

**FINTECH DELIVERY PANEL 2.0
MEETING MINUTES**

Date: 07.09.2020

Time: 11:30 - 13:00

Location: Zoom

ATTENDEES

- (EST) John Glen, Economic Secretary to the Treasury
- (EB) Eileen Burbidge (Chair), Partner, Passion Capital and HM Treasury Special Envoy for Fintech
- (AB) Ahmed Badr, General Counsel, GoCardless
- (AE) Andrew Elphick, Innovation Execution Director, Barclays
- (BL) Ben Lockett, Managing Director, Aviva Ventures
- (CP) Chris Pond, Chair, Financial Inclusion Commission
- (CF) Christian Faes, Executive Chair & Co-founder, LendInvest
- (CH) Colin Hewitt, CEO & Founder, Float
- (EKL) Ed Leon Klinger, CEO Flock & Insurtech Board Chair
- (ET) Edward Twiddy, Chief Customer Officer, Atom Bank
- (FS) Francesco Simoneschi, CEO and Co-founder, True Layer
- (GR) Gemma Rogers, Co-founder, Fintrail
- (JH) Janine Hirt, COO & Board Member, Innovate Finance
- (MI) Martin Ijaha, Fintech advisor, previously co-founder Neyber
- (MJ) Matt James, Head of Scouting UK & Europe, NatWest Group
- (MT) Min Teo, Managing Investment Partner, ConsenSys
- (NF) Natasha Foster, Co-founder/COO, Paid
- (NL) Nick Lee, Head of Regulatory Affairs, OakNorth
- (NP) Nilan Peiris, Vice President of Growth, Transferwise
- (PG) Philip Garner, Interim Director of Innovation & Strategy, Lloyds Banking
- (SD) Stephen Dury, Director of Innovation, Santander
- (SB) Sujata Bhatia, COO, Monzo
- (VB) Veronique Barbosa, Co-founder & COO, Flux

Observers

- (BM) Beth McGauley, Fintech Policy Adviser, HM Treasury
- (CN) Carly Nimmo, Head of Fintech team, HM Treasury
- (LN) Laura Navaratnam, Head of Innovate, Financial Conduct Authority
- (TM) Tom Mutton, Director of Fintech, Bank of England

Secretariat

- (JP) Jemima Pitceathly, Programme Executive FDP, Tech Nation
- (PN) Paul Novelle, Consultant, Tech Nation
- (RS) Ravi Shukla, Head of FDP, Tech Nation
- (VR) Victoria Roberts, Director of FDP, Tech Nation

Apologies

- (AD) Adam Dickinson, Head of Fintech, Innovation & Partnerships Procurement, HSBC
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Welcome (Eileen Burbidge, Chair)

- EB opened the meeting setting the scene for Fintech Delivery Panel 2.0
 - Welcoming the new Panel, FDP observers and Economic Secretary
 - Introducing the new FDP secretariat
 - Recalling the achievements of Panel 1.0 including the Onboarding Guidelines and Fintech for All competition
 - Thanking HM Treasury for its renewed support of the Panel
 - Confirming the official launch of Panel 2.0 for 14 September
- EB outlined the external environment facing the fintech sector as we enter the next phase of the Panel's work
 - Recognising the impact of COVID-19 on all aspects of fintech from investment to customers to workplace
 - Acknowledging the pending end of UK's transition period from the EU
- EB noted the need for a clear vision detailing how Panel 2.0 will seek to drive opportunities / address challenges to the fintech sector over the next 18 months.

Introduction from Economic Secretary to the Treasury (John Glen MP)

- EST thanked EB, Panel members and Tech Nation for the work of the Panel since its inception.
- EST highlighted that fintech remains a real priority despite the pandemic.
- EST outlined a number of issues to consider for future success across the sector
 - Mainstreaming fintech solutions and enhancing fintech resilience
 - Increasing investment in startups across the regions
 - Fostering broader diversity
- EST referenced the Fintech Strategic Review being conducted by Ron Kalifa, and welcomed Panel interaction with emerging ideas.

