



## Financial resilience for renters

Canopy empowers renters with financial tools, a more transparent process, and a path to purchasing a home

by Zak Lambert

*Every year, 6 million UK renters move to a new apartment. Each time, they must undergo an outdated and expensive leasing process.*



For Canopy founder Tahir Farooqui, that inefficiency represented an untapped opportunity.

“Private renters in the UK spend nearly £70bn per year on rent plus council taxes and utilities, often a majority of their income,” explained Farooqui. “By making the renter our customer, we can improve the financial lives of millions of people.”

Based in London, Canopy is a digital rental marketplace that helps renters make better rental decisions, with personalised insights and recommendations based on the user’s unique income and spending habits. It’s a concept Canopy is calling “rental health,” and it’s built on the Open Banking data that Plaid provides.

“We use Plaid data to help our users track their monthly rental expenses and save on household bills,” explained Farooqui. “We also show them what their future can look like, based on different rental decisions they might make.”

### A scalable solution

There was just one problem: the vendor that Canopy had been using to access renters’ personal financial data was having connectivity issues. As a result, Canopy was losing customers.

“When our customers had trouble connecting their financial accounts, they would drop out of our onboarding flow, and we never knew why,” said Farooqui. “There was no communication from the vendor. It was painful.”

Canopy partnered with Plaid in October 2019. After the switch, they found they could instantly connect a user’s financial accounts, verify their identity, and categorise their transactions.

“We so appreciate the transparency,” said Farooqui. “If for whatever reason, Barclay’s goes down, that information is instantly available to us, and we can share it with our users.”

The result has been a better user experience and a 25% reduction in cost. Plaid connects with more than 11,000 financial institutions in the US, Canada, and Europe—a big draw for Canopy, whose plans for growth include international expansion.

“Our aim is to become the global standard for renter mobility, akin to Uber and AirBnB, and Plaid is a global platform,” said Farooqui. “If one of our users arrives from New York and wants to rent in London, they can easily do it.”

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# 45%

With Plaid, Canopy saw their account linking success rate increase by 45 percentage points, from 20% to 65%.

**“It used to take 5 days to verify a renter. With Plaid, we can do it in 60 seconds.”**

**TAHIR FAROOQUI,**  
Founder and CEO, Canopy

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25%

Plaid costs 25% less than Canopy's previous vendor.

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TAHIR FAROOQUI,  
Founder and CEO, Canopy

### Approved in seconds

Canopy's signature offering is RentPassport, a product that supports renters throughout the rental lifecycle: leasing, occupying, and saving towards a resilient financial future.

With RentPassport, a renter enters their application info and connects their financial accounts. From there, Canopy verifies their income and identity, completes the necessary reference checks, and evaluates their creditworthiness.

The next time they want to apply for an apartment, they simply connect their RentPassport. The approval decision is often available within seconds or minutes. (Compare that with the hours prospective tenants typically spend filling out forms and providing bank statements to each prospective landlord.) Canopy also offers the following related financial products:

- **Security deposit insurance.** By paying a small, up-front fee to Canopy, renters can move into a property without paying a security deposit.
- **RentTracking.** Canopy reports on-time rental payments to credit ratings agencies as a way to improve renters' credit scores.
- **Rental Health.** This tool helps renters build a housing budget and gives them actionable insights, such as switching to a low-cost energy provider.
- **Canopy Marketplace.** Canopy Marketplace offers financial wellness products such as lowering utility bills, deposit insurance, on-demand car insurance, and bike insurance.

With Plaid, Canopy has seen its account linking success rate more than triple, from 20% to 65%. The improved user experience has led to a lower customer acquisition cost and an increased customer LTV. Finally, their overall conversion rate for all products has reached 27% — a new high.

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### A more accessible future

Canopy's goal is to give renters easy access to the same financial conveniences as homeowners—and perhaps eventually help them purchase their own homes.

To that end, they're building a raft of new products and features, including one that will allow renters to pay rent and post insurance claims through the app.

“I see a future where renting a home anywhere in the world is as easy as ordering with Deliveroo,” said Farooqui. “Plaid is our partner in that journey.”

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Plaid is a technology platform and data network that enables applications to connect with users' financial accounts. We focus on lowering the barriers to entry in financial services by making it easier and safer to use financial data. Today, we support developers across North America and Europe.