

Ready for the future of finance

Explore colocation advantages that can prepare your institution to modernise legal workflows, meet new compliance needs, and support business growth.

What if your biggest infrastructure risk is sticking with what's familiar?

Today's fast-moving technology landscape – defined by developments in AI, fintech, and increasing regulatory complexity – puts significant pressure on financial firms to manage sensitive data securely and cost-effectively. The most conventional solutions often fall short. On-premises systems quickly become outdated, expensive, and inflexible, while public cloud platforms can create unpredictability around costs and heightened concerns about data security and compliance.

Modern colocation is emerging as a strategic, intelligent solution, providing the robust security and reliability of dedicated infrastructure alongside the flexibility and affordability associated with cloud solutions. Financial institutions choose colocation for enhanced security, regulatory compliance, operational efficiency, scalability, and advanced technical support.

Pulsant has built a nationwide network of colocation facilities designed for today's demands and future growth. Our infrastructure empowers firms to confidently navigate digital transformation, supported by a secure, reliable partner dedicated to your continuous success.

This eBook will guide you through how colocation can strategically position your organisation to overcome future challenges. Now is the time to invest wisely in your digital future.

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What is colocation?

Colocation is a way for businesses to house their IT infrastructure in a purpose-built data centre. Colocation may offer enterprise-grade power, cooling, connectivity, and security – without the cost or complexity of running your own facility.



Technology is reshaping the industry

The financial services sector is rapidly evolving, embracing innovative technologies and solutions to stay competitive and responsive.

Scalable and secure infrastructure

Financial institutions must handle intense workloads, from peak trading volumes to data-intensive analytics, on-demand. Scalable infrastructure allows firms to rapidly expand capacity when needed, avoiding costly overprovisioning. Compliance with FCA and PCI-DSS standards requires robust, built-in security and proactive threat management to protect sensitive financial data.

Advantages of local data centres

Locating infrastructure close to trading hubs reduces latency, essential for real-time transactions and quick data handling. Housing data firmly within UK borders also simplifies regulatory compliance, accelerates incident responses, and enables direct, hands-on technical support.

Colocation for business continuity

Placing hardware in resilient colocation facilities provides comprehensive disaster recovery, seamless hybrid-cloud integration, and the flexibility to innovate. This approach eliminates the large capital investments and complexities of managing proprietary data centres, enabling firms to focus on strategic growth and client satisfaction.

Colocation in UK-based data centres delivers essential control, flexibility, and hands-on support. Regional teams offer immediate assistance, and firms can swiftly add capacity or integrate new technology to meet evolving demands.



Seven advantages of colocation

1. A foundation for high-performance infrastructure

If you have plans to grow your organisation, or run modern workloads like AI, you might already be thinking about IT modernisation. But there's more to modernisation than upgrading servers. The data centre itself is part of your infrastructure – so you need modern power, cooling, and networking to support your ambitions.

The right colocation solution can make this easy. Look for a partner who:

- **Invests continually** in high-capacity power systems, cutting-edge networking, and scalable cooling.
- **Fully supports** your new high-performance servers, storage arrays, and networking switches.
- **Connects you** with speed and reliability to the services you depend on.

Maintaining modern standards in your own data centre can be difficult and costly.

2. Surprisingly flexible scale

Elastic scale is usually associated with the public cloud – and many assume it's impossible with colocation. But that's a misconception.

Modern colocation partners offer true hybrid cloud solutions, which integrate your own colocated systems with cloud resources. This enables you to:

- **Meet peaks in demand** by temporarily scaling up infrastructure, without buying more on-site infrastructure.
- **Support business growth** by scaling infrastructure into the cloud, with extreme agility.
- **Optimise costs and reduce risk of downtime** by distributing your application traffic across multiple servers. This helps to minimise bandwidth costs and prevent any single server become overwhelmed.

Colocation makes all this possible while keeping your sensitive data and applications on private infrastructure, unlike the public cloud.



