

Fintech Delivery Panel

Agenda and Papers for 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. Ahmed Badr, General Counsel, GoCardless
4. Andrew Elphick, Innovation Execution Director, Barclays
5. Anna Wallace, Innovate Head of Department, FCA
6. Charlotte Crosswell, CEO, Innovate Finance
7. Chris Pond, Vice Chair, Financial Inclusion Commission
8. James Varga, CEO, The ID Co
9. Kaushalya Somasundaram, Head of Fintech Partnerships & Strategy, HSBC
10. Matt James, Head of Scouting UK & Europe, RBS
11. Philip Garner, Head of Fintech Discovery and Strategic Partnerships, Lloyds Banking Group
12. Stephen Dury, Chief Customer and Innovation Officer, Santander UK
13. Thomas Price, Head of FinTech, Banking and Credit Team, HMT
14. Will Thorne, Innovation Leader, The Channel Syndicate
15. Greg Michel, Fintech Lead, Tech Nation

Apologies and yet to respond:

1. Blair Turnbull, MD, Digital & Retail, UK & International, Aviva
2. Martin Cook, General Counsel, Funding Circle
3. Anil Stocker, CEO, MarketInvoice
4. Anne Boden, CEO, Starling Bank

Agenda

1	10:00 - 10:05	Welcome from the Chair	Discussion	Eileen Burbidge
2	10:05 - 10:15	Objectives for 2019 <ul style="list-style-type: none">• What are our objectives for 2019	Update	Greg Michel
3	10:15 - 10:20	Treasury Update <ul style="list-style-type: none">• Verbal update	Update	Thomas Price
4	10:20 - 10:40	Onboarding Guidelines update <ul style="list-style-type: none">• Second phase of the fintech toolkit launched	Update & Discussion	Matt James
5	10:40 - 11:00	Digital ID <ul style="list-style-type: none">• One application to the FCA sandbox submitted Remainder set to be submitted end of November.• Pilot launch on track for Q1 2019	Update & Discussion	Eamon Jubbawy
6	11:00 - 11:20	Skills & Talent <ul style="list-style-type: none">• Fintech for Schools• FSTIB digital skills report	Update & discussion	Charlotte Crosswell Stephen Dury
7	11:20 - 11:35	Insurtech Board <ul style="list-style-type: none">• Launch of the Insurtech Standards	Update & Discussion	Will Thorne
8	11:35 - 11:40	Access to Capital <ul style="list-style-type: none">• Update	Update & Discussion	Eileen Burbidge
9	11:40 - 12:00	AOB	Discussion	Eileen Burbidge

Agenda Item 1 - Welcome from the Chair

Agenda Item 2 - Objectives for 2019

Update:	<p>The FDP objectives were discussed and agreed in 2017. As a reminder here they are again:</p> <p>The UK will continue to be the intellectual, technological and financial capital of the world for fintech from which startups will create the best financial services products and services for customers across the globe. This means:</p> <ol style="list-style-type: none">1. Talent we want to ensure that the UK's intellectual capital will be locally concentrated, globally networked and diverse.2. Capital we want the UK to be the best place in the world for a fintech to raise money.3. Access to markets We want UK fintechs to be supported in their ambition for global growth.4. Policy We want the strong fintech policy environment in the UK to continue encouraging fintech innovation. <p>The FDP cannot deliver all of these on its own, but is working closely with Government and regulators to drive high-impact industry initiatives in key areas where it can make a difference for fintechs across the UK</p> <p><i>FDP Year 1 & 2 focus areas</i></p> <ol style="list-style-type: none">1. We will drive collaboration between fintechs and incumbents. Crucial to achieving more collaboration will be introducing voluntary standards that make piloting products and services easier. We will also explore mechanisms through which verified identity can be transferred between financial services organisations. By piloting this through FDP members, we want to enable all UK consumers to use their identity securely across financial services.2. We will support the UK's home grown talent base. We intend to design a programme to help ambitious fintechs scale. We will also develop a fintech focus for the Barclays Connect To Work employability programme which helps fintechs fill vacancies by connecting them to young people seeking work.
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	<ol style="list-style-type: none"> 3. To help attract talent we will explore the possibility of getting immigration firms and advisory services to offer packages that are expressly designed for fintech skilled worker sponsorship and immigration support. 4. To improve fintech access to finance we will organise fintech fundraising pitch sessions, pitch clinics and other events with VCs, perhaps as part of larger tech community events or London Fintech Week. 5. We will showcase how fintech innovation can change the world for the better. We have already taken our first step here by launching a nationwide competition 'Fintech For All' to find fintech startups whose products or services can overcome challenges people face in managing their money. 6. We will put in place a dedicated group to bring together key elements of the insurtech ecosystem. A priority is to establish a common vision and framework to develop insurtech in London and across the UK.
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Agenda Item 3 - Treasury Verbal Update

