# Wise’s move to New York highlights structural crises in London’s tech market



The London stock market is bracing for significant upheaval as fintech company Wise announces its planned relocation of its primary stock listing to New York. This move, set against the backdrop of broader concerns about London's competitiveness in retaining tech firms, is emblematic of a growing trend of British companies seeking more favourable conditions abroad. Wise, valued at approximately £12.5 billion, had initially entered the London market in 2021, raising hopes for a sustained presence in the FTSE 100. However, the fintech’s exit from the UK-dominated market highlights ongoing challenges facing London’s financial ecosystem.

The rationale behind Wise’s decision is multifaceted. It aims to tap into the deeper capital markets of the US, expecting that increased liquidity will attract a larger pool of investors. In addition, the company hopes to enhance its trading performance and broaden its investor base. Industry insiders suggest that the move is driven not by dissatisfaction with its current valuation—Wise has performed well since its IPO—but rather by the allure of US market conditions. Specifically, dual-class share structures and more responsive governance appear to lure firms towards a more stable and lucrative marketplace. Despite this, analysts argue that many companies moving to the US do not show significant long-term valuation gains, raising questions about the wisdom of such transitions.

Wise is not an isolated case; other notable firms have succumbed to the trend. Indivior and Deliveroo have also transitioned to US listings, signalling a worrying pattern for British tech. The imminent threat of bids from American firms for UK-based companies like Alphawave and Craneware adds to the unease. With Qualcomm reportedly facing a deadline to formalise an offer for Alphawave, the urgency of these takeover discussions showcases the tenuous nature of London’s tech landscape. The perception that the US market is a panacea for underperforming companies is further bolstered by the failures of local players to compete successfully.

Crucially, while Wise intends to maintain a secondary listing in London to retain some ties, the broader implications of its move raise eyebrows. The recent actions of companies to abandon the London market stem from a perceived lack of confidence in UK financial regulations and governance standards. Reports indicate that certain regulatory decisions have hampered firms like Wise from qualifying for prestigious indices such as the FTSE 100, leading to frustrations within the financial community.

Moving forward, the call to reform the London market has gained momentum. Proponents advocate for the abolition of stamp duty on share transactions and the introduction of more flexible corporate governance frameworks. The necessity for such reforms is underlined by the challenge of nurturing UK institutional investment and encouraging pension funds to allocate more capital to domestic equities rather than overseas assets.

Ultimately, the narrative surrounding the London stock market reflects a deeper concern: without a conducive environment for wealth generation, the ability to redistribute it effectively also diminishes. As figures like Simon Peckham of Rosebank seek to rejuvenate the UK business landscape with their investment strategies, the message is clear—successful companies need a receptive market that values their potential and fosters growth.

In closing, while Wise's relocation marks a notable moment in London's financial history, it serves as a wake-up call. Without decisive action to address the structural issues and enhance the overall appeal of the UK market, London risks becoming a less attractive destination for innovative firms, leading to a continued exodus of talent and capital.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/comment/article-14792051/RUTH-SUNDERLAND-No-wealth-mean-no-welfare.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/4d627b3f-1f2c-4fcc-ac53-98b6776c695b), [[3]](https://www.ft.com/content/9c8fed05-e0c3-407f-bce4-f471a6524c5a)
* Paragraph 2 – [[3]](https://www.ft.com/content/9c8fed05-e0c3-407f-bce4-f471a6524c5a), [[5]](https://www.reuters.com/breakingviews/wises-us-listing-switch-lacks-financial-wisdom-2025-06-05/), [[6]](https://www.ft.com/content/c943e67e-1cf0-4eb3-9a99-254e284f3802)
* Paragraph 3 – [[2]](https://www.ft.com/content/4d627b3f-1f2c-4fcc-ac53-98b6776c695b), [[4]](https://cincodias.elpais.com/mercados-financieros/2025-06-05/la-fintech-wise-deja-londres-para-cotizar-en-nueva-york.html)
* Paragraph 4 – [[6]](https://www.ft.com/content/c943e67e-1cf0-4eb3-9a99-254e284f3802)
* Paragraph 5 – [[1]](https://www.dailymail.co.uk/money/comment/article-14792051/RUTH-SUNDERLAND-No-wealth-mean-no-welfare.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/4d627b3f-1f2c-4fcc-ac53-98b6776c695b)
* Paragraph 6 – [[1]](https://www.dailymail.co.uk/money/comment/article-14792051/RUTH-SUNDERLAND-No-wealth-mean-no-welfare.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/4d627b3f-1f2c-4fcc-ac53-98b6776c695b)

