

FinTech Delivery Panel

Minutes of the meeting of FinTech Delivery Panel held at Ace Hotel, Shoreditch on Wednesday 21 June 2017 at 12pm.

Present:

1. **Eileen Burbidge, Partner, Passion Capital (Chair)**
2. **Eamon Jubbawy, Co-founder and COO, Onfido (Deputy Chair)**
3. Alice Newton-Rex, VP of Product, WorldRemit
4. Anne Boden, CEO, Starling Bank
6. Chris Pond, Vice Chair, Financial Inclusion Commission
7. Claire Calmejane, Director of Innovation and Digital Centre of Excellence, Lloyds Banking Group
9. Kaushalya Somasundaran, Head of FinTech Partnerships, HSBC
10. Lawrence Wintermeyer, CEO, Innovate Finance
11. Martin Cook, General Counsel, Funding Circle
12. Matt James, Head of UK Scouting, RBS
13. Michael Harte, Group Head of Innovation, Barclays
14. Paul Ripon, Deputy CEO, Monzo
15. Philip Brown, Head of Policy, LV=
16. Sarah McKenzie, Manager, Competition, FCA
17. Serge Taborin, Global Innovation Director, Aviva
18. Sigga Sigurdardottir, Chief Customer and Innovation Officer, Santander
19. Taavet Hinrikus, CEO, Transferwise
20. Will Thorne, Innovation Lead, The Channel Syndicate
21. Emily Casey, Digital Economy, HM Treasury
22. MB Christie, COO, Tech City UK
23. Laura Coffey, Consultant, Tech City UK
24. Maria Palmieri, Senior Policy Manager, Tech City UK
25. Gregoire Michel, Senior Programme Manager, FinTech, Tech City UK

Apologies:

1. Dan Turnball, Head of Banking Competition, HM Treasury
2. Ed Molyneux, CEO, Free Agent
3. James Chappell, CTO, Digital Shadows
4. James Varga, CEO, The ID Company
5. Jeff Lynn, CEO, Seedrs
6. Anil Stocker, CEO, MarketInvoice

1. Preliminary

1.1 It was noted that the meeting had been duly convened.

2. Welcome

2.1 EB refreshed the panel with key points made in the opening panel meeting especially those made by Dan Turnbull (HM Treasury). The first action from the last meeting was to define and agree on a vision. There were specific working groups formed to continue work between panel meetings. The outcome of those working groups will be discussed during the course of this meeting.

3. Terms of Reference

3.1 EB reminded the panel of the the terms of reference and membership principles, and a request that those appointed to the panel attend and that deputies are not sent.

3.2 Serge Tabourin (ST) asked the Chair whether the scope of the panel had changed since recent political events.

3.2.1 EB's personal view was that for the focus of this group – in terms of FinTech – was that the election result was the best possible outcome as the Chancellor of the Exchequer remains in place. EB finds the Chancellor wholly committed to FinTech and emboldened since the election.

3.2.2 Emily Casey (EC) agreed with EB, the Chancellor remains committed to FinTech. And highlighted that this is a new government, with many new ministers with new mandates.

3.2.3 EB furthered this point with discussion on the new Economic Secretary to the Treasury minister for Pensions and Financial Inclusion appointments.

4. Our three-year vision

4.1 EB handed over to Eamon Jubbawy (EJ) to provide an update. EJ led the vision working group with Anne Bowden (AB) and Michael Harte (MH). EJ explained that the group tried to set measurable goals which are not evidenced based, but rather an attempt to be deliberately provocative and ambitious, with success being defined as any one of the goals set out being achieved. EJ explained that Will Thorne (WT) has been helpful in carving out InsurTech as a specific area for the vision, and thanked him for his input. EJ asked the panel to share their feedback on the paper as it currently stands.

- 4.2 Taavet Hinrikus (TH) thinks the vision paper is good but lacks a focus on consumers and users. TH noted that one of the focus the panel should have is to provide consumers in the UK with the best possible FinTech services and experience.
- 4.3 Matt James (MJ) feels the vision is missing a piece on partnerships between the incumbent banks and start-ups.
- 4.3.1 WT seconds this view from the insurers' point of view.
- 4.4 Kaushalya Somasundaran (KS) questioned the use of the word 'abundant' and believes this should be tweaked to represent not only quantity but quality as well.
- 4.4.1 MH clarified that the use of this word was in the broadest sense, for the UK to attract the best talent and to have the best technology you have to have abundance of all.
- 4.4.2 EJ felt the use was justified by the fact the UK is the world's capital of FinTech.
- 4.4.3 MH feels that this global positioning is something that might not continue as is dependent on the capital market.
- 4.4.4 EB suggested incorporating an explicit mention of the FinTech itself in the vision such as "for FinTech" at the end of the statement.
- 4.5 MB Christie (MBC) had a question directed to Treasury on how does the Treasury define FinTech vs financial services. EC, with input from Laurence Wintermeyer (LW), explained that it broadly includes start-ups. LW furthered that Innovate Finance has measured 900 FinTechs in the UK.
- 4.5.1 EB clarified that, for the purpose of the panel, it is all companies in the sector regardless of size of company.
- 4.5.2 AB sees FinTech as being the term for new tech-based business models in financial services, including those by incumbents.
- 4.6 WT brought in the topic of InsurTech. Having spent the last three months speaking to InsurTechs he noted a sense of disenfranchisement by InsurTech sector by FinTech and hence feels some form of explicit inclusion in the vision statement would be beneficial. InsurTech bodies are lobbying for yet another industry led panel which WT felt was pointless and could be headed off by this panel being inclusive.
- 4.6.1 LC added from a secretariat perspective, that if the panel were to call out InsurTech, this will allow for the panel to get some quick wins because we are already doing work in this space (and are in discussions with BEIS on a Challenger roundtable in this space)

