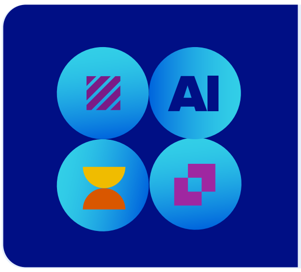
REPORT

THE SCALERS

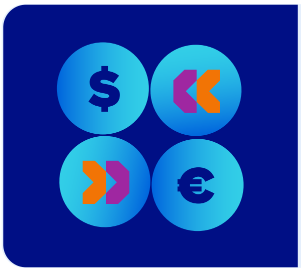
Scaling specialist tech teams in the Financial industry

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 1990s[1].

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 years[2]. 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?

While many financial institutions already have some form of offshoring, there has been a decrease in expansion, with 51% of GCCs expanding in the last year compared to 86% three years ago[3]. This matches a shift in strategy to correct the overhiring brought on by the COVID-19 pandemic, to a focus on building leaner and more efficient teams with high-impact employees.

This is not possible under traditional vendor-managed outsourcing, and is a risk at GCC service providers who focus on scale, not quality. In this situation, it's not uncommon to experience high turnover as the best employees leave for better opportunities, while also incurring significant management overhead and delays.

In 2026, high-performing financial services companies are overcoming these challenges with a new model of offshoring. One that focuses on building teams with more senior employees and integrating them fully within the organisation. This helps to overcome the communication challenges, retain knowledge, and results in a faster delivery pipeline.

3. EY (2025) India's GCCs driving Intelligent, AI-native enterprise shift: EY India GCC Pulse Survey November 2025.

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. Kanatkara state, for example, has **50% of all of India's AI and Machine Learning talent**, most of which is located in its capital, Bangalore[4]. 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.

4. 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 Scalers, 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.

advisory@thescalers.com

Ryan Chana
Global Head of Advisory
ryan.chana@thescalers.com
+44 (0)20 4525 8444

OJ Budak
Senior Associate
oj.budak@thescalers.com
+44 (0)7366 313 286

Musab Patel
Associate
musab.patel@thescalers.com
+44 (0)786 2136532

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