

FinTech Delivery Panel

Agenda and Papers for second meeting: 21 June 2017

Date: Wednesday 21 June 2017

Location: Ace Hotel, 100 Shoreditch High St, London E1 6JQ, UK

Time: 1230 - 1430

Attendees:

1. Eileen Burbidge, Managing Partner, Passion Capital **(Chair)**
2. Eamon Jubbawy, Co-founder and COO, Onfido **(Deputy Chair)**
3. Alice Newton-Rex, Head of Product, WorldRemit
4. Anil Stocker, CEO, MarketInvoice
5. Anne Boden, CEO, Starling Bank
6. Chris Pond, Vice Chair, Financial Inclusion Commission
7. Jeff Lynn, CEO, Seedrs
8. Kaushalya Somasundaran, Head of Fintech Partnerships, HSBC
9. Lawrence Wintermeyer, CEO, Innovate Finance
10. Martin Cook, General Counsel, Funding Circle
11. Matt James, Head of FinTech, RBS
12. Michael Harte, Group Head of Innovation, Barclays
13. Paul Rippon, CEO, Monzo
14. Philip Brown, Head of Policy, LV=
15. Sarah McKenzie, Manager, Competition, FCA
16. Serge Tabourin, Global Innovation Director, Aviva
17. Sigga Sigurdardottir, Chief Customer and Innovation Officer, Santander *(from 1300)*
18. Taavet Hinrikus, CEO, Transferwise
19. Will Thorne, Innovation Lead, The Channel Syndicate
20. Emily Casey, Digital Economy, HM Treasury
21. MB Christie, COO, Tech City UK
22. Laura Coffey, Head of FinTech, Tech City UK
23. Greg Michel, Senior Programme Manager, FinTech, Tech City UK

Apologies:

1. Claire Calmejane, Director of Innovation and Digital Development, Lloyds Banking Group
2. Dan Turnbull, Head of Banking Competition, HM Treasury
3. Ed Molyneux, CEO, Free Agent
4. James Chappell, CTO Digital Shadows
5. James Varga, CEO, The ID Company

Agenda

1	1230 - 1240	Welcome and opening remarks	Discussion	Eileen Burbidge
2	1240 - 1330	Our three year vision	Decision	Eamon Jubbawy
3	1330 - 1340	Skills & Talent	Discussion	Lawrence Wintermeyer
4	1340 - 1350	FinTech Toolkit	Discussion	Laura Coffey
5	1350 - 1410	Financial Inclusion Competition	Discussion	Chris Pond
6	1410 - 1420	Ways of working <ul style="list-style-type: none">• ensuring the FDP is effective	Decision	Eileen Burbidge
7	1420 - 1430	AOB <ul style="list-style-type: none">• FinTech Sector deal (HM Treasury)• Raising the Panel's profile - LinkedIn badge option	Discussion	All

Next meetings: 13th September 2017; 6th December 2017

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FOR DECISION

Draft Vision - for discussion and sign off

Context: the vision working group wanted to produce a deliberately ambitious vision - meeting even just one of these elements would make a significant difference to the FinTech landscape in the UK

Note, for the purposes of this vision, 'FinTech' is taken to include RegTech and InsurTech

Contributors: Husayn Kassai (Onfido), Anne Boden (Starling Bank), Michael Harte (Barclays), Eamon Jubbaw (Onfido)

VISION FOR THE FDP

The UK will be the most abundant & trusted intellectual, technological and financial capital of the world.

Guiding Principle

We will drive high impact policy initiatives designed to encourage competition and innovation across Financial Services.