- 4.6.2 LW supports an open and inclusive panel considering FinTech has 15 different verticals, inclusiveness is important.
 - 4.6.3 EJ questioned whether the panel therefore also includes RegTech? LW said he would share his classification of all sub-segments all verticals and horizontals (which includes cyber and AI) for consideration.
 - 4.6.4 ST wondered what would get included in InsurTech since contrary to FinTech, innovations in the insurance space include a wide variety of business models such as wearables, data analytics and driverless cars.
 - 4.6.5 MH felt the panel should be respected for openness and measured by consumers and this needs to be added to the vision.
 - 4.6.6 Martin Cook (MC) asked whether the panel had a mandate to drive growth in the sector. He suggested this should be a guiding principle.
 - 4.6.7 LW feels a diversity point ought to be included; diversity of the FinTech workforce and to get more women in the sector. And also from the consumer proposition and to have a greater range of competition and range.
- 4.7 EJ moved the discussion to the first section of the Vision's Success Attribute addressing Talent and in particular visas and education.
- 4.7.1 MB informed the panel of a roundtable held with John Manzoni recently by TechCity UK, and that it was clear government help and support would be offered in engagements to drive and support visas and that the government would be supportive start ups improving the visas system generally
 - 4.7.2 EC advised to move away from having specific numerical targets where they have been inputted without evidence.
 - 4.7.3 KS asked the panel how to best attract the interest of entrepreneurs. The panel discussed this point.
- 4.8 EJ raised a personal concern that if the vision was broadened on visas and on capital extending SEIS and EIS funding generally, such that it would no longer be worded as explicitly for just FinTech, that the panel are going away from their terms of reference as the FinTech Delivery Panel. EJ believes the vision should be restricted to FinTech and it is not for the panel to ask for the other wins. However, if it becomes an outcome for the industry as a whole that would be a fantastic achievement.
- 4.8.1 EB asked the panel to remember Dan Turnbull's points in the opening panel meeting who said this has to be an industry-led panel for the industry.
- 4.9 EJ raised point C
- 4.9.1 Alice Newton-Rex (ANR) was sceptical around the inclusion of point C which arose from the EY report.

- 4.9.2 Agreement from panel to remove point C and to be replace it by a point on diversity.
- 4.10 MH returned to the point of abundance and wanting to generate a true abundance for capital markets in order for the sector to flourish.
 - 4.10.1 MB questioned the use of the word local concentrated which, to her implies that if you are not based in London you are not included. One way to widen the funnel is to focus on other areas and do/will the vision explicitly mention the inclusion of the regions as well?
 - 4.10.2 EJ answered that the apprenticeship point was based on a focus on 10 cities.
 - 4.10.3 TH stressed his view that in practice it doesn't matter how many FinTechs exist – what matters is better services for consumers and one will hope that will come from various companies, not a select few.
 - 4.10.4 MJ furthered the point that success is based on all the success attributes listed in the Vision, you cannot have one without the others. As example an interesting proposition is nothing without a great team to execute it.
- 4.11 Conscious of time, the Chair asked the panel to move on but requested any further views to be circulated via email.
 - 4.11.1 It was agreed that EJ and his working group would amend the vision and circulate a revised version incorporating what had been agreed.

5. Skills and Talent

- 5.1 EB asked LW to provide an update on this working group.
- 5.2 LW explained in his work with Innovate Finance research is being conducted to look beyond Brexit at the next 10 years and beyond. LW suspects he will pick up a heavy piece of work after the summer and then to use this panel for advisory guidance. As part of this research, LW is attempting to get an understanding on how competitive the UK's visa schemes are compared to what is offered internationally.
- 5.3 LC let the panel know of an offer from Barclays regarding a programme called Connect With Work they run with young people not in training education or employment, and an offer for them to roll this programme out with a FinTech focus which would potentially be a quick and impactful win for the panel.

