



CNBC Disruptor 50

Plaid

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[CNBC.com staff@CNBC](mailto:CNBC.com_staff@CNBC)

Founders: Zach Perret (CEO), William Hockey

Launched: 2013

Headquarters: San Francisco

Funding: \$734.3 million

Valuation: \$13.4 billion

Industry: Fintech

Previous appearances on Disruptor 50 List: 0



Plaid's technology [links](#) bank accounts to fintech apps like Venmo, Robinhood and [Coinbase](#) — all of which have seen eye-popping growth during the pandemic. Without a third party like Plaid, start-ups would have to hire their own engineers and create their own ways to sync with banks.

In 2018, a company spokeswoman [likened the problem](#) to traveling abroad with a hair dryer. When you try to plug a U.S. appliance into a foreign outlet, the volts and the physical shape of the plug won't line up. If you jam

the plug in, the dryer will spark, overheat, or just not work. Plaid, in this case acts as the adapter, enabling the outlet (the bank in this metaphor) to connect with the hair dryer (Venmo, to use an example) and work.

That's a simple description for what they do — Plaid also adds analysis on top of the bank account so app users are able to do things like budgeting or expense management. It can authenticate bank accounts for direct payroll deposits and electronic bill payments, verify someone's identity, verify someone's balance in real time and understand income and employment.

The company has grown steadily with its list of customers since it launched in 2013, claiming to integrate with more than 11,000 banks and connected to more than 200 million consumer accounts. While it does not give specific numbers or a full list of companies, Plaid added [Google](#) and [Microsoft](#) as customers last year, and said its customer base grew by 60% in 2020 amid the surge in digital finance.

The company has also attracted a star-studded list of Silicon Valley and Wall Street investors, including the venture investing arms of Visa, [Citi](#), Google and [Goldman Sachs](#). Mary Meeker, the former tech investment banker who has spent the past decade in venture capital, was an early investor and sits on the start-up's board.

Early last year, [Visa](#) agreed to buy Plaid for \$5.3 billion, which at the time was double the San Francisco-based start-up's previous valuation. The Department of Justice [sued](#) to block the deal, alleging that it would limit competition in the payments industry. A few months later, Visa [scrapped its takeover efforts](#). The companies said the decision to end the merger was mutual.

In April, Plaid [raised](#) a \$425 million Series D funding round, led by Altimeter Capital with participation from new investors, Silver Lake and Ribbit Capital. Earlier investors Andreessen Horowitz, Index Ventures, Kleiner Perkins and New Enterprise Associates also added to the round.

CEO Zach Perret said the latest cash injection would help Plaid increase headcount, which already grew by 40% last year, and keep pace with demand. He pointed to new digital adopters like his parents, whose 70-year-old peers are recommending online finance apps to manage spending.

—Contributed by Riley de León and Kate Rooney