The correction to the overhiring driven by the pandemic has led to new engineering team structures focused on high-output senior developers. The lean and nimble teams of engineers can leverage AI capabilities to bring new features and products to market faster and reduce administrative and operational overheads.



Deeper integration

Traditional outsourcing and project-based engagements are less popular due to the lack of knowledge retention, quality issues, and low visibility into operations. To address these issues, more financial companies are focusing on offshore models that offer deeper integration. This alignment ensures distributed teams follow the same standards, such as ISO 27001, ISO 9001, and EU DORA mandates, while retaining essential employees.

3. Government of Karnataka (2025) Bengaluru Innovation Report 2025: Global Capability Centres and the Advanced Engineering Ecosystem. Bengaluru: Department of Information Technology, Biotechnology and Science & Technology.

Finance companies we've already helped

At The Scalpers, we've helped companies around the world set up over 130+ offshore tech and data teams in Bangalore, including many in various financial sectors. Here is a small example of the companies we've helped.

PEI

FINANCIAL DATA PROVIDER

- 50-person R&D hub established
- 2 products released in 6 months
- Data operations established

PEI wanted to bring their development in-house in order to drive their transformation from a legacy platform to a modern FinTech. They set up an Offshore Development Centre (ODC) in Bangalore and released 2 new products in the first year before scaling to add data operations.



PREQIN

a part of BlackRock

DATA PROVIDER

- Launched flagship product within a year
- 450+ GCC established and transferred ownership
- \$3.2 Bn acquisition by BlackRock

Initially, Preqin set up an offshore team to turn a proof of concept into a new offering and help digitally transform the company. The success of their team and the quality of talent led to them establishing their largest office globally and eventually transferring ownership to become their own GCC.

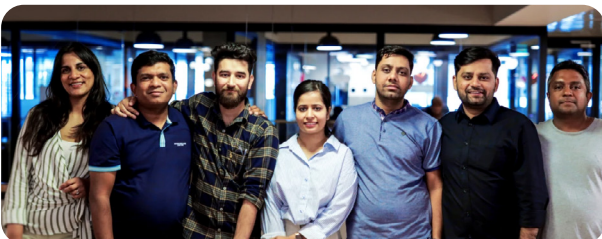


allpay

PAYMENT PROCESSOR

- 9-person offshore team
- 32% a year saved on total costs
- 0 attrition in four years

Based outside of a major tech hub, allpay had struggled to attract and retain the skills they needed for their payment solution. By extending their team in Bangalore, they managed to finally deliver their roadmap and reduce payment processing errors by 30%.



The Taxback Group

FINANCIAL SERVICES

- 40+ engineer R&D hub established
- 15+ year old platform rebuilt in 6 months
- Regained competitive advantage against market leaders

Taxback's 15+ year-old tech stack and tech debt were preventing them from matching new entrants' offerings. They set up an ODC in Bangalore, which refactored their product, enabling them to regain their market position.



Future-proof your roadmap

If you are struggling with similar issues
or seeking to deliver your roadmap but lack the skills
and domain knowledge internally, then
get in touch with our advisory team.

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They'll take the time to listen to your specific needs
and offer tailored advice based on
their knowledge of the offshoring market.