

**Minutes from FinTech Delivery Panel
held on Wednesday 11/09/2019
at the offices of LendInvest**

Next meeting to be held:

Late November/Early December

Actions at the end of the document

Attendees:

1. Eamon Jubbawy, COO, Onfido (Deputy Chair) - EJ
2. Charlotte Crosswell, CEO, Innovate Finance - CC
3. Ahmed Badr, General Counsel, GoCardless - AB
4. Chris Pond, Vice Chair, Financial Inclusion Commission- CP
5. Christian Faes, CEO, LendInvest - CF
6. Andrew Elphick, Innovation Execution Director, Barclays - AE
7. Stephen Dury, Chief Customer and Innovation Officer, Santander UK- SD
8. Ishaan Malhi, CEO, Trussle -IM
9. Katja Palovaara, Interim FinTech Programme lead, Tech Nation - KP
10. Martin Cook, General Counsel, Funding Circle - MC
11. Matt James, Head of Scouting UK & Europe, RBS - MJ
12. Paul Novelle, Government Relations, Tech Nation - PN
13. Carly Nimmo, Head of FinTech, Treasury -CN
14. Will Thorne, Innovation Leader, The Channel Syndicate- WT

Apologies:

1. Eileen Burbidge, Partner, Passion Capital (Chair)- EB
2. Anil Stocker, CEO, MarketInvoice -AS
3. Kaushalya Somasundaram, Head of Fintech Partnerships & Strategy, HSBC- KS
4. Blair Turnbull, MD, Digital & Retail, UK & International, Aviva -BT
5. Samantha Emery, Head of Department - Innovate (interim), FCA -SA
6. Anne Boden, CEO, Starling Bank -AB
7. James Varga, CEO, The ID Co. -JV
8. Philip Garner, Head of Fintech Discovery and Strategic Partnerships, Lloyds Banking Group -PG

Open

- EJ opened the meeting by
 - Thanking CF for hosting, and
 - introducing new members KP and PN) from Tech Nation and CN from HM Treasury

HMT Update

- CN provided an update from HM Treasury

- Expressed appreciation for the invitation/welcome and spoke through her background, previous roles and responsibilities at HMT
- Reiterated the priority emphasis at HMT for fintech
- Confirmed that John Glen is still Economic Secretary of the Treasury (EST) which is positive for the sector, given his level of engagement and the continuity for stakeholders
- Pleased to see that we are in a good place to finish delivery on the FinTech strategy from March last year, but still open to hear views on policy development from the FDP
- Strong interest to keep looking at access to talent and how HMT/HMG policy can support UK-grown talent as well as regional growth/support and international engagement
- EJ invited thoughts/questions for CN/HMT
 - Charlotte Crosswell (CC) remarked that the 2-year work visa announcement for students was gratefully received by the sector
 - CC also mentioned that Innovate Finance will be submitting a paper regarding EMI levels, looking to increase thresholds of eligibility up to companies with up to £100 million in assets and 500 employees (currently £30 million in assets and 250 employees), which would also be sent to FDP group in hopes of VC support/signatories
 - Martin Cook (MC) asked if HMT had considered combining international and domestic FinTech and how US dialogue/engagement was progressing
 - CN responded that US work is presently prioritised around continuity issues for Brexit and is now being refreshed including areas eg AML and reg tech as 2 initial areas. Also, DIT working on a US market access guide
 - MC reiterated that US market penetration is still significant priority and effort for UK fintechs and thoughts were shared by Stephen Drury (SD), CC all in conversation with CN
 - MC also asked about Brexit update
 - CC mentioned the Brexit fund
 - CC raised Patient Capital Review which prompted remark from CF that the BBB can't invest in financial services or instruments (NB from EB: This is not quite right, as the BBB does invest in financial instruments; maybe this is in reference to the BGF?)
 - EJ raised points about S/EIS caps

Insuretech working group update:

- PN provided an update to the FDP that the working group is focusing hard on secondment programme (issues detailed in meeting papers)

Portable identify pilot:

- EJ updated the panel on progress so far:
 - 26 FinTechs and four banks are signed up as parents integrating on tech providers testing out and ironing out the problems
 - Arrow, Social Curve and others are FinTechs participating
 - Looking for more partners

