Minutes from FinTech Delivery Panel
held on Wednesday 11/12/19 at the
offices of Barclay's Rise

Next meeting to be held: TBC

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Panel Attendees:

1. Eamon Jubbawy, COO, Onfido (**Deputy Chair**) - (EJ)
2. Charlotte Crosswell, CEO, Innovate Finance - (CC)
3. Stephen Dury, Chief Customer and Innovation Officer, Santander UK - (SD)
4. Andrew Elphick, Innovation Execution Director, Barclays - (AE)
5. Christian Faes, CEO, LendInvest - (CF)
6. Philip Garner, Head of Fintech Discovery and Strategic Partnerships, Lloyds Banking Group - (PG)
7. Paul Heybourrne, Head of Digital Innovation & Mobile, Aviva - (PH)
8. Matt James, Head of Scouting UK & Europe, RBS - (MJ)
9. Ed Leon Klinger, CEO Flock - (ELK)
10. Will Thorne, Innovation Leader, The Channel Syndicate - (WT)
11. James Varga, CEO, The ID Co. - (JV)

Additional guests attendees:

1. Kieran D'Silva, co-founder and CFO of <u>PrimaryBid</u> - (KD)
2. Liam Gray, Head of Fintech Programme, Tech Nation - (LG)
3. Gerard Grech, CEO, Tech Nation - (GG)
4. Jeremy Taylor, Chief Technical Officer, Fractal Labs - (JT)
5. Natasha Foster, co-founder, Paid - (NF)
6. Carly Nimmo, Head of FinTech, Treasury - (CN)
7. Paul Novelle, Government Relations, Tech Nation - (PN)
8. Katja Palovaara, FinTech Programme Executive, Tech Nation - (KP)
9. Jemima Pitceathly, Tech Nation - (JP)
10. David Raw, Deputy Director, Banking and Credit, Treasury - (DR)
11. Samantha Emery, Head of Department - Innovate (interim), FCA - (SE)
12. Roger Vincent, General Manager UK & Chief Innovation Officer of <u>Trade Ledger</u>. - (RV)

Apologies:

1. Eileen Burbidge, Partner, Passion Capital (**Chair**)
2. Anne Boden, CEO, Starling Bank
3. Robert Kerrigan, GC, Funding Circle
4. Ishaan Malhi, CEO, Trussle
5. Chris Pond, Vice Chair, Financial Inclusion Commission

6. Kaushalya Somasundaram, Head of Fintech Partnerships & Strategy, HSBC
7. Anil Stocker, CEO, MarketInvoice
8. Ahmed Badr, General Counsel, GoCardless

Open

- PN opened the meeting by
  - Thanking AE for hosting, and
  - Introducing ELK as the new chair of the insurtech board

HMT update

- DR provided an update from HM Treasury
  - Stated that due to pre-election update would be brief
  - Expressed appreciation for the work that this group has done including work around insurtech, onboarding and digital ID

Tech Nation CEO update

- GG discussed Tech Nation
  - Provided power point presentation of what Tech Nation have achieved, discussing their programmes
  - Invited the Panel to ask questions
- PH asked about Tech Nations 2020 objectives
  - GG recognised that this was to increase the number of learners, revenues, page views
  - Acknowledged that Tech Nation have 6 main KPIs, they track about 140 indicators
- CF asked about funding surrounding Fintech panel
  - PN answered that there has been £900,000 over three years
  - Expressed hope that there would also be some money that could support the sector when working groups can identify clear pilots to run
  - GG expressed that there will be future discussions regarding funding
- AE questioned the potential impact of Brexit on the 15% of cross border work that Tech Nation complete and asked about Eastern European Countries involvement in the sector
  - GG explained that the British Business Bank are already funding 10% of seed, midstage and investors in the UK not quite at the level of EIF but it is increasing
  - CC expressed that a lot of these countries are not necessarily corporate and so are not attracting large amounts of money
  - GG expressed in the future, these countries with smaller jurisdictions can pass legislation quickly resulting in these economies getting further ahead in the future

Insurtech Board update

- ELK introduced himself and his company Flock
  - Expressed thanks for WT work in previously heading up the Board
  - Recognised the work of the Board thus far in producing standardised documents which have since been shared with Insurtech CEO's receiving great reception
- ELK discussed where the Board stood after their previous meeting
  - Acknowledged there seemed to have been a dip in energy and focus in the last few sessions
  - However, last session resulted in three key operating principles being set:
    - Growing investment;
    - Creating an environment that is conducive to partnerships and,
    - Innovation
  - Expressed the need for the Board to see projects through to completion
  - Next steps are the sprint to April and the focus on a workstream that targets all three of these aims
  - Guidelines and principles need to be defined

