Fintech Den™ White paper

Sidecar Modernisation: New Products Without Replacing the Core

A modern, always-on layer beside your core banking system, so you can launch in weeks while the core keeps the books.

Summary

Most established banks know their core systems hold them back. Batch processing, old code and a shrinking pool of people who understand it make every new product slow and risky. Yet a full core replacement can take years, cost a great deal and put the whole bank at risk if it goes wrong.

Fintech Den™ offers a different route for bank executives: a sidecar, sometimes called hollowing out the core. We build a modern, cloud-native layer next to your existing core. The core stays the book of record and keeps running its overnight batch. The new layer handles real-time APIs, customer apps and new products around the clock, and reconciles with the core every day.

We're a new company, and we'd rather be straight with you about that. This paper explains the problem as we see it, how a sidecar works, the rules that shape it in the UK and EU, how we handle your data, and a first project small enough to judge us on.

Data protection is usually the first thing UK and EU buyers check, so we'll say it up front: we comply with the UK GDPR and the EU GDPR, and we're registered with the UK Information Commissioner's Office. The GDPR section below explains what that means for your project, from where your data is hosted to how we'd tell you about a breach.

The problem

Core replacement projects have a poor record. In a 2025 study by IBM's Institute for Business Value, 94% of core modernisation projects ran over their planned timelines. Many banks have learned that a "big bang" switch risks the very stability regulators expect.

At the same time, customers and regulators expect real time. In the euro area, banks must now send and receive instant payments at any hour, and customers expect apps that show the right balance immediately. Cores built for overnight batch processing find this hard, and every change to their code is slow and risky.

So banks are looking for a middle way. In EY's 2025 interviews with senior banking technology leaders, half had chosen to hollow out the core, moving products and functions to modern platforms step by step rather than replacing everything at once.

How we would approach it

We'd start by mapping how your core is used today: its interfaces, batch windows, products and the data other systems depend on. Then we'd choose one product or journey that matters to you, build it on the sidecar, and run it alongside the core with daily reconciliation before anything else moves.

In most cases the build has three parts:

Part	What it does	What we'd aim for
Real-time layer	Cloud-native APIs and an event store that serve apps, partners and instant payments around the clock	24/7 services without changing the core's code
Product engine	New accounts, pricing and features configured on the sidecar rather than coded into the core	New digital products launched in weeks, not years
Core synchronisation	Postings and balances synchronised with the core, which stays the overnight book of record, with daily reconciliation	One version of the truth, checked every day



Sidecar architecture · real time on top, book of record below

The diagram shows the split. Channels talk only to the sidecar, which answers in real time and keeps a shadow balance for every account. Postings flow to the core, which runs its usual batch overnight and remains the official record. A reconciliation process compares the two every day and raises any difference for review.

Over time, more products and functions can move to the sidecar, and the core can be slimmed down or replaced when the bank is ready, on its own timetable. Nothing forces a big-bang switch.

Resilience and real-time rules in the UK and EU

Supervisors care less about which technology a bank uses than about whether it stays resilient while changing it. These are the rules we'd design around. This is a summary for discussion, not legal advice.

Market	Rule	Where it stands (November 2026)	What it means for the build
EU	Instant Payments Regulation, including Verification of Payee	Euro-area obligations since 9 October 2025	Instant payments and payee checks served by the sidecar, even during the core's overnight batch
UK	FCA operational resilience rules: important business services and impact tolerances	Firms had to be able to stay within their impact tolerances by 31 March 2025	The sidecar mapped to your important business services and tested against your impact tolerances
EU	Digital Operational Resilience Act (DORA)	Applies since 17 January 2025	Monitoring, incident records and documented third-party arrangements
UK and EU	Outsourcing and cloud expectations, including the EBA Guidelines on outsourcing arrangements	In force	Audit and access rights, exit plans and data location written into the design

UK and EU GDPR compliance

A sidecar holds a real-time copy of customer and account data next to the core, so it needs the same care as the core itself. We comply with the UK GDPR, alongside the Data Protection Act 2018, and with the EU GDPR. On client projects where we handle personal data, you're the controller and we act as your processor. Here's what that means in practice.