- Interesting update was the work we are doing was referenced in a recent speech by FCA
- Something that could further UK fintechns as a whole, less friction to move from one fintech to another so it will enable
- CC commented that Tony McLoughlin at Citi is very focused on this and should be involved
- SD remarked that accountability and liability were crucial here and that *TheCityUK, Clifford Chance, Deloitte and Santander* has been involved on this as a continuation of the Shared Platforms paper (Splitting the Bill) from Q4 2018 and that ultimately we need to bring all of the people working together on this into one place to present an end to end solution to decision makers
- EJ commented that we won't know out comes until testing is finished
- SD commented that there would need to be a dual track process of safety checks before people could become comfortable
- CF asked EJ about confidence in the process
- EJ responded that the FCA privately and publicly have been very supportive
- CC also mentioned Government have been supportive
- NM asked if pilot was put together in response to the KYC requirements or challenges that fintechns faced complying with them down the line
- EJ responded that FinTechs can manage with KYC but making it more frictionless will benefit everyone
- SD commented that many groups looked at this subject but at surface level, FDP was first to deep dive into issues such as the technological and regulatory barriers, City UK looking at liability
- CC mentioned that should ensure information sharing in groups
- SD and CC committed to continue sharing information from other groups on this

Onboarding guidelines

- MJ gave an update on working group prioritisation:
 - Number of ideas; charters, prompt payment, points of engagement and how open banking could be better leveraged
 - Key thought has been beyond the guidelines we want to tackle something meaningful and valuable to FinTechs
 - Want to get FinTechs around the table to talk about the pain points to try and get something in for October to get some subject areas to focus on for the next 6 months
 - Open banking take up hasn't been as high as we might have thought
 - CF asked for reason why
 - Personal perspective on it, not sure how familiar FinTechs are with it and the public as well
 - CN asked how guidelines have been taken up by FinTechs

- MJ mentioned that anecdotally feedback was good from RBS accelerator, especially earlier stage firms, plus over 7000 downloads from website
- CN added that the onboarding documents have been shared with Australia
- CC added that more work for banks in UK to give bank accounts to FinTechs setting up over here more quickly
- KP gave an overview on the new FinTech programme cohort
 - KP mentioned that Tech Nation has just announced a new cohort of UK's most exciting FinTech companies
 - From 122 applications chose 23 with expert judges
 - Companies are between seed and Series A but much more mature than last year (3-5 years, revenue 270% more than year before)
 - Companies raised £4m on average, together employ 500 in UK and 100 globally
 - 40% in the regions, 40% at least one female co-founder
 - Challenges around hiring and retaining talent, managing sales cycles in regulated industries, expanding internationally (US)
 - Companies FCA's Sandboxes, Bridge programmes etc.
 - Please let me know if you would like to be involved in our peer to peer learning and the overall programme
 - Need for cooperation with FDP
 - SD asked how can we help them?
 - PN mentioned that this is the challenge for Tech Nation, need to align the programme and FDP more closely
 - MC requested KP share the themes of challenges facing FinTechs

AOB

- EJ Mentioned Tech Nation discussing future of the FDP keen to hear thoughts on how we take it forward, what's the future looking like, how do we refresh faces
 - CC mentioned conversation with EB and that must stop duplication of the groups also mentioned we can do more nationally including with networks that exist and mentoring and communication and that would need budget
 - IM mentioned that we need to focus on problem statements, what we are trying to solve, how we do that and how we measure in order to make the case for the future of FDP
 - CN asked if focus has been on delivery in the sectors rather than mapping the sector - how do we add value.
 - EJ commented that first 3-6 months FDP identified the problems then set up working groups- working groups meet monthly
 - MC mentioned that some working groups have stood test of time InsurTech and digital ID and onboarding, whilst others dropped off, for example talent working group had perhaps too big issues to look at and should be more specific and focused
 - SD mentioned that Mark Hoban has picked up the skills taskforce - in spirit of not trying to duplicate, we shouldn't run parallel at the strategic level and instead look for opportunities to progress specific activities within the Skills Taskforce that are important to the FDP.

- CF asked if it was too late to set up working groups
- EJ mentioned not too late and that we should refresh next wave
- SD mentioned that BoE Future of Finance report should be looked at
- CC added that bank want to push on SME financing
- PN thanked everyone for their feedback and will communicate next steps in coming weeks
- EJ thanked all of the participants and closed the meeting

Meeting actions:

1. Assessment against the initial internal mission statement including what we were trying to achieve, progress, outcomes and measures of success - **WG Chairs and Tech Nation**
2. CC to share letters with group on EMI limits for signatures- **CC**
3. All groups to re-focus on tangible outcomes for the last six months sprint - **All**
4. Provisional dates to be circulated for December meeting of FDP w/c 16th Sept- **PN**
5. Tech Nation to think about a regional element to the FDP - **PN**
6. The FinTech Programme cohort need to be more engaged with the FDP and insights into their challenges faced in a summary to be provided - **KP**