



6x

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Co-Founder and
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Embedded banking boosts retention 6x for tech startup

With Unit + Plaid, Wethos was able to launch banking in just six weeks

Challenge

Tech startup Wethos wanted to embed financial services into their platform, but they didn’t want to spend two years and \$2 million doing it.

Solution

With Unit + Plaid, Wethos was able to launch banking in just six weeks.

Results with Plaid

Since implementing Unit + Plaid, Wethos reports the following results:

40%	Wethos now sees 40% month-over-month user growth
6 weeks	Implementing Unit + Plaid required just 6 weeks and 2 engineers
6x	Users who bank with Wethos are retained at a rate 6x higher than other users
\$1.5M	Wethos processed \$1.5 million in payments within six months of launching Unit + Plaid

Throughout the pandemic, Americans have quit their jobs in record numbers, preferring to work for themselves. But for these newly independent contractors, managing a business is often more complex than they had anticipated. The time and effort of things like creating proposals, sending invoices, and preparing tax returns can quickly become overwhelming.

Enter Wethos. The New York-based startup makes it easy for independents to team up and transform their one-person shops into full-service studios. Founded in 2016, Wethos started as an agency and quickly learned first-hand the pain of managing cash-flow and finances. In 2021, they decided to launch their platform to power hundreds of thousands of others to start and scale their own small businesses.

“When it comes to managing your finances, independent contractors have been left behind,” explains Claire Humphreys, Co-Founder and COO at Wethos. “The high account minimums and hefty fees of legacy payment processors squeeze these businesses, and the need to juggle various banking and payment platforms is cumbersome.”

6 weeks

Implementing Unit + Plaid
required just 6 weeks and
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Wethos saw an opportunity to go the extra mile for their users by embedding business banking services into their platform. But they knew they couldn't do it the old way: until recently, integrating with a bank meant years of development work, not to mention hiring a compliance team and a dozen partner vendors.

With tens of thousands of Wethos users looking for a better cash flow solution, the company needed a banking-as-a-service solution that could launch quickly and scale with demand. That's why they turned to Unit + Plaid.

Banking in six weeks

Unit is a banking-as-a-service platform that enables companies to offer financial products to their end-customers: things like bank accounts, cards, payments, and lending. By shouldering the burdens of bank relationships, compliance, and technology, Unit enables their clients to get up and running quickly and focus their engineering resources on strategic priorities.

"We own all the pain," says Itai Damti, Co-Founder and CEO at Unit. "All the compliance, bank relationships, and tech are built into Unit. That way, our clients can launch in six weeks with two engineers."

Wethos partners with Unit to provide banking services to their customers. But in order to make it work, Wethos also needs a way for customers to connect to outside financial institutions and platforms. For example, Wethos customers want to give clients an easy way to pay invoices by connecting an external bank account from within the invoice.

Wethos uses Plaid Link for this functionality. With Plaid, anyone attempting to connect their outside bank account to Wethos simply selects their financial institution from a list and enters the username and password associated with that account. Plaid enables Wethos' customers to connect to more than 12,000 financial institutions around the world—often in a matter of seconds. And because they use Plaid's processor token infrastructure, Wethos doesn't have to store any of their customers' sensitive financial information, such as account and routing numbers.

Another big benefit to Wethos is cost. Using a connected bank account through Plaid is 3x cheaper than using a payment processor like Stripe or PayPal, according to Wethos.

In addition to enabling connectivity with other financial platforms, Plaid also helps Unit and Wethos mitigate fraud. When they create an account, Wethos customers use Plaid to securely share their financial data with Unit: things like name, address, phone number, and account balance. This helps Unit identify bad actors and keep them off Wethos' platform.

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*Co-Founder and
COO, Wethos*

Finally, Plaid Exchange helps Wethos customers connect their Wethos accounts to business services like Xero and BlueVine. That way, when they need to do things like file their taxes or get a business loan, they can instantly find and connect their Wethos account from whatever platform they happen to be using. Best part? Unit has built Plaid Exchange into their banking-as-a-service platform, so Wethos doesn't have to write any code; they just opt in.

40%

Wethos now sees 40% month-over-month user growth since implementing Unit + Plaid

40% month-over-month growth, 6x retention

Wethos was able to launch banking in just 41 days (six weeks). In the seven months since, they've seen some promising results. User growth has increased to 40% month-over-month. And users who bank with Wethos are retained at a rate 6x greater than those who don't.

"Banking has been incredibly sticky for us," says Humphreys. "Even as an MVP, we saw 80%+ retention after three months."

"It's absolutely insane that we were able to launch banking in six weeks, with just two engineers," continues Humphreys. "As an early-stage startup, time is our scarcest resource. When we evaluated how long it would take to build this ourselves versus how cost-effective it was to partner with Unit + Plaid, it was a no-brainer."

Moving banking into the spotlight

Looking forward, Wethos plans to feature banking more prominently on their platform. At first, these products were buried in the UI; Wethos wanted to be sure they were providing value to independents before placing them front-and-center.

But given the early popularity of banking and payments, Wethos users can expect to see more such features on the platform, including credit card capabilities, international payments, invoice factoring, financing, and more.

"Wethos doesn't exist to build strong banking relationships; we exist to put more money into independent's pockets. And the best way to do that is by partnering with trusted companies like Unit and Plaid," concludes Humphreys. "At the end of the day, our users benefit because we can dedicate all of our time to ensuring they have the best user experience."

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Plaid builds digital infrastructure that allows people to securely connect their financial accounts to the apps they want to use. We power more than 5,000 financial apps and services, as well as more than 12,000 financial institutions in the US, Canada, UK, and Europe.

Questions? Reach out to our sales team at info@plaid.com