Portable Identity Pilot update

- EJ gave a short overview of the Portable Identity Pilot
  - Recognised that progress is strong and testing is ongoing until the end of the year
  - Overview of consortium members: Consortium 1 is Deloitte, Evernym, Monese, Seedrs, Curve, BSocial and Consortium 2 is uPort and PWC
  - Looking to put together a report to send through to the FCA in Q1
- EJ gave a brief update on broadly how other regulators in Europe are seeing this work
  - Noticed that educating the regulators has taken some time but reaffirmed the importance of this
  - Noted the importance of the Treasury and others being involved, specifically for the ability to use the credentials
  - Consultations are happening in parallel, it is emerging that remote or non face to face verification is not more risky than face to face
  - Indicated that digital ID is being taken more seriously
  - Once the pilots have closed various collaborating parties will assess the next steps and market strategies
- DR asked about digital identity and how these companies are working with others
  - EJ expressed that sandbox is focused on KYC and the minimum level of identity required to tick a box

- ○ This can be rolled up into other services
- ○ SE added that sandbox testing has been useful to understand potential barriers and conversations can be started around this
- CC recognised the importance of liability
  - ○ Noted that there are many projects, however, there is very little of actual testing
  - ○ MJ added that a lot of banks would like to see portable identity
  - ○ DR stated that the liability questions does seem to be a problem

Onboarding update

- MJ updated the panel regarding onboarding and the meeting held at 11FS between UK fintechs and banks
  - ○ MJ described the working groups recognition of pain points for both banks and fintechs
  - ○ Group focused on creating a mechanism for raising the profile of onboarding guidelines
  - ○ Draft document of guidelines is being worked on by the group, to be developed further ahead of January meeting
  - ○ Group also considered NPS type measure around engaging with financial institutions, similar to that introduced by the CMA for customer service
  - ○ Discussed open banking and how to monetise propositions, starting to look at a charter, how to move to
  - ○ WT asked how prioritisation was decided
  - ○ MJ stated low hanging fruit from roundtable, fintechs should be able to decide which programme they are in
  - ○ AE acknowledged the value of finding a middle ground in the form of a charter without going so far that it makes it a government procurement process

Tech Nation Fintech 2.0 cohort

- LG and KP introduced the Fintech programme
  - ○ Introduced the cohort members
- Cohort members introduced themselves and recognised their pain points in the startup process
- JT Introduced Fractal labs
  - ○ Acknowledged that lack of standardisation in open banking was a particular pain point
  - ○ Suggested KPIs would be useful or some form of open KPI data
- RV introduced Trade Ledger
  - ○ Recognised lack of talent as a problem
  - ○ Lack of clarity between programmes that particular companies run, however, credited Tech Nation's scale-up programme as highly useful due to its narrow focus
  - ○ Other challenges surrounding open data and lack of vision in open banking in

what open finance could do
- ○ GG questioned whether other countries have better models of this
- ○ RV stated that the USA is a good example as they have been monetising open banking for years
- ○ Suggested open data should be seen as a competitive advantage
- NF Introduced Paid
  - ○ Paid getting good traction to solve procurement issues and payment practices
  - ○ Pain points included; access to talent, access to big corporates and complicated procurement processes
- KD Introduced PrimaryBid
  - ○ PrimaryBid recently closed series A and outward VC backed by investment banks
  - ○ Recognised that pain points include: hiring, onboarding at large companies
  - ○ Acknowledged that in France 10% of IPOs go to retail, mandate does not exist in UK at detriment to retail investors
  - ○ Suggested mandate from FCA to offer to retail would be of benefit

Reflections
- PG enquired about pain points surrounding talent
  - ○ JT stated much of this surrounded engineering and visa approvals, often they can only work as temporary contractors
  - ○ RV agreed adding often problems occurred when hiring senior roles
  - ○ ELK questioned the approach on talent from large financial organisations
  - ○ NF And JT Both agreed that they would willingly give new exiter a chance based on potential
  - ○ RV stated that pool of talent is finite
  - ○ GG suggested thinking about parts of the UK which are completely untapped
- CF asked how the cohort had found the fundraising process
  - ○ All agreed the process has not been easy
  - ○ KD acknowledged getting the first term sheet was very time consuming, in the first few years spent 70% of time fundraising rather than completing business matters
  - ○ CC asked how the fintechs had gone about setting up their boards
- EJ asked about cohort's challenges finding funding
  - ○ EJ stated that it seems to be easier to get funding currently than a few years ago
  - ○ KD responded that the issue was not with connection but rather with VC's knowing the eight deals they want to carry out next year already
  - ○ EJ expressed the value in finding other founders, 18 months further ahead in the process
  - ○ Cohort agreed that once corner stone is reached the process becomes much easier
  - ○ RV acknowledged that procurement is another talking point
  - ○ CC invited the Panel to take part in National Pitch Day
  - ○ SE told the Panel cohort 6 of sandbox is open

- PN thanked all of the participants and EJ closed the meeting

Actions:

- PN to send the draft Onboarding Charter to the Insurtech Board
- Tech Nation and HMT to work together post election to synthesise next steps for FDP