Panel Insights (Fintech Delivery Panel Members)

- Panel Members introduced themselves and their expertise to the group, presenting some of the key opportunities and challenges they see facing the fintech sector (summarised by theme below).
- **Digital adoption and financial inclusion**
 - Rise in digital adoption, particularly driven by response to pandemic as customers see value in digital propositions
 - Increasing opportunities to help and meet real customers through technology, better managing risks and uncertainty through offering simple, accessible, transparent products
 - How fintech can contribute to greater financial inclusion and respond to the specific needs of vulnerable customers
- **Regulation, business models & profitability**
 - Ensuring appropriate regulatory frameworks for new business models and smaller firms
 - Nature of fintech as regulated entity leads to longer journey to profitability
 - Potential for sector consolidation as resilience of business models challenged in current environment
 - Complexity of compliance with EU rules for UK-based entities operating on the continent following UK's EU exit
 - Ability to share data with and across emerging regtech solutions is barrier to vertical growth
 - Opportunity to promote UK expertise and learnings from Open Banking internationally
- **Investment**
 - Opportunities to encourage greater US investment into UK fintech sector
 - Funding challenges and availability of growth capital in current COVID-19 environment and post UK-EU transition, from investors for startups and scaling, as well as internal innovation within incumbents
 - Banking Competition Remedies supporting innovation across the sector, but potential for smaller awards to reap wider potential change
- **Talent**
 - Extremely fluid in current remote environment - bigger talent pool vs super talent in demand
 - Complicated to navigate employees across different jurisdictions
 - How to bring the best talent to the UK - support for Tech Nation visa scheme
- **Partnerships**
 - More potential for greater emphasis on partnerships and collaboration with banks and/or technology companies
 - More work could be done looking at how incumbents help fintechs to scale
- **Ecosystem and connectivity**
 - Adapting to post-COVID-19 changes to working spaces, how to recreate benefits of a vibrant ecosystem through virtual channels
- **Diversity**
 - Encouraging and supporting greater pool of diverse founders and employees, as well as customer outcomes reflecting the diversity of financial services customers (present and those under-served)

- **Sustainability**
 - Role of fintech in promoting/enabling sustainability
- **Business environment**
 - Unpredictability of external environment and evolving nature of related guidance
 - Improvements still needed in how to conduct business with online documents and digital agreements in remote environment

Reflections from Economic Secretary to the Treasury (John Glen MP)

- EST thanked the Panel for sharing their perspectives.
- EST covered the ongoing challenge presented by COVID-19 to the business environment, explaining the government's interventions to improve the macro situation and the Future Fund specifically targeted at high-growth innovative firms.
- EST acknowledged the challenge of appropriate regulation for different size firms, and invited the Panel to think further about what could provide a game-changing intervention on financial inclusion, as well as how fintech can drive job creation across the UK.

Further discussion of Panel Insights (Eileen Burbidge + FDP Members)

- EB invited further discussion of the opportunities and challenges for fintech.
- Additional points included:
 - how best to incubate and safeguard the sector
 - how incumbents not only partner with fintechs but help get new firms started
 - regulation of the fintech sector plus the impact of wider rules such as IFRS

Update on Fintech Pledge (Matt James, Natwest Group)

- MJ updated the Panel on the Fintech Pledge launching on 14 September.
 - Pledge sets globally leading standards for establishment of partnerships between UK's largest banks and fintech firms.
 - Initial signatories: Barclays, HSBC, Lloyds Banking Group, Natwest Group, Santander
- MJ thanked the team at Tech Nation for its support and the members that had previously contributed to the onboarding guidelines.

Update on the Insurtech Board (Ed Leon Klinger, Chair Insurtech Board 2.0)

- ELK updated the Panel on the Insurtech Board including the work completed on the Insurtech Standards, the recent Innovation Statement and early plans for IB 2.0.

Next steps (Victoria Roberts, Director of Fintech Delivery Panel)

- VR outlined next steps for the FDP
 - Thanked the Panel members for presenting their views on the broad range of issues facing the fintech sector.
 - Confirmed the secretariat will liaise with Panel members to consider these in more detail, drawing on this input to produce a vision statement and plan to guide the Panel's future work.
 - Noted dates for the next meetings will be circulated shortly, with the next full meeting in December 2020.