

**J**AMES DA COSTA IS A FORBES 30 UNDER 30, MIT Innovator under 35, Gates Foundation Goalkeeper and Alibaba eFounder, among other accolades.

A co-founder of digital bank Fingo, da Costa is a Partner at Andreessen Horowitz (a16z), and a researcher at Stanford University's Institute for Human-Centered AI. His 2024 book *Fintech Wars: Tech Titans, Complex Crypto and the Future of Money*, became a *Sunday Times* bestseller, offering what one prominent reviewer called "the inside scoop on billion-dollar companies."

**How did you go from consulting to where you are today?**

I began my career at McKinsey in London, working primarily with large banks and industrial companies, helping them innovate and build startups. The common thread throughout my career has been startups. During my university years, I was inspired by the rise of digital banks like Monzo and Starling in the UK and I thought, I'd like to have a crack at doing that myself. That led me to Y Combinator, and ultimately to co-founding Fingo, a digital bank in Kenya. We scaled to around 200,000 users.

After stepping back from Fingo, I spent time at



# Fintech Insider

Stanford and wrote *Fintech Wars*. I interviewed industry leaders including the founders of Linked-In, PayPal and Capital One. It was a deep dive into the intricacies and motivations behind building billion-dollar disruptors.

I have always had a passion for helping others build and invest in startups, which led me to Andreessen Horowitz. Now, I'm a partner in our AI Apps fund, focusing on AI in financial services and B2B software.

**Digital banks transformed the UK market. How do fintech innovations compare across regions?**

The UK has seen significant fintech adoption with companies like Monzo and Starling gaining real

**JAMES DA COSTA**, a Partner at Andreessen Horowitz and the author of *Fintech Wars*, talks about AI, fintech and venture capital's role in the shifting future of banking. Brunswick's **KIRSTY CAMERON** reports.

traction. In places like Kenya, mobile-first financial solutions are thriving, allowing non-banked populations to access financial services easily.

Over the past decade we've seen promising fintech innovations in areas like public markets—apps like Robinhood democratizing investing for example—and banking solutions, like Mercury and Chime. The next frontier is how AI will transform traditional banking.

### Where do you see AI making the biggest impact in financial services?

It's fascinating. It's clear that AI is poised to make banking far more efficient.

Compliance is a great example—banks have grown huge compliance teams due to regulatory complexity. The fourth fastest-growing job in the US over the last 20 years has been compliance officers in banks. AI could streamline these processes.

AI can handle repetitive compliance reviews, reducing costly backlogs. We've seen banks fined billions due to inefficient compliance systems. AI copilots and voice-based AI can also enhance customer support, making transactions smoother and more intelligent.

### Do you think voice AI will be a growing market in financial services? How do you see it evolving?

Voice AI is going to be game-changing. OpenAI is rolling out advanced voice models, and startups like ElevenLabs are developing AI-generated voices. In financial services, AI-powered customer support agents will replace traditional call centers. Instead of dealing with frustrating bots, AI will offer seamless and efficient support—whether it's upgrading accounts or reversing transactions.

The goal is for AI to surpass human efficiency in routine banking tasks while freeing up human agents to focus on more complex issues.

### What do you look for when investing in startups?

At Andreessen Horowitz, we back the best founder in every credible market and put the full weight of our firm behind them—talent, capital, networks and marketing.

The best founders share two key traits. First, and the most important, is a deep, encyclopedic knowledge of their space. They know the history of their industry, what worked, what didn't and why. The second is unwavering motivation. Many great founders are driven by personal reasons—sometimes even revenge—they refuse to quit because they're determined to solve a problem they've experienced firsthand.

### What makes Silicon Valley special compared to other startup hubs?

The optimism here is unparalleled. Elsewhere, the default mindset is skepticism—people assume your startup won't work. In Silicon Valley, the question is: What if it does? That shift in perspective fuels ambition and innovation.

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The density of top talent also plays a huge role. With AI leaders like OpenAI, Anthropic and Google based here, the future is literally being built in the Bay Area. Founders see startups scale rapidly, making them more willing to take the leap themselves.

### What common mistakes do founders make?

The number one reason startups fail is that founders give up. Most companies don't die because of market issues—they die from internal struggles. If you keep iterating, you can usually find a path forward. That said, market selection matters. If a founder lacks deep knowledge or genuine motivation, it's tough to sustain momentum. In B2B startups, strong sales execution is also critical—you can build an amazing product, but if you can't sell it, it won't succeed.

### Some say AI is overhyped. What's your take?

AI is far from overhyped. The velocity of AI startups is unlike anything we've seen before.

Companies that used to take years to reach key revenue milestones are now hitting them in months. AI is making workers more efficient by automating administrative tasks, allowing them to focus on higher-value work.

Startups that apply AI to specific business problems—compliance automation, AI-powered customer service, AI-driven sales, for example—will drive massive change. 2025 will be a defining year for AI adoption.

### How does working in VC compare to your time at McKinsey?

I really appreciated my time at McKinsey, I had great mentors and consulting was a great foundation—I learned professional skills and gained exposure to large industries. But venture capital is more exciting because you're closer to the action.

Consultants advise from the outside; investors support founders from the inside. The learning curve is steeper, but the impact is greater.

### What excites you most about the year ahead?

The combination of AI and fintech is unlocking new possibilities. Whether it's AI-driven compliance, voice-powered customer service or embedded finance in social platforms, we're on the brink of a major transformation. It's a great time to be building in this space. ♦

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