3. Enhanced security for your infrastructure

Data security is the first priority for infrastructure leaders in UK financial services firms, and rightly so. 43% of UK businesses will experience a cyber security breach or attack in a 12-month period, according to the Government's cyber-security breaches survey 2025¹.

Colocation often includes advanced multi-level security that may include:

- Access control
- Internal and external CCTV
- Physical security including steel perimeter fencing
- Round-the-clock staff presence

For example, Pulsant offers all of the above as well as ISO 27001 Information Security certification across our national network of data centre facilities.

4. Compliance with evolving regulations and laws

As regulation of data storage and processing within the financial services sector continues to grow more complex, it's essential that your IT infrastructure is fit for purpose. Regulations such as the Digital Operational Resilience Act (DORA) may demand that you process specific data within the UK. It's hard to guarantee the long-term UK data sovereignty of public cloud services.

The right colocation partner gives you more control and helps you to simplify compliance. Look for a partner who can support your compliance needs and offers UK sovereignty across its entire network.

5. Business continuity through geographic redundancy

As financial services become more reliant on digital operations, it's vital to safeguard infrastructure against disruption. Colocation solutions that offer geographic redundancy – where your environment is replicated at another physical location – can mean ultra-dependable operations.

Geographic redundancy through colocation helps you to:

- **Reduce risk of downtime** even in the event of a natural disaster, power outage, or other regional disruption.
- **Improve reliability of infrastructure**, because your backup environment is ready to take over instantly in the event of a failure.
- **Enhance disaster recovery planning** by providing everything you need to recover quickly and prevent data loss.
- **Meet regulatory needs** by locating your redundant infrastructure in the UK, not in a remote public cloud region.



¹ Rizvi, S. (2025, April 10th). [Cyber security breaches survey 2025](#). Department for Science, Innovation & Technology

6. Higher levels of technical support

As a financial institution, the data you handle is tied directly to some of the most significant moments in your clients' lives. The reliability of your infrastructure is absolutely critical – and downtime can be highly damaging.

Colocation places your infrastructure in the hands of experts, who will dedicate time to monitoring performance, carrying out routine maintenance, and preventing incidents. The right partner can offer local support teams available 24/7, without the need to put your own staff on call.

We invest heavily in our data centre facilities to ensure they meet the demanding requirements of modern businesses.

7. Enhanced cost efficiency

Whether you're in the public cloud or on premises, managing your own infrastructure comes with significant costs – and they tend to grow over time. On-premises IT means a big investment in equipment, power, cooling, security, and ongoing maintenance. Public cloud can bring unpredictable costs: for example, 7 in 10 companies aren't sure what they spend their cloud budget on (CloudZero, 2024)².

Colocation can work to improve cost effectiveness in two ways:

- **Reinstating cost control** – The right colocation partner can deliver the capacity your business needs, at an efficient and stable cost, with flexibility to scale as you grow. Problems like cloud bill shock, or outgrowing your data centre, are a thing of the past.
- **Reducing actual IT spend** – Colocation takes advantage of economies of scale to reduce the costs of power, cooling, space, security, and data centre maintenance. All these things are rolled into one bill, and you don't need to spend time or money managing them anymore.

Infrastructure becomes more cost efficient, helping to free resources so you can focus on strategic growth and enhance client service.

² CloudZero (2024). [The State Of Cloud Cost In 2024](#).



While some businesses operate entirely in the cloud, some still have IT infrastructure they need to house. Others are moving from solely cloud environments to a colocation model.

From air conditioning systems to networking facilities, there is a lot that goes into looking after IT infrastructure. What's more, all of this requires significant levels of capital investment and ongoing operating expense – the latter of which increases sharply when those systems become large or business-critical.

For many organisations, housing their IT or operating entirely in the cloud is simply not cost-effective. Many are migrating to colocation due to cost savings, flexibility, security and 24/7 support.

In this article, we break down seven business benefits of colocation services, including cost, security and flexibility.

