

Fintech Delivery Panel

Minutes of the meeting: 13 March 2019

Date: Wednesday 13 March 2019

Location: Onfido, 3 Finsbury Avenue, London EC2M 2PA

Time: 1000 – 1200

Attendees:

1. Eileen Burbidge, Partner, Passion Capital (**Chair**)
2. Eamon Jubbawy, COO, Onfido (**Deputy Chair**)
3. Andrew Elphick, Innovation Execution Director, Barclays
4. Anna Wallace, Innovate Head of Department, FCA
5. Charlotte Crosswell, CEO, Innovate Finance
6. Kaushalya Somasundaram, Head of Fintech Partnerships & Strategy, HSBC
7. Matt James, Head of Scouting UK & Europe, RBS
8. Philip Garner, Head of Fintech Discovery and Strategic Partnerships, Lloyds Banking Group
9. Stephen Dury, Chief Customer and Innovation Officer, Santander UK
10. Will Thorne, Innovation Leader, The Channel Syndicate
11. Thomas Price, Head of FinTech, Banking and Credit Team, HMT
12. Greg Michel, Fintech Lead, Tech Nation

Apologies and yet to respond:

1. Anil Stocker, CEO, MarketInvoice
2. Anne Boden, CEO, Starling Bank
3. Blair Turnbull, MD, Digital & Retail, UK & International, Aviva
4. Chris Pond, Vice Chair, Financial Inclusion Commission
5. Martin Cook, General Counsel, Funding Circle
6. James Varga, CEO, The ID Co
7. Ahmed Badr, General Counsel, GoCardless

1. Welcome from the Chair:

- 1.1. Welcome from Eileen Burbidge (EB), thanking the panel members for their work in 2018 and outlining the importance of renewed efforts given the current circumstances.
- 1.2. EB welcomed two new members replacing previous colleagues: Philip Garner of Lloyds Banking Group and Andrew Elphick of Barclays.
- 1.3. EB mentioned the renewal of the membership which would be addressed by Eamon Jubbawy (EJ).
- 1.4. EJ announced that Taavet Hinrikus, Paul Rippon, Alice Newton-Rex and Philip Brown will step down and be replaced. Three other fintech founders are mentioned as potential replacements. The panel doesn't object.
- 1.5. Kaushalya Somasundaram (KS) suggested a fintech founder based in Manchester to fill in the last slot. Greg Michel (GM) agrees and takes as an action to reach out.

2. Agenda Item 2 - Priorities for 2019:

- 2.1. GM presented the activity focus for 2019 noting that given the timeframe left for the funding of the group, activities would be centred around the key ones identified at present i.e. Digital ID, the Fintech Toolkit and the Insurtech Board. Other tactical initiative would be considered and supported, but not necessarily with the support of Tech Nation given the small bandwidth.

3. Agenda Item 3 - Treasury Verbal Update:

- 3.1. Thomas Price (TP) outlined the enthusiasm by senior HM Treasury (HMT) representatives to actively support the sector and be even more visible. He encouraged the group to get in touch about opportunities that HMT could engage with.
- 3.2. TP underlined the fact that HMT saw huge value in Onboarding Guidelines and Fintech Toolkit work streams and welcomed the great progress made by the Digital ID working group.
- 3.3. TP addressed the future of FDP and reminded the group that funding for the initiative would run out at the end of the 19/20 fiscal year. He mentioned that HMT was open to discussing a review and renewal of the funding, provided the goals were clearly defined and addressed needs and frictions that this group had identified and was well suited to solve.
- 3.4. He also reminded the group of the deadlines linked to the budget submissions.
- 3.5. EB thanked him and opened the discussion on the future of the group.
- 3.6. Charlotte Crosswell (CC) noted that the panel was keeping fintech entrepreneurs engaged which was in general a challenge in the sector. She

noted that fintech entrepreneurs do want to see change and initiatives being pushed but are busy.

