

# Fintech Delivery Panel

**Agenda and Papers for meeting: 22 May 2019**

**Date:** Wednesday 22 May 2019

**Location:** HM Treasury, 1 Horse Guards, Westminster, London SW1A 2HQ

**Time:** 1030 – 1230

## **Attendees:**

1. Eileen Burbidge, Partner, Passion Capital (**Chair**)
2. Eamon Jubbawy, COO, Onfido (**Deputy Chair**)
3. Andrew Elphick, Innovation Execution Director, Barclays
4. Charlotte Crosswell, CEO, Innovate Finance
5. Chris Pond, Vice Chair, Financial Inclusion Commission
6. Christian Faes, CEO, LendInvest
7. Ishaan Malhi, CEO, Trussle
8. James Varga, CEO, The ID Co.
9. Kaushalya Somasundaram, Head of Fintech Partnerships & Strategy, HSBC
10. Martin Cook, General Counsel, Funding Circle
11. Matt James, Head of Scouting UK & Europe, RBS
12. Samantha Emery, Head of Department - Innovate (interim), FCA
13. Stephen Dury, Chief Customer and Innovation Officer, Santander UK
14. Thomas Price, Head of FinTech, Banking and Credit Team, HMT
15. Greg Michel, Head of Sector Programmes, Tech Nation
16. Liz Stevenson, Head of Government Relations, Tech Nation

## **Apologies and/or yet to respond:**

1. Ahmed Badr, General Counsel, GoCardless
2. Anil Stocker, CEO, MarketInvoice
3. Anna Wallace, Innovate Head of Department, FCA
4. Anne Boden, CEO, Starling Bank
5. Blair Turnbull, MD, Digital & Retail, UK & International, Aviva
6. Philip Garner, Head of Fintech Discovery and Strategic Partnerships, Lloyds Banking Group
7. Will Thorne, Innovation Leader, The Channel Syndicate

## Agenda

1	10:30 - 10:35	<b>Welcome from the Chair</b>	Discussion	Eileen Burbidge
2	10:35 - 10:50	<b>Remarks by the Economic Secretary to the Treasury</b>	Update	John Glen MP
3	10:50 - 11:10	<b>Treasury Policy Update</b>	Update	Toby Coaker
4	11:10 - 11:25	<b>Insurtech Board</b> <ul style="list-style-type: none"><li>• Encouraging progress on the new priorities</li></ul>	Update & Discussion	Meera Last
5	11:25 - 11:40	<b>Digital ID</b> <ul style="list-style-type: none"><li>• Sandbox consortium update</li></ul>	Update & Discussion	Eamon Jubbawy
6	11:40 - 11:50	<b>Onboarding Guidelines</b> <ul style="list-style-type: none"><li>• Discussion about next steps</li></ul>	Update & Discussion	Matt James
7	11:50 - 11:55	<b>Access to Capital</b> <ul style="list-style-type: none"><li>• Update</li></ul>	Update & Discussion	Eileen Burbidge
8	11:55 - 12:30	<b>AOB</b>	Discussion	All

## Agenda Item 1 - Welcome from the Chair

## Agenda Item 2 - EST Remarks

## Agenda Item 3 - Treasury Policy Update

## Agenda Item 4 - Insurtech

Update	<p>The various work streams are progressing well.</p> <p><b>Membership refresh</b> Adding two new members to the board:</p> <ul style="list-style-type: none"><li>- Ed Leon Klinger, CEO of Flock</li><li>- Mark Dennis, Global CEO &amp; European COO, Digital Partners, Munich Re</li></ul> <p><b>A) Talent and Knowledge Work Stream</b> All members of the group have met and discussed the fundamentals of the working group. They have also completed consultation with Hiscox and the FCA regarding the practicalities of the secondment proposal. Trevor Maynard has shared internally in Lloyd's and has in principle gathered support to explore secondments to insurtechs – subject to the details.</p> <p><b>Problem:</b></p> <ol style="list-style-type: none"><li>1. Insurtech start-ups are lacking specialist knowledge in insurance, which is important for successful product/service development – especially in UW, pricing, regulation and compliance;</li><li>2. Insurtech start-ups are also struggling to attract people from the industry on a permanent basis (assumed because of lack of job security, lower salaries, unclear career progression path, etc.)</li></ol> <p><b>Hypothesis / Solution:</b></p> <ul style="list-style-type: none"><li>• We can attempt to solve this problem through a secondment program between insurers and insurtechs, one way – from incumbents to insurtechs:<ul style="list-style-type: none"><li>○ Insurtechs will get specialist knowledge and free resource</li><li>○ Secondees from insurers will get great exposure to innovation culture, different working practices</li></ul></li></ul>
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(e.g., agile), insight into what's happening in the new tech space;