If you want to learn more, head over to our [colocation page](#) or [get in touch](#) with our team for a free quotation.



What is colocation?

Before we jump into the business benefits of colocation services, let's very quickly summarise what this entails.

Colocation involves housing your IT hardware in a purpose-built data centre owned and operated by a trusted partner, such as Pulsant. With our colocation service, you simply move your equipment into our data centre. This removes the need, expense and risk of housing the infrastructure on your premises or solely in the cloud.

Read our in-depth guide to colocation for more information.



The advantages of colocation

Here are seven ways a colocation service can benefit your business.



1. Colocation is more cost-effective

For many businesses, paying for the upkeep of hardware and IT infrastructure can be astronomical. If you're looking to grow soon, you'll need a flexible colocation plan that takes away the burden of having to house expensive equipment. Thus, rather than allotting a significant long-term capital investment to running an in-house data centre or having your IT infrastructure entirely in the cloud, a colocation provider will give you the necessary capacity at a snip of the price.

At Pulsant, we reduce business costs by taking care of the following:

- Power
- Cooling
- Space
- Humidity control
- Physical security
- Ongoing maintenance

We house multiple clients in the same facility. In doing so, you benefit from high service levels at a reduced overall operational cost. For example, we provide cooling at scale to multiple clients and can therefore pass down cost savings to each client. As your IT requirements grow, your Pulsant data centre footprint scales accordingly.

2. Enhanced reliability and reduced downtime

One key benefit of colocation is improved reliability. Power outages and loss of network connectivity are major disruptors to IT operations. And in business-critical or client-facing IT systems, any downtime could result in the loss of business or reputation.

While there are steps you can take to limit downtime for systems on your premises, these are often limited in a non-dedicated environment, such as an ordinary office.

By contrast, our data centres are designed from the ground up to offer:

- Multiple redundant cooling systems.
- Power feeds backed up by high capacity.
- Enterprise-class Uninterruptable Power Supply (UPS) systems.
- On-site back-up generators.
- Multiple network connections that take services from several telecommunications carriers to minimise the risk of communication outages.

We own and manage the entire environment that houses your servers – all the way down to the essential components. This provides us with clear visibility of any issues affecting your collocated servers and speeds up resolution times.

3. Increased security, data protection and compliance

Pulsant's ISO 27001 accreditation for IT security covers all of our 14 data centres. This certificate means your systems will be protected by multiple levels of access control, internal/external CCTV, steel perimeter fencing, on-site staff, and more.

We also offer a range of optional services to support your colocated IT. Although your engineers will have full access to your equipment, our expert data centre staff can perform many maintenance tasks for you. We call this "remote hands", where our engineers carry out essential maintenance, repairs, or upgrades to your colocated equipment.

We complement our colocation services with a flexible and cost-effective range of network connectivity services. These keep you and your customers connected to your colocated IT.