Success Attributes

1. **Talent** | The UK's intellectual capital will be locally concentrated and globally networked
 - a. By 2018, triple the number of Tier 2 (general) visas allocated to FinTech businesses; reduce the cost of sponsoring a Tier 2 hire by 90%; and reduce the admin time to process a Tier 2 hire by 90%.
 - b. By 2018, establish partnerships with councils and colleges to deliver 5,000 fully-funded FinTech apprenticeships across the UK's 10 largest cities (weighted by population size).
 - c. By 2019, develop 2 FinTech-specific university courses in London and 10 outside of London.
2. **Tech** | UK FinTechs will be the most globally networked in the world via technology "bridges"
 - a. By 2019, establish five "landing pads" to provide qualifying start-ups with a short-term operational base in global hotspots such as Silicon Valley, Singapore, India, China and Israel - and extend this framework to position the UK as the 'natural second market' for FinTechs who launch elsewhere.
3. **Policy** | The UK's regulatory environment encourages is the world's most progressive FinTech environment
 - a. By 2018, launch the Open Bank API Framework and ensure available access to at least 50% of public non-sensitive data via open APIs.
4. **Capital** | The UK will be the best place in the world for a FinTech to raise money
 - a. By 2018, establish an £850k extension on SEIS funding for eligible FinTech startups - allowing them to raise £1m under the SEIS scheme.

- b. By 2018, establish a Government Growth Fund to match any equity investment into a FinTech business between £5m—£25m with debt financing at LIBOR + 4% rate of interest (to be converted to equity in the event of the company moving HQ abroad).

Agenda Item 3 – Skills & Talent Working Group

FOR DISCUSSION

Progress to date:

- Plan to kick off a ‘Sector Jobs Forecast’
- Exploring a possible regional test & learn pilot for FinTechs based on Barclays ‘Connect with Work’ programme (an employability programme that matches young talent with the specific needs of business)
- Apprenticeships - to be developed - options to explore include the Hong Kong Monetary Authority’s FinTech Career Accelerator scheme which provides internships for university / post grad students looking to work in FinTech
- *Note that FSTIB work on Skills & Talent focuses on highlighting the needs of FS employers to universities (more detail below)*

Agenda Item 4 – FinTech toolkit

FOR DISCUSSION

Approach:

- The ‘FinTech toolkit’ working group believe that many FinTechs could be better ‘readied to partner’ with FS institutions by understanding what they need and by having the answers and information available, and FS institutions could commit to best practice to make them easier to engage with
- We believe this would accelerate on-boarding and reduce time and cost to pilot and partner together - contributing to making the UK ecosystem more efficient and collaborative and therefore more attractive to FinTechs

Progress to date:

- Kicked off work with British Standards Institute (BSI) to consider how standards might help FinTechs with the onboarding process and work is beginning on draft initial onboarding guide for FinTechs using the BSI ‘PAS’ model which is a fast-track industry sponsored document shaped by an open, consensus-based process managed by BSI as a broker and involving both FinTechs and FS institutions
- Completed some initial Discovery work to shape the Tech City FinTech programme which will deliver a series of practical masterclasses for scaling FinTechs, design work on this programme is ongoing
- Agreed with the Department for Business, Energy and Industrial Strategy to convene a InsurTech roundtable as part of their Challenger Business programme - happening 19 July
- Working with FSTIB & Santander to agree a complementary work plan around the ‘interoperability’ agenda - see the separate PowerPoint document for further detail

Agenda item 5 - Financial Inclusion Competition

FOR DISCUSSION

- As announced in the Digital Strategy, and in response to steers from the first panel meeting that the FDP should make a contribution to financial inclusion agenda, Tech City will launch a competition to encourage the development of digital approaches to support financial inclusion and helps people manage their money better
- Chris Pond, Serge Tabourin, and Alice Newton Rex from the Panel have been providing advice to shape the criteria and delivery of the competition
- Tech City UK are continuing to undertake discovery work with both startups and third sector organisations
- Having spoken to NESTA regarding their Open Banking challenge, we would be keen to explore if there might be an option for banks to provide anonymised personal current account data for people of lower socio-economic status - access to this data would allow FinTechs the opportunity to test their proposition which from initial discussions with some seems like more valuable to them than a large prize fund
- We are grateful for the support from Financial Services institutions represented on the FDP and look forward to working closely with your teams on financial inclusion to shape the criteria, assist with the marketing, and the prize
- We will update the Panel in September with progress

Agenda item 6 - ways of working & raising the profile of the FDP

FOR DISCUSSION

To ensure that the FDP is effective, that resources are used appropriately, and that decisions can be made at pace, we propose to keep working groups purposely small, and to rotate members of them as the Panel members prefer.

Currently there have been no responses to the invitation on the Tech City UK website to interact with the Panel or suggest agenda items for it to consider.

