FinTech Case Study

A Study on the Emerging Robo-Advisor Industry

Overview and Origin

Whether it’s loan or insurance or even personal banking, the frequency in which a modern person encountering some sort of AI programed representative from their favorite financial institutions is most definitely on the rise. From 2019 to 2020, the growth investment managed by robo-advisor has grown 30% at 460 billion and is expected to grow to 1.2 trillion by 2024. This growth is largely driven by the reliance on technology by millennials and Gen Z. Today we’re going to take a look at Borrowell, a Canadian financial company that focuses on using robo-advisor to give Canadian advice on credit product as well as guidance to improve their credit score.

Borrowell was founded in 2014 by Andrew Graham and Eva Wong. The company started as a credit company that provides Canadian a free and easily accessible way to keep track of credit scores. On top of that, it also provides education on how to improve credit score by using an AI-powered coach named Molly to help user better understand the specific area in which they can target to have maximum result on improving their credit score. The company was funded by funding type, Series C, meaning investors inject capital into the core of the business in an attempt to scale the business as fast and quickly as possible, which is very common in the tech sector as we have seen many similar technological focused companies before it.

While Credit Karma provides credit insight from the TransUnion credit score matrix, Borrowell provides Canadian with the credit score insight from Equifax. Both provide free credit score check as well as free advice on how to improve credit score in general. However, Borrowell does have Molly, an AI-powered coach to help answer questions from user regarding credit score. Both are widely used by Canadian due to the fact that, depending on the banks, Equifax and TransUnion credit score are used to determine one’s credit worthiness. For example, RBC uses TransUnion credit while TD bank uses Equifax. As such, it’s important to keep a tab on both credit score to see which one can be used to your advantages.

Borrowell would eventually by acquired by Refresh Financial in 2021 and now have over 2 million active users. Like most companies, Borrowell uses its platform to provide recommendation on credit product that’s most suitable for the user and in return generate revenue from leads. As a final note, as a user of the app itself, I can safely say it has helped enable to improve my credit score with its Robo-advisor and I would happily recommend anyone who’s trying to improve their credit worthiness using this app.