Agenda Item 4 - Fintech Toolkit

Update	<p>The Fintech Toolkit Working Group had its first meeting of the year on 26th February.</p> <p>Having recognised the mutual benefit offered by partnerships and other forms of engagements between established financial institutions and fintech companies (or indeed any other companies willing to engage or partner with financial institutions), the aim of this working group is to continue to seek to reduce frictions in the engagement process.</p> <p>In November of 2018, the working group unveiled a document it had worked on with BSI. The document was published under a Publicly Available Specification (PAS) format. PAS 201:2018. Supporting fintechns in engaging with financial institutions as it is called, is meant to give fintechns as much information as possible about the common requirements of financial institutions. The PAS has been downloaded thousands of times all over the world and has been</p>
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hailed as a success. Financial institutions in Brazil, Israel, Italy and as far as Japan (via the DIT) expressed interest in the document. Following the publication of the document, Innovate Finance and Tech Nation ran a joint workshop gathering banks on the working group and fintech companies to discuss where to take this work next.

This was a productive session highlighting where both sides saw opportunities for improvement. Some of the key takeaways of the workshop centred around the Annex D from PAS 201.

The working group gathered after the workshop and discussed a few possible routes to take this work forward. The possibility of creating a “charter” (working term) was mentioned and got interest. Starting from Annex D and taking into account recommendations from fintech companies, this charter could be adopted by banks worldwide on a voluntary basis.

It would set out principles, process and potentially timelines that a financial institution would have to adhere to in order to claim to be a charter member. Various tiers could be envisaged where low tiers would mean some process is present but not specific to fintechs and higher ones would mean a dedicated procurement process is in place allowing for fast onboarding and testing.

Using this path forward would achieve many positives:

1. Allow fintech companies to actively input on what they see as the biggest challenges at them moment
2. Encourage financial institutions to challenge themselves and their current processes
3. Avoid the use of lengthy and complex standards by being voluntary yet driving competition between financial institutions to achieve the highest possible tier
4. Be exportable and hence portray the UK as a leader in the field globally

HMT are watching the progress of this working group very closely. With the Fintech Week coming up at the end of April and all eyes being on the UK at this moment, there is a great opportunity to benefit from HMT as a vector for announcement. In March 2018, in his Fintech Sector Strategy , the Chancellor had announced the creation of PAS 201 at the International Fintech Conference. The door is open this year again to leverage the Chancellor or other ministers to announce our plans.

This would leave the working group another four weeks roughly to agree in principal a path forward and a common goal.

Next steps:

At the meeting on the 26th February we agreed that we wanted to:

	<ol style="list-style-type: none"> 1. Test the pain points with a number of fintechs – and would identify a cohort that could take part in this. 2. Use the feedback to flesh out the content of a charter 3. Ensure this is positioned as a collaborative piece between the Fintechs and the Banks 4. Consider how we ensure we get top of house engagement and support in the banks 5. Consider how we could extend this internationally as an initiative
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Agenda Item 5 - Digital ID