We would welcome thoughts on how to raise the profile of the FDP - a LinkedIn Badge has been proposed as one idea. Raising our profile will hopefully enable us achieve more of a two-way conversation between the Panel and the FinTech community.

FOR NOTING

COORDINATION BETWEEN THE FDP, THE FINANCIAL SERVICES TRADE AND INVESTMENT BOARD (FSTIB) & INNOVATE FINANCE'S NETWORK ACTION GROUP

The secretariat meets quarterly to ensure there is no duplication between the groups and resolve issues where necessary. There were some potential areas of overlap identify that give rise to opportunities for joint working on key issues.

FSTIB WORK PLAN

FSTIB's primary focus is on international trade and investment and the competitiveness issues that feed into this. However, they are also interested in the domestic agenda so HMT agreed a more nuanced understanding of roles and responsibilities than was initially shared with you in the first FinTech Panel meeting.

1. Regulation
2. Skills / talent - a FinTech prospectus for universities helping them to understand the skills that Financial Services employers are looking for and optimise courses
3. Interoperability playbook for financial services organisation - documentation of case studies to show (i) benefits of working with FinTech (ii) illustrate different ways to interact with FinTech (iii) provide legal guidelines of things to consider when partnering

Working with FSTIB

- FDP focus on delivery & making things happen (vs FSTIB focus on strategy)
- Opportunities to work alongside FSTIB on the talent and skills agenda will be explored
- On interoperability - the FDP are focusing on delivery of the FinTech Programme of masterclasses to complement the FSTIB's Playbook

NETWORK ACTION GROUP WORK PLAN

- Patient Capital - to unlock institutional money / government backed capital / create a super-fund
- Value of FinTech - to demonstrate the contribution of FinTech to the UK and our society

Agenda item: AOB

FOR DISCUSSION

SECTOR DEALS

HM Treasury are interested to explore whether the FDP might have appetite for a formal FinTech sector deal:

- History shows that the Government “picking winners” doesn’t work.
- But it is right that Government supports sectors across the economy to grow, invest and reach their potential.
- There are advantages in addressing the opportunities in particular industries and sectors – for example working together with business to developing institutions in which companies can share in research and development and training, or addressing regulatory barriers faced by a given industry, or working together to promote exports, or create the conditions for a thriving UK supply chain.
- In all cases, arrangements must be open to new entrants and challengers, not just existing firms.
- Because we recognise that these policies can only succeed with strong business leadership, our new approach challenges sectors to upgrade through “Sector Deals” - an ‘open door’ challenge to industry to come to us with proposals to transform and upgrade their sector. It is a call to business to self-organise behind strong leadership to address shared challenges and opportunities, to meet their priorities.
- The business community is best placed to identify what firms really need. Government will be there to support them.

FOR NOTING

TECH CITY UK – Database of Trusted Professional Services providers - update

Between January - March Tech City UK undertook some discovery work to explore the recommendation within the 2016 EY report to

“create a live database of professional services providers to help small FinTechs navigate this market and increase competition in services”

Many of the FDP members generously contributed to the user research on this - thank you.

- Findings were that user appetite for this database was limited, and that existing mechanisms to identify professional services providers, though imperfect, generally work
- We have therefore developed some light touch signposting at www.techcityuk/fintech where we list providers recommended by FinTechs - special thanks to TransferWise supplying a lot of the recommendations
- If any panel members would like to suggest additions to this short list, please let us know and we will update

FOR NOTING

TECH CITY UK – FinTech team recruitment

We have been building out our dedicated FinTech team and in April appointed Laura Coffey as Head of FinTech. In June we appointed Gregoire Michel as Senior Programme Manager, FinTech. Maria Palmieri will continue to support in her role as Government Relations Lead.

FOR NOTING

TECH CITY UK – Commercial Partnerships

Tech City UK works with a range of public and private sector partners to add value to the digital entrepreneur and build a pipeline of high-growth tech businesses by nurturing talent, generating thought leadership and championing the UK tech sector nationally and internationally. Partnerships are both commercial and in-kind, and the rights are non-exclusive. We will be including the FinTech Programme and FinTech Competition on Financial Inclusion as part of our portfolio of offerings to commercial partners.

If any of the FDP members are interested supporting these programmes as a commercial partner, please get in touch with laura@techcityuk.com