4. Flexible scalability

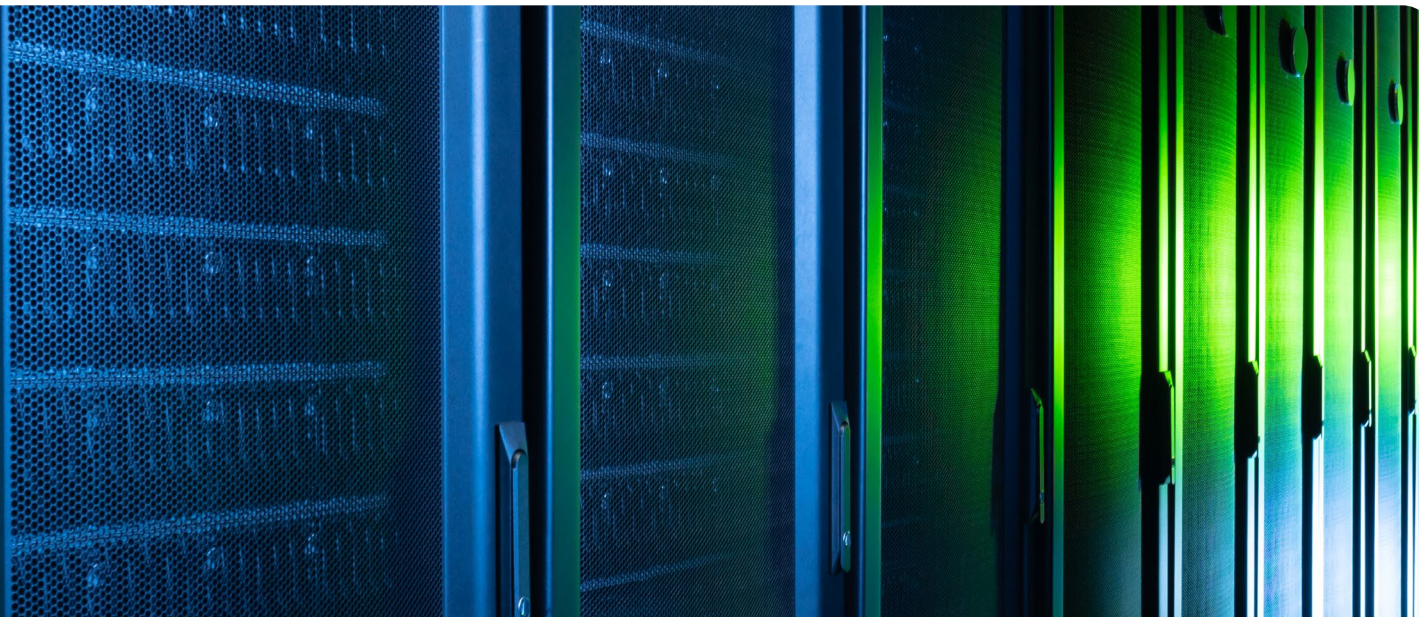
If your company is growing, you'll need a solution that accommodates any expanding IT infrastructure. Likewise, if there are periods of the year that are busier than others, perhaps due to seasonality, you'll want the flexibility to scale resources up and down. In either of these situations, having a small in-house data room isn't reliable or cost-effective.

Scalable hosting, however, gives you the freedom to increase bandwidth and storage capacity in tandem with your growth. It also means that you don't have to buy expensive hardware or recruit extra IT professionals, only to be left with unutilised resources if demand decreases.

Hybrid cloud solutions offer an ideal answer to this challenge. By seamlessly integrating both on-premises infrastructure and cloud resources, they provide unmatched flexibility in managing your company's IT demands. In times of rapid

expansion, you can easily tap into virtually limitless cloud resources, allowing for agile scaling that keeps pace with your growth without the need for significant capital investments in on-site equipment. Moreover, during those seasonally busy periods, the hybrid cloud enables you to swiftly adjust your computing and storage resources to meet the heightened demands, and then scale them back down when the demand subsides. This efficient and cost-effective approach ensures that you only pay for the resources you actually use, making it a highly adaptable solution for businesses of all sizes.

A flexible colocation plan will allow you to deal with peaks in demand by distributing traffic across multiple servers. In doing so, we keep bandwidth costs to a minimum and reduce downtime. Got a new app that you're looking to launch? Simply let our team know, and we'll allocate more rack support. There's no need to invest in extra on-site infrastructure.



We complement our colocation services with a flexible and cost-effective range of network connectivity services. These keep you and your customers connected to your colocated IT.

5. Access to advanced infrastructure and support

One of the most significant advantages of colocation services lies in the unparalleled access it provides to state-of-the-art data centre infrastructure and technologies. Our data centres are purpose-built with cutting-edge hardware and advanced equipment, offering a level of performance and reliability that would be challenging to achieve through on-premises solutions.