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## Bibliography

1. <https://www.dailymail.co.uk/money/comment/article-14792051/RUTH-SUNDERLAND-No-wealth-mean-no-welfare.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/4d627b3f-1f2c-4fcc-ac53-98b6776c695b> - Wise, a leading UK fintech company valued at £11bn, announced its decision to move its primary stock listing from London to New York, delivering a significant blow to London's shrinking pool of listed companies. This follows similar moves by other firms like Indivior and Deliveroo, highlighting that London is struggling to retain tech companies despite government reforms aimed at making the market more attractive. Wise’s departure is particularly impactful given its relative success since its 2021 listing and its initial consideration for entry into the FTSE 100. The move underscores broader concerns about the competitiveness of London’s capital markets, which have faced more company delistings than additions in recent years. The migration of firms to the US is attributed to more favorable conditions such as permanent dual-class share structures and better market incentives. Industry leaders and advisers are urging the UK government to implement swifter reforms, including making dual-class structures permanent and eliminating stamp duty on share purchases, to prevent further erosion of the City’s financial standing and ecosystem. Meanwhile, hopes are pinned on upcoming IPOs from companies like Monzo and Zopa to revive market confidence. ([ft.com](https://www.ft.com/content/4d627b3f-1f2c-4fcc-ac53-98b6776c695b?utm_source=openai))
3. <https://www.ft.com/content/9c8fed05-e0c3-407f-bce4-f471a6524c5a> - UK fintech company Wise announced plans to switch its primary stock market listing from London to New York, aiming to attract more US investors and improve share liquidity. Originally listed in London in 2021 at nearly £9 billion, Wise has thrived, with its market capitalization now at £12.5 billion. The company, co-founded in 2011 by Estonians Kristo Käärmann and Taavet Hinrikus, sees the US move as strategic for expansion into the world's largest economy. Wise, which serves over 15.5 million active customers, reported strong financials for 2024-25: a 17% rise in underlying pre-tax profits to £282 million and a 15% increase in revenue to £1.2 billion. While retaining a secondary listing in London, the US shift makes Wise ineligible for the FTSE 100 index. The move mirrors similar recent decisions by UK companies such as Ashtead, Flutter, and Deliveroo, raising concerns about London's status as a global financial hub. The listing change is subject to shareholder approval and is expected to take a year. Wise emphasized that access to deeper capital markets—not valuation or deregulation—drove the decision. Despite a £350,000 FCA fine for CEO Käärmann, he continues to lead the company. ([ft.com](https://www.ft.com/content/9c8fed05-e0c3-407f-bce4-f471a6524c5a?utm_source=openai))
4. <https://cincodias.elpais.com/mercados-financieros/2025-06-05/la-fintech-wise-deja-londres-para-cotizar-en-nueva-york.html> - La fintech británica Wise, anteriormente conocida como TransferWise, ha anunciado su decisión de trasladar su cotización principal a la Bolsa de Nueva York, aunque mantendrá una cotización secundaria en Londres. Esta medida refleja la tendencia creciente de empresas que abandonan el mercado londinense debido a su baja valoración y escasa liquidez. La decisión responde también a normas recientes del regulador británico que impidieron la inclusión de Wise en el índice FTSE 100. La compañía espera que esta doble cotización aumente la liquidez, facilite el acceso a inversores estadounidenses y abra la puerta a su inclusión en índices del mercado norteamericano. Wise, valorada en unos 13.000 millones de euros y con presencia significativa en Londres y Tallin, considera a EE.UU. como su mayor oportunidad de mercado. Las acciones de Wise subieron más de un 12% tras el anuncio. La compañía celebrará próximamente una junta de accionistas para votar sobre esta propuesta. A pesar del traslado, Wise reiteró su compromiso con Londres y afirmó que no se esperan cambios operativos significativos. ([cincodias.elpais.com](https://cincodias.elpais.com/mercados-financieros/2025-06-05/la-fintech-wise-deja-londres-para-cotizar-en-nueva-york.html?utm_source=openai))
5. <https://www.reuters.com/breakingviews/wises-us-listing-switch-lacks-financial-wisdom-2025-06-05/> - Wise, a UK-based money transfer firm valued at $15 billion, plans to shift its primary stock listing to the U.S. from London to attract more American investors and enhance stock liquidity. CEO Kristo Käärmann believes the move would help reduce trading volatility and broaden Wise’s investor base. Despite those intentions, the decision is seen as questionable. Wise already enjoys a high valuation and doesn’t appear to experience a trading discount due to its London listing. Moreover, concerns about its corporate governance, especially Käärmann's outsized control via super-voting Class B shares, may deter potential investors. Critics argue that reforms in governance could improve liquidity and help the company join the FTSE 100, which has higher trading volumes than the S&P 500. Additionally, the U.S. generates only 20% of Wise's revenue, ranking behind Europe and Asia, weakening the rationale for a U.S. listing. With the risk of becoming another underperforming transatlantic “orphan” stock, and given no plans for executive pay hikes, the strategic and financial benefits of the shift remain unclear. Investors rewarded the announcement with a 9% stock price increase, but doubts linger about the long-term value of moving across the Atlantic. ([reuters.com](https://www.reuters.com/breakingviews/wises-us-listing-switch-lacks-financial-wisdom-2025-06-05/?utm_source=openai))
6. <https://www.ft.com/content/c943e67e-1cf0-4eb3-9a99-254e284f3802> - Wise, a British fintech company specializing in international money transfers, has announced plans to move its primary stock listing to a US exchange. The company hopes to achieve a higher valuation and attract more US customers by tapping into America’s larger and more liquid capital market. With a market capitalization of £11.5 billion, this move by London’s third-largest listed tech group intensifies concerns about the declining appeal of the UK financial market. However, industry analyses, including those by UBS and the Financial Times, suggest that listing location does not significantly impact company valuations. In fact, many British firms are already heavily invested in US markets, and London's FTSE 100 derives most of its revenue internationally. Furthermore, US institutional investors already hold substantial stakes in UK-listed companies. Wise's intention appears more symbolic than strategic, highlighting the UK market’s image issues rather than actual structural disadvantages. While Wise experienced a temporary stock boost following the announcement, data indicates that such relocations rarely provide sustained benefits. Addressing London's reputational challenges and nurturing a robust domestic venture capital ecosystem remain vital for retaining tech talent and investment. ([ft.com](https://www.ft.com/content/c943e67e-1cf0-4eb3-9a99-254e284f3802?utm_source=openai))