Update	<p>Update for March FDP - confidential and not for sharing outside FDP</p> <p>The Digital Identity working group met 8 times in 2018 and their next meeting is planned for 14 March 2019</p> <ul style="list-style-type: none"> ● A variety of tech consortia were invited to apply to the bespoke digital identity FCA sandbox in 2018 and a number of applications were submitted to the FCA before Christmas ● The FCA has now approved at least one consortia application. This means we are green-lit to proceed into a bespoke identity sandbox ● To note, this is the first ever bespoke sandbox and has been created especially for this pilot. ● Therefore the pilot is moving forward against the ambitious timelines we set out last year, and will commence in Q1 as expected ● It is expected that decisions on the other applications will be made by the FCA before the end of Q1 ● FDP members are now very strongly encouraged to get involved with the pilot - for example, to participate as a relying party. ● This will demonstrate the FDP's leadership in the sector and illustrate that it is delivering against this important part of its vision. As you know, this work has transformational potential for the UK's fintech sector - by making it easier for fintechs and banks to onboard customers at scale using portable identity, we allow our businesses to grow faster and strengthen our FS and tech ecosystems. ● There is also an important policy-shaping angle to this pilot, with the government's GDS recently releasing draft
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	<p>standards in the space. Through testing and learning in the pilot, we hope to help the regulator and policy makers understand how portable identity could work in the interests of customers and of businesses. This policy work would be a very useful legacy for the FDP to claim, as it nears the end of its three year tenure and will want to take stock of its successes.</p> <ul style="list-style-type: none"> • The first consortia are planning to start the pilot by the end of March 2019 - to participate or learn more reach out to laura.coffey@onfido.com
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Agenda Item 6 - Skills & Talent

Update	<p>Some initiatives have been launched or are being worked on by various panel members. Updates will be given on:</p> <ul style="list-style-type: none"> - FinTech for Schools: launched on March 5th, this initiative aims to inspire the next generation of FinTech leaders and raising young people’s ambitions for innovation in financial services. FinTech for Schools is an important piece of Innovate Finance’s Skills and Talent work, which aims to support a future domestic pipeline of talent as well as showcasing the various skills initiatives of its members in one, easily accessible place. The FinTech for Schools campaign is designed to encourage young people to understand the increasing importance of digital skills in the workplace, with an emphasis on ensuring the sector is appealing to girls. - The FSTIB’s report and input on universities’ curricula Update on the work the FSTIB is doing on the needs for digital skills and its input into the Financial Services Skills Taskforce.
To discuss	Support from the group to any or both of these.

Agenda item 7 - Insurtech

Update	<ul style="list-style-type: none">● The Insurtech Standards (the insurance version of the Fintech Toolkit) have been completed and will be launched on the morning of the FDP meeting. You can sign up to attend here https://www.eventbrite.co.uk/e/insurtech-standards-launch-tickets-56052265836. We have close to 100 sign-ups at the date of writing, and Becky Morrison, Deputy Director of Insurance and Pensions at HMT will deliver an introductory speech. The pack will be hosted on the Tech Nation website and downloadable thereafter, together with a press release featuring endorsements from various stakeholders. A significant amount of work has been put into this by the working group over the last 12 months, and we are pleased to be able to offer some tangible output on behalf of industry incumbents and insurtechs which can make a real improvement to the time taken to form partnerships. We are particularly grateful for the efforts of Board members Phoebe Hugh (Brolly) & Freddy Macnamara (Cuvva), alongside significant input from Dentons and Simmons & Simmons● We have cycled the membership for 2019, with three members leaving. New members include Lidia Bozhevolnaya (Head of Strategy @ Hiscox), Ed Klinger (founder / CEO @ Flock), Polyanna Deane (Simmons & Simmons), and Mark Dennis (Munich Re Digital Partners COO)● Following a survey of insurtechs, incumbents, investors and other interested parties carried out by Meera Last of Tech Nation and Ed Crowther of HMT, we have identified the initial working groups for focus in 2019, namely:<ul style="list-style-type: none">○ Improving the insurtech labs / accelerator network, with the idea of starting something a little akin to the reciprocity rules that govern clubland○ Talent – improving the rate of talent transfer from incumbents to startups<ul style="list-style-type: none">■ It would be very useful to explore any information that could be passed from the FDP talent working group○ Open Insurance – exploring the possibility of joining or expanding the current pensions work on open banking equivalency● In addition, we are awaiting feedback from Treasury as to whether there is any merit in pursuing a review of IPT/VAT (this is an industry wide problem, rather than just insurtech)
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	<ul style="list-style-type: none"> Finally, we are working to engage with the recently formed insurtech lobbying group, Insurtech UK
To discuss	Insurtech working group is planning on realigning the purpose of the board and setting strict objectives for 2019.

Agenda item 8 - Access to capital update

Update	<p>Proposed dates: 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 9 - AOB