- 3.7. EJ added that the group should think about what entrepreneurs can get out of it.
- 3.8. CC suggested membership would not mean an automatic right to stay on the panel and would be limited to a year only.
- 3.9. TP underlined that HMT would support the FDP amongst other things for actions that needed to happen in a collaborative place, as is the case at the moment. He would welcome hearing about more frictions that could be resolved in this forum.
- 3.10. KS made the point that there were many parallel conversations happening internally at her institution but stressed that without the push and momentum the FDP has brought, initiatives couldn't have come to fruition. She understood that it takes time but regarded the FDP as extremely useful.
- 3.11. TP was pleased and responded that if this was the case, instead of bidding for the same amount, the group could ask for more but needed to have a business case backing this ask.
- 3.12. Matt James (MJ) opened the discussion to another consideration around Brexit and the new range of activities and necessities it might create. He noted that when the FDP was created, Open Banking wasn't live. This year would be the year where we'd see what open banking does and some real traction. That might lead to more pain points and opportunities.
- 3.13. Andy Elphick (AE) added the KS' point that, in his view, one of the real benefits was that the FDP's work showed banks working together, which does not happen often. Lots of people attended the launch of the guidelines and the response was good. The interest was also noted in other countries.
- 3.14. Philip Garner (PG) added that the landscape as evolved and suggested the group carries on focusing on what it brings that others can't deliver.
- 3.15. EB summarised by stressing again that no other bodies had the same convening power between HMT the banks and financial institutions and fintech companies. This led to the FDP's successes, she said.
- 3.16. Stephen Dury welcomed the fact that there was now much greater clarity on the delineation of activities between the FDP and other groups, for example FSTIB and the DIT's FSB.
- 3.17. **EB took as an action to solicit feedback from other members on the activities of the FDP and what they may want to take forward.**

4. Agenda Item 4 - Fintech Toolkit update:

- 4.1. Matt James (MJ) gave the update.
- 4.2. He recapitulated the progress so far and said that the group was at a point where it was seeking greater involvement from startups, particularly on pain points experienced in the engagement process and what needed to change from their perspective. One of the findings he stressed was a lack of visibility on their side on where in the process they were finding themselves.

- 4.3. The group was also looking at other aspects, like potentially moving into standard documents to save time and costs. All these aspects were being discussed with startups to identify opportunities and issues.
- 4.4. Another element he noted was ways to raise the profile of this working group in the UK and abroad ultimately.
- 4.5. Will Thorne (WT) asked how much of the work would be transferable outside of the UK.
- 4.6. SD noted that regulators and other parties were trying to align using fintech bridges and that this effort could be a good way to start connecting them.
- 4.7. KS interjected that discussions with regulators differed much from engagement between banks. She noted that there were discussions happening in Asia about regulators pushing this sort of work but MAS for example had said it wasn't their role. DIT on their side we more focused on the treaties and implementation of bridges.
- 4.8. AW clarified that there was no appetite at the moment from the regulators to dive into standards of procurement. There was more focused on systemically important technology deployments.
- 4.9. SD proposed that there may be a facilitation among the various groups involved.
- 4.10. AW said regulators had not brought the fintech companies to the table and added the DIT might be able to do that.
- 4.11. KS stressed there was a lot of awareness for the fintech onboarding topic in the South East Asian market. She noted this was maybe more an education process though.
- 4.12. CC said that Innovate Finance was looking at doing simple one-pagers explaining country-specific aspects for fintech companies looking to internationalise.
- 4.13. GM outlined the envisaged roadmap for the group, starting with UK fintechs and financial institution as well as a european bank. Once a more comprehensive direction of travel was identified at the next working group meeting, this would be followed up by a reach out to more european banks. A third phase would involve possibly american and asian banks.
- 4.14. AW said she was happy to mention this at the next GFIN meeting meant to discuss policy ideas. **Action is being noted by GM to touch base with AW on this.**
- 4.15. MJ added to the discussion that at the moment he was seeing greater focus on technology in finance, such as machine learning, data analytics and business-transforming technology. These touched a much more fundamental part of the business.
- 4.16. AW rebonded on this and said that this was more interesting to the regulator since it impacts operational resilience.
- 4.17. MJ added that the kind of engagement with fintech was moving away from product distribution to something more akin to joint exploration.
- 4.18. SD agreed and added that Santander had, as a result, adapted their way to engage. He outlined the process, focusing more heavily on a more thorough initial interaction rather than a long process from pilot to scale.

4.19. MJ agreed and said it all came back to transparency in the process.

5. Agenda Item 5 - Digital ID update:

- 5.1. EJ gave the update, starting by a recapitulation of the work done in 2018.
- 5.2. He clarified certain points regarding the sandbox, notably regarding where the applications would be taken and how many were submitted. He gave the group an update on how many applications were submitted and the kind of institutions taking part in these consortia.
- 5.3. EJ was pleased to share that the group was hitting timelines set out at the outset of the group.
- 5.4. EJ called on all the members to apply as relying party to these consortia.
- 5.5. He stressed that it took 10 to 20 years of effort and discussion for this work to come to fruition and was pleased that this was the forum in which it happened, noting much more will need to happen until it is deployed.
- 5.6. Finally, EJ informed the group that neither he, nor the group was allowed to divulge the names of who is taking part in the sandbox since it is confidential but he would be happy to link up parties together provided they would mutually agree to it.
- 5.7. AW outlined the various phases of the sandbox, including timelines.
- 5.8. EJ thanked the FCA for their support and enthusiasm in driving this forward and thanked AW personally, stressing that this piece of work could be a lasting legacy of the group.
- 5.9. WT as how long these sandbox pilot typically take.
- 5.10. AW responded that timings were flexible between 3 and 6 months but no more than 6 months. If there are more than one tests the duration could be longer. The majority of firms, about 75%, go straight to market from the first trial.
- 5.11. AW asked if members had an update on where the FSTIB's work was headed post the shared platform report launch.
- 5.12. SD responded that at the moment the focus on the liability model. When this would be done, all streams could be linked up. At this point it would become a question of policy.
- 5.13. CC added her wish to make sure the discussion around liability is packaged well and relayed into the right places in government. She said multiple people were having conversations which could create confusion. Since the work was being done in the FDP, it was important the message be relayed.