We invest heavily in our data centre facilities to ensure they meet the demanding requirements of modern businesses. This includes high-capacity power systems, redundant and scalable cooling solutions, and cutting-edge networking infrastructure. These components are designed to support the complex and resource-intensive workloads of your organisation, allowing you to thrive in a digital landscape where speed, efficiency, and scalability are critical.

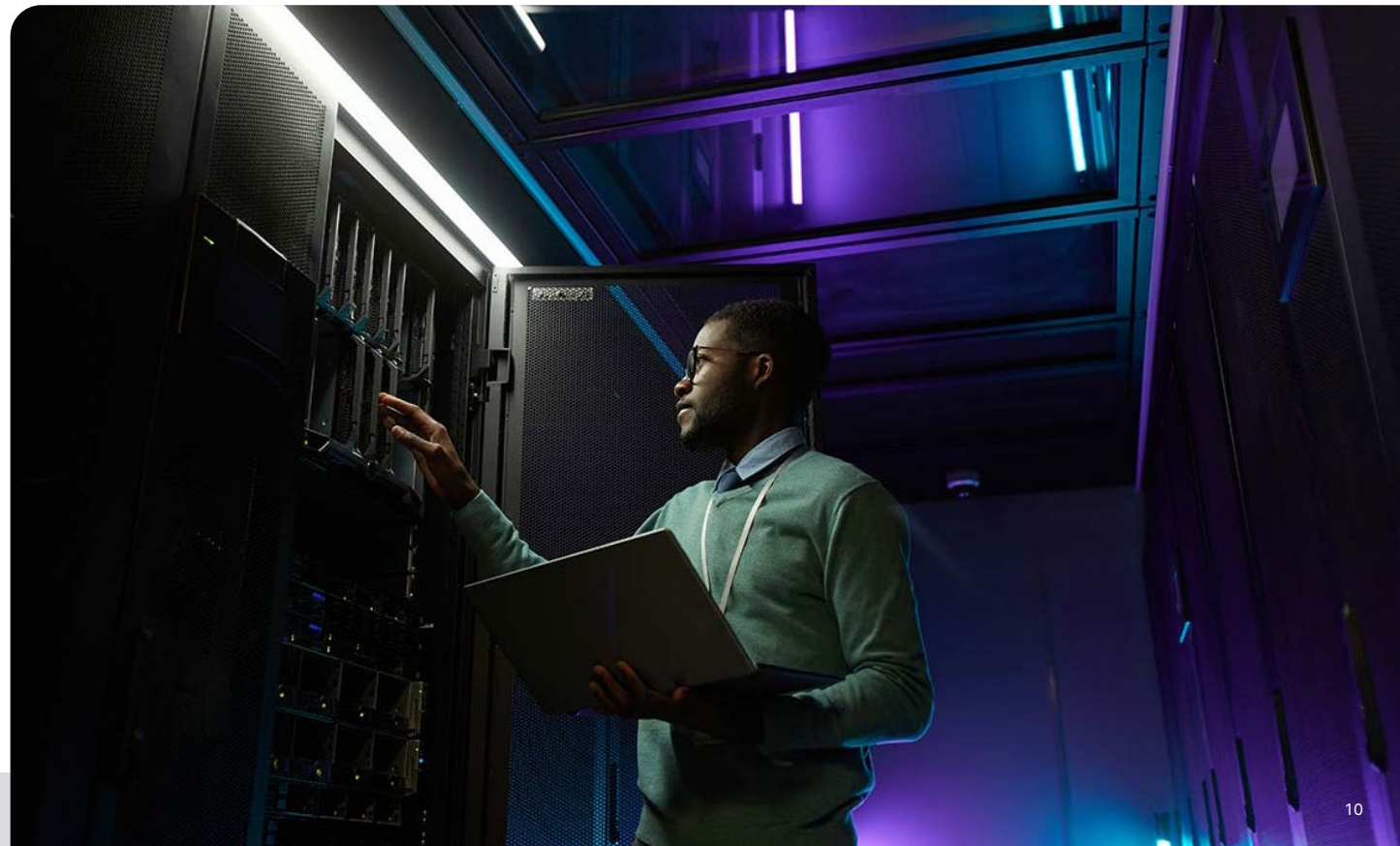
Additionally, Pulsant data centres incorporate the latest advancements in hardware, such as high-performance servers, storage arrays, and networking switches. By colocating your IT assets in such facilities, you gain access to top-tier equipment without having to make significant capital investments.