- We are focusing on insurers only because of the expertise required; so we are not proposing that this program is extended to consultants and lawyers;
- Secondees need to be of a certain level of seniority to be able to lead and influence effectively within their area of expertise:
  - Expect somebody with 5-10 years of postgraduate experience
  - A bright young grad will not be good enough help to a start-up

In terms of promoting and managing the program, we can probably team up with Insurtech UK, once we have supply side cleared up and we have maybe 2 companies willing to give it a try.

### **B) Open Insurance Consultation**

The team attended a demo and consultation hosted by the ABI. A wide range of topics were discussed, and an initial list of ideal questions to encourage further engagement were created.

Below are the key areas that the team feels require more detailed analysis, with some initial thoughts included..

1. *What benefits do we see in having Open Insurance in the same way as Open Banking and Open Pensions are designed to operate?*
1. *Should a different approach be adopted for each of the following: (a) retail v. commercial business; (b) between life and general insurance; and (c) do we need to treat different classes of insurance differently?*
1. *Can we get buy in across the market – one of the problems with tracing EL policies is the piecemeal and fragmented approach to date? Perhaps we might start with a particular class of business, if there is any appetite for an initial review?*
1. What about security – the main issue for all of this is trusting the secure nature of the repository for information. How will we be able to address specific security concerns?
1. What are the key points of information which any Open Insurance platform will need to provide access to?
  1. Policyholder identification;
  2. Policy wordings?

	<p>3. Date of Policy and policy period</p> <p>4. Class of business, what covered – which car, which house, which pet etc.</p> <p>Insurer and/or Broker</p> <p><b>C) Lab of Labs Initiative</b> Conversations ongoing. Initiative viable and/or worth pursuing?</p>
To discuss	Support from the group to any of these.

### Agenda Item 5 - Digital ID

Update	<p>The FCA pilot was announced on 29th April as 'Fintech Delivery Panel Partners' test within Cohort 5 (see details below).</p> <p>Note that other participants in Cohort 5 are also testing different identity solutions as well.</p> <p>The fact that the pilot is live and testing is starting is a great achievement for the FDP. Relying parties are needed to make the tests a success. Although some of the banks are participating as relying parties, it would be good to see all of the FDP banks and fintechs participating in at least one of the three tests.</p> <p>To get involved as a relying party please contact <a href="mailto:laura.coffey@onfido.com">laura.coffey@onfido.com</a> who can direct you to the various tech providers.</p> <p><b>FinTech Delivery Panel Partners</b> A test that is looking to show that consumers can take control over their digital identities and 'port' previously verified digital identities across different companies that rely on them to satisfy their customer due diligence and KYC obligations related to identity verification.</p> <p><i>Deloitte, Evernym, Onfido</i> Decentralised digital identity platform, a machine learning enabled identity verification service, and a KYC solution assess customer risk and configure according to their risk appetite.</p> <p><i>uPort, Onfido</i> Decentralised digital identity platform using machine learning identity verification and blockchain-based key management.</p> <p><i>Signicat, Onfido</i></p>
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	Federated digital identity platform using machine learning based identity verification.
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### Agenda Item 6 - Fintech Toolkit

Update	<p>A meeting of the Bank representatives was held to determine whether a firm delivery commitment could be fed into an HM Treasury Announcement to coincide with Fintech Week; it was considered that this would not be possible in the timeframe given the governance that would need to have been completed before the required deadlines.</p> <p>Following some discussion around the potential of a Charter, standardising documents and on-boarding targets/benchmarks progress has waned somewhat through Q2 and needs to be reignited.</p> <p>Matt James promoted the PAS 201 work as part of a panel on 'Innovate or Compete: The reality of technology driven financial services' at the InnovateFinance Global Summit 2019.</p>
To discuss	The willingness to work on an impactful initiative is evident in the group. It needs to be channelled and solidified.

### Agenda Item 7 - Access to Capital

Update	<p><b>Proposed dates:</b> Target month for the next Access to capital to be provided.</p>
To discuss	Do we want to extend the Access to capital work into different areas? Linking up to Insurtech or other possible groups.

### Agenda Item 8 - AOB