6. Agenda Item 6 - Skills and Talent update:

- 6.1. CC started with an update of the Fintech for Schools initiative.
- 6.2. She outlined the purpose of the initiative focusing on girls in schools particularly. She shared her ambition to take this around the country and have these around major hubs in the UK.

- 6.3. The aim was to inspire the future generation of talent. The problem was that STEM was pushed hard but we hadn't told pupils what they can do with these skills.
- 6.4. The initiative had two angles, the first obvious one was to nurture potential future tech talent but also get potential fintech consumers more comfortable with the sector.
- 6.5. Fintech for Schools was tied into the Rose report, talking about barriers getting into tech as well as into the Women in Fintech campaign.
- 6.6. The next event would happen in Birmingham.
- 6.7. She concluded by sharing Innovate Finance's plan to create a jobs board.
- 6.8. SD continued the update, outlining the upcoming plan of the FSTIB to unveil their report on digital skills in finance, led by Odgers.
- 6.9. He went on to describe the various parts of the report, singling out 1) measurement of specific skills and demand for these skills, 2) work readiness in graduates often not ready to apply to larger institutions after graduation 3) diversity and how it can be improved starting from GSCE level 4) reskilling and the wider issue of the ability of existing workers to fill the gap left by talent pipeline shortages and 5) recommendations into schools for more tech programmes.
- 6.10. He finished by giving the date of the launch and took as an action to circulate the paper around.**
- 6.11. WT asked whether the question of the apprenticeship levy was ever answered. He said he would be ready to pass on theirs to fintech who would need it.
- 6.12. TP replied he thought he had come back to the group and EB took it as an action to check and circle back with him.**
- 6.13. AW mentioned the FCA's grad programme, how it works and how graduates might unfortunately not always appreciate the value in a secondment at certain financial institutions.
- 6.14. CC added the AW's point that Innovate Finance had adapted their messaging as a consequence to focus on the purpose of fintech which resonates better with millennials
- 6.15. AE suggested that this messaging needed to go deeper since a number of banks employees, realising the shifting trend, want opportunities for themselves as well. He outlined a few of the Barclays initiatives going in this direction.

7. Agenda Item 7 - Insurtech update:

- 7.1. WT gave the update
- 7.2. He was glad to announce that the insurtech standard legal documents had been successfully launched the same morning, noting that it had very much been picked up by the incumbent press.
- 7.3. He continued by saying the group had reevaluated where to allocate its focus this year, and what tangible outcomes to reach. As a result, a few

workstreams were identified: 1) the possible creation of a network of insurtech innovation labs in the UK, 3) a focus on talent and how mentorships can be created to make sure the insurtech companies get the right mix of skills and relevant market knowledge and 3) a foray into a recommendation for “Open Insurance”.

- 7.4. He concluded by saying that links with Insurtech UK were being established and that the Insurtech Board was looking forward to learning more about their agenda and what they wanted to achieve.

8. Agenda Item 8 - Access to Capital:

- 8.1. EB gave the update.
- 8.2. She outlined her plans to organise another speed pitching event. Based on the success of the first one and the lack of strong evidence for a particular sub sector focus, it would be a general session, still targeted at early stage companies, around May or June time.
- 8.3. She shared that the reason for delays were staff changes at Passion but another Passion employee would be leading this effort.
- 8.4. CC added that Innovate Finance were looking at organising a speed pitching event in May at Level39 and she was happy to collaborate on it.

9. Agenda Item 9 - AOB:

- 9.1. CC shared Innovate Finance new focus on the investment side which was of a lot of interest for fintech companies. There was a new form of investment membership available with one fintech-focused VC already taking advantage of it.
- 9.2. She also shared her firm’s ambition to push a national coverage and possibly hubs membership.
- 9.3. A general discussion around the FCA’s graduate programme followed and AW took as an action to get Steven Muir to link up with interested people in the group.**
- 9.4. The meeting was closed.