5.4 Claire Calmejane (CC) interjected with points on Station F and offered Lloyds Banking Group's help in driving efforts around skills and talent through the FinTech mentorship scheme that they lead together with Innovate Finance.

5.5 EB raised the panel needs to formalise who is running this sub-group.

5.5.1 LW offered to landscape everything that is going on in this arena as an audit in the meantime. Chair in agreement.

6. FinTech Toolkit

6.1 EB passed over to LC to provide an update.

6.2 LC informed the panel that this working group had been having fortnightly calls to advance the agenda and thanked its members for all their time, noting particular support from Santander and RBS in terms of putting the papers together.

6.3 LC addressed the first point around how do we help FinTechs work better with the incumbents. The working group has been speaking with the British Standards Institute to create a standardised on-boarding method to avoid friction at the outset.

6.4 LC clarified that TechCity UK is committed to delivering a FinTech specific programme and have started research on what that might look like as part of this working group.

6.5 On InsurTech, BEIS has been engaged and has arranged a challenger programme roundtables, due 19 July.

6.5.1 WT wanted clarification on the BEIS challenger programme. EC offered an explanation that this was a way of bringing the government and the sector together to agree what is needed to move things forwards.

6.6 MB brought to the panel knowledge of Touchpaper, a broader initiative to recommend best practices of engagement between startups and corporates, which was met with interest.

7. Financial Inclusion Competition

7.1 EB asked Chris Pond (CP) to update.

- 7.2 CP clarified that people today face a very uncertain landscape with issues such as zero hours' contracts etc. A new minister for financial inclusion has been appointed providing a real focus in government about this issue. The minister and the DWP, where he sits, understand the potential of the sector and this is positive.
- 7.3 CP explained the work NESTA is doing around Open Banking competition, which is focussed on the SME sector. CP said the NESTA findings are useful and we will see what we can build on from NESTA's experience.
- 7.4 CP explained that the Initial discovery stage on the financial inclusion competition is underway and the work now is to highlight what people want access to and how do we get people involved.
 - 7.4.1 CP furthered that it is not just about not having a bank account, it is about access to affordable credit and payment, insurance and savings products. Often, those provided by traditional financial services don't match people's needs.
 - 7.4.2 LC explained we are looking for FinTech entrepreneurs to come up with commercially valid solutions
 - 7.4.3 AB wanted to know how many had applied to Nesta.
 - 7.4.3.1 LC confirmed it was in excess of 100 which was slightly more than they were expecting, and had been successful.
 - 7.4.3.2 AB wondered if it were possible to link the two; could Nesta be involved in a hackathon perhaps, akin to the ones the FCA had been running? The panel discussed at length.
 - 7.4.3.3 It was agreed that TechCity UK would continue to develop the work on the Financial Inclusion competition, with input from key panel members, and present at the next Panel session

8. AOB

- 8.1 EB asked the panel whether there were any concerns with how the panel was being run. There were none raised.
- 8.2 LC asked how the profile of the panel could be raised so that the FinTech community was made more aware of the Panel's work and there could be a two-way conversation.
 - 8.2.1 Sigga Sigurdardottir (SS) thought this could be achieved with the use of more proactive roundtables with invitation to the community.
 - 8.2.1.1 LW spoke of a potential Innovate Finance event that invites the community in.

- 8.2.2 MJ thinks this could also be achieved through the use of the panel's social media engagement.
 - 8.2.2.1 LC agrees with using the personal profiles of those sitting on the panel, and would like to use the vision as the starting point to engage in this way.
 - 8.2.2.2 EJ agrees with confirming the vision as a matter of priority and then using it to raise the profile of the panel.
 - 8.2.3 Gregoire Michel (GM) thinks FinTech week is a good goalpost.
 - 8.2.4 CP added that a Westminster Hall debate, perhaps around the future of FinTech, would help in this mandate.
 - 8.2.5 MJ concluded that the whole purpose of the panel is the broader promotion to the world on why the UK is not only the best place to be but also to stay and therefore raising the profile of the panel is paramount.
- 8.3 EB asked for an update on sector deals and asked for clarification on what exactly a sector deal is
- 8.3.1 EC referenced the Industrial Strategy as a dialogue and engagement of the government with industry, seeking to build economic growth and increase productivity. Sectors are a key part of the Industrial Strategy, and sector deals are an 'open door' invitation to industry to come forward with sector specific issues that need addressing and proposals to address these. BEIS will be leading this process. FinTech may be well placed as a sector to consider engaging with this process.
 - 8.3.2 The panel was in broad agreement to explore a possible FinTech sector deal and asked EC to provide a point of contact within BEIS or suggest next steps.
- 8.4 Following on from this discussion, EB requested for the FCA new blogpost on the companies having been recently accepted into the sandbox to be circulated to the secretariat.

9. Next meeting

- 9.1 The next meeting will be held on 13th September.

10. Close

- 10.1 There being no further business, the Chairman thanked the panel for their time and declared the meeting closed at 2:30pm.