6. 24/7 IT support

Prolonged downtime can be catastrophic for businesses that rely on the internet. As such, it's best to have your infrastructure in the hands of an experienced service provider, who will dedicate time to monitor performance and prevent potential disasters.

By colocating your infrastructure with Pulsant, you'll receive round-the-clock support and a team on-hand to help. Let the pros take care of your data, and free up any internal IT resources for day-to-day tasks.

We invest heavily in our data centre facilities to ensure they meet the demanding requirements of modern businesses



Geographic redundancy spreads critical infrastructure across multiple locations, ensuring that services remain available and responsive

7. Geographic redundancy and business continuity

Geographic redundancy is a fundamental aspect of colocation services and plays a crucial role in ensuring business continuity and disaster recovery preparedness. With the increasing reliance on digital operations, you'll be all too aware that you must safeguard your critical data and applications against potential disruptions.

Colocation offers robust solutions to address these concerns, enhancing resilience and maintaining seamless operations, even in the face of unexpected events.

This is advantageous for a number of reasons:

- **Risk Mitigation:** By colocating IT infrastructure in geographically diverse data centre locations, businesses reduce the risk of a single point of failure. In the event of a natural disaster, power outage, or other regional disruptions, the geographic redundancy ensures that operations can be swiftly and seamlessly transferred to an alternate location, minimising downtime and data loss.
- **Enhanced Reliability:** Geographic redundancy spreads critical infrastructure across multiple locations, ensuring that services remain available and responsive. This redundancy guarantees that customers and stakeholders can access vital applications and data with minimal interruption, bolstering customer trust and loyalty.
- **Disaster Recovery Planning:** Your colocation provider should collaborate with you to develop comprehensive disaster recovery plans tailored to your specific needs. These plans outline detailed procedures and failover mechanisms for swiftly recovering data and applications in the event of a disaster, supporting a rapid return to normal operations.
- **Regulatory Compliance:** In certain industries, regulatory authorities mandate the implementation of disaster recovery and business continuity measures. Geographic redundancy in colocation environments ensures compliance with these requirements, helping your business avoid potential penalties and legal issues.



The future of the UK's financial services industry will be shaped by rapid technological advances, heightened regulatory requirements, and increasing client expectations.

To thrive in this environment, firms need to act now. Proactive investment in infrastructure today can ready you for tomorrow's challenges. Colocation has emerged as the strategic and intelligent step towards a secure, flexible, and cost-effective infrastructure.

Pulsant is ready to support your journey, providing robust, future-proof facilities and dedicated expertise. By choosing colocation today, you can position your firm confidently for future innovation and growth, ensuring your infrastructure evolves into a genuine competitive advantage.

Discuss your goals with our team and arrange a technical demonstration today.

→ **Contact the Pulsant team**

About Pulsant

Pulsant is a leading edge infrastructure provider with a unique multi-regional footprint, which helps our clients easily achieve UK data sovereignty.

Our infrastructure enables businesses to unlock the potential of edge computing. We help our clients enhance application performance, support 5G and IoT use cases, ensure compliance with data protection regulations, and advance sustainability goals. Pulsant operates a national network of 14 data centres, where clients can colocate servers, access high-speed networks, and connect seamlessly with service providers, cloud platforms, and systems integrators.

With Pulsant, enterprises can position workloads and data exactly where they're needed, adapt quickly to changing demands, and scale with confidence. No other provider combines our blend of services: a resilient, private data centre network with national coverage, an extensive range of connectivity options, and a unified experience through our integrated platformEDGE™ solution.