Area	What we do
Data processing agreement	We sign one with every client, covering everything Article 28 of the UK and EU GDPR requires. We act only on your documented instructions, and everyone on your project is bound by confidentiality. Our standard agreement is ready for your legal team to review.
Collecting less	Systems collect only the personal data they need. By default we build and test with synthetic or masked data, not live customer records.

Area	What we do
Where data lives	Production systems run in your own cloud account, in the UK or EU region you choose.
Data in two places	The sidecar holds only the data its products need, under the same access controls and retention rules as the core, and every copy is documented.

Area	What we do
Access and transfers	Any access to real personal data is agreed with you first, limited to named people, logged, and removed when the task is done. If access ever involves a transfer outside the UK or EU, it's covered by the EU standard contractual clauses or the UK international data transfer agreement. Both are ready to sign.
Security	Encryption in transit and at rest, least-privilege access, logging, and code review on every change.
Sub-processors	We tell you which sub-processors we use, and add new ones only with your prior authorisation.
People's rights	We help you respond when people ask to see, correct or delete their data.
Breaches	If we become aware of a personal data breach affecting your data, we tell you without undue delay, so you can meet the 72-hour deadline for reporting it to the ICO or your EU supervisory authority.
Assessments and audits	We support your data protection impact assessments, give you the information you need to show compliance, and allow audits.
End of the work	We return or delete your personal data, whichever you choose.

Where we stand on registrations and certifications. We'd rather be precise than impressive.

Item	Where it stands
ICO (UK)	Registered with the Information Commissioner's Office.
EU to UK data flows	The EU recognises UK data protection law as adequate. The European Commission renewed that decision in December 2025, and it runs until December 2031.

For EU firms under DORA. If you're an EU financial entity, our DORA information sheet gives you what you need to record us in your register of ICT third-party providers: our company details, the services we provide, where data is processed and the subcontractors we use. We'll also work through the DORA contract terms with your team.

How we work

Since we can't yet show you years of past projects, we'd like to show you our process instead, in writing, before you commit.

The people you'll work with. You deal directly with our leadership. There's no account manager in between.

Role	What they look after on your project
Chief Executive Officer	The relationship, scope, security and data protection, and fit with your modernisation strategy

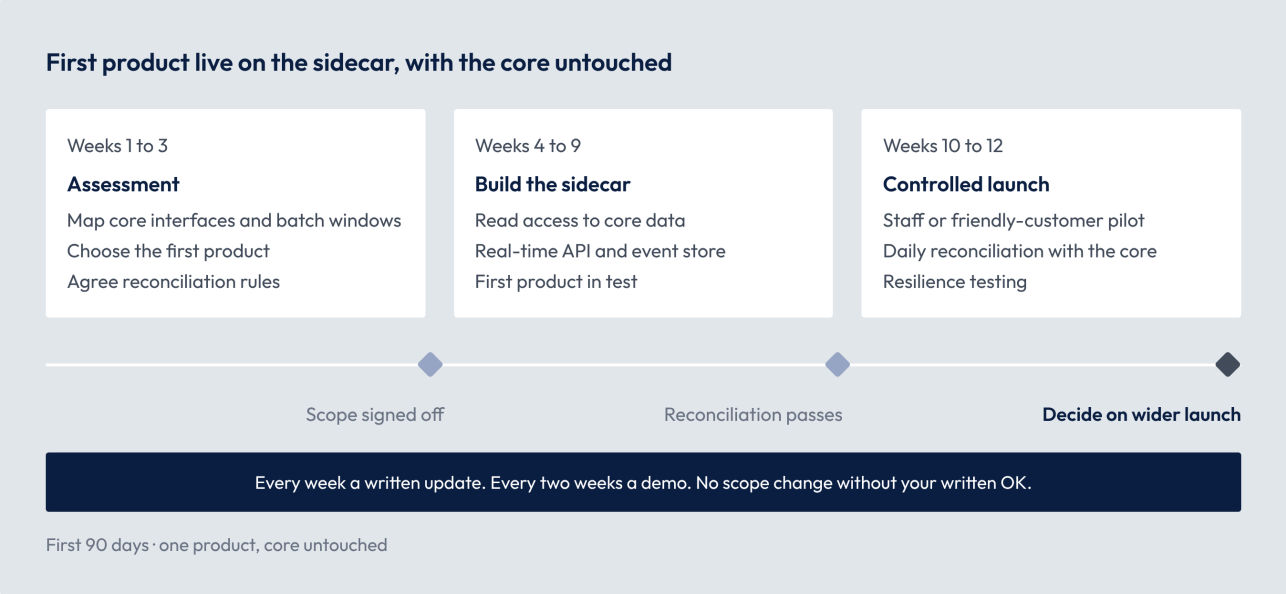
Role	What they look after on your project
Chief Technology Officer	Sidecar architecture, core integration, resilience design, technical risk, final technical sign-off, and on some projects the relationship and scope
Head of Engineering	The delivery plan, core and channel integrations, reconciliation, testing and releases
Head of Visual Design	The customer journeys for new products, staff screens and operations dashboards

Company and working hours. Fintech Den™ is a trading name of ROMBI PIXEL LTD, a UK company registered in England and Wales (no. 15947340) with its registered office in Bury St. Edmunds. We run on Central European Time (CET), so our working day overlaps with business hours across the UK and EU. For US clients, our afternoon overlaps with the East Coast morning, and we schedule calls in that window.

The practical side. We quote and invoice in euros, US dollars or pounds, whichever suits your finance team, and EU clients can pay by SEPA transfer to our euro account. Proposals spell out scope, milestones, payment points and VAT treatment, and payments are tied to milestones you can check. Our master services agreement is ready for your legal team, and we're open to discussing governing law and other terms.

Habits you can hold us to. We send a written summary within one working day of every call. You get a short written update every week and a demo every two weeks. Risks go in a shared log as soon as we spot them, and nothing changes scope without your written agreement.

What the first 90 days usually look like. We'd build the sidecar around one product and prove reconciliation with the core before anything goes to customers.



You can stop at any checkpoint and keep everything we've produced so far, including the core map and the reconciliation design.

Starting a conversation

The first call is mostly us listening. We'll probably ask about:

1. Which core banking system you run, and how changes to it are made today.
2. Which product or journey you'd most like to launch or improve.
3. Your batch windows and the services that must stay available around the clock.
4. What your supervisor and auditors have said about resilience and outsourcing.
5. Where your data has to be hosted.

If it looks like we can help, we'll suggest one of these as a first step. Timings are typical, not fixed, and we'll confirm them in a written proposal.

Option	Typical length	What you'd receive
Core assessment	About 3 weeks	A map of your core and its interfaces, a sidecar design, a first product and a fixed-scope plan
First sidecar product	About 3 months	The sidecar in place with one product in a controlled pilot, reconciled daily with the core
Wider roll-out	Agreed together	More products and functions moved to the sidecar in stages, with handover and optional ongoing support

If it doesn't look like a good fit, we'll tell you, and where we can, we'll point you to someone better placed.

Before the call, we're happy to send our trust pack: our data processing agreement and the EU and UK transfer clauses, plus the DORA information sheet if you're an EU financial firm. We are working towards IASME Cyber Assurance and the NCSC-backed Cyber Essentials certification.

To arrange a call, email contact@fintechden.com. We'll reply within one working day.

Sources

- IBM Institute for Business Value: the core banking problem (2025)
- EY: core banking technology modernisation (October 2025)
- ECB: Instant Payments Regulation
- FCA: operational resilience
- ESAs: DORA registers of information and critical ICT providers
- EBA: Guidelines on outsourcing arrangements
- Hunton: European Commission renews UK adequacy decisions
- ICO: contracts between controllers and processors
- GDPR Article 33: notifying a personal data breach

Ready to Talk About Your Project?

Book a discovery call and we'll mostly listen. Not sure which service fits? Start with a fixed-price Discovery Sprint. We work on Central European Time and reply within one working day.

Book a discovery call | fintechden.com

Fintech Den™

Fintech Den™ is a trading name of ROMBI PIXEL LTD.
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