

**Fintech Delivery Panel**  
**Minutes for the Meeting Held on the 13th June 2018**

**Date:** Tuesday 13th June

**Location:** Her Majesty's Treasury, 1 Horse Guards Road, Westminster, London SW1A 2HQ

**Time:** 10:00 - 12:00

**Attendees:**

1. Eileen Burbidge, Partner, Passion Capital (Chair)
2. Eamon Jubbawy, COO, Onfido (Deputy Chair)
3. Anna Wallace, Innovate Head of Department, FCA
4. Charlotte Crosswell, CEO, Innovate Finance
5. Chris Pond, Vice Chair, Financial Inclusion Commission
6. Claire Calmejane, Director of Innovation and Digital Centre of Excellence, Lloyds Banking Group
7. James Varga, CEO, The ID Co.
8. Kaushalya Somasundaram, Head of Fintech Partnerships & Strategy, HSBC
9. Martin Cook, General Counsel, Funding Circle
10. Matt James, Head of Scouting UK & Europe, RBS
11. Taavet Hinrikus, CEO, Transferwise
12. Will Thorne, Innovation Leader, The Channel Syndicate
13. Thomas Price, Head of FinTech, Banking and Credit Team, HMT
14. MB Christie, COO, Tech Nation
15. Gregoire Michel, Fintech Lead, Tech Nation
16. Meera Last, Project Manager, Tech Nation

**Apologies:**

1. Alice Newton-Rex, VP of Product, WorldRemit
2. Anil Stocker, CEO, MarketInvoice
3. Philip Brown, Head of Policy, LV=
4. Anne Boden, CEO, Starling Bank
5. Gus Macfarlane, Managing Director Global Innovation, Barclays
6. Paul Rippon, Deputy CEO, Monzo
7. Erez Mathan, COO, GoCardless
8. Sigga Sigurdardottir, Chief Customer and Innovation Officer, Santander

## 1. Welcome:

- 1.1. Eileen Burbidge (EB) thanked the panel for gathering, and thanked John Glen, Economic Secretary to the Treasury (JG) for attending.
- 1.2. JG thanked the panel for their work so far, and went on to say he is honoured to be with the panel today. JG said that it has been valuable having the FDP to provide the Government with an understanding of what is going on at ground level, so they can start to think about what policy changes are needed to support the UK fintech ecosystem. JG added that it's good to start shaping an idea of how we can provide the conditions for growth to be maximised across the UK, as fintech in his view has the opportunity to transform people's lives in the UK. He recognised that there is a great appetite for further development in UK fintech, and although he is pleased that we are the best place for fintech in Europe, there is still work to be done to ensure we are doing all we can to support entrepreneurs - and an entrepreneurial spirit. JG goes on to praise the goal of creating networks between our country's great fintech hubs, to make sure that all opportunities for growth are realised. He finished by congratulating the board on their momentum and acknowledging that the Government are listening to our conversations.
- 1.3. EB suggested that members may have questions for JG. James Varga (JV) acknowledged that the UK has become a market leader in fintech, particularly with regards to Open Banking but wondered what other initiatives could be started to maintain this pole position once its implementation has been complete.
- 1.4. JG responded by saying that we're in early stages, but we see a real framework for change and great opportunities for growth and development. JG also underlined the importance of financial inclusion and how much work still remains to be done in this area. He stressed the appetite of large financial institutions for partnerships with fintechs, as well as the success of some UK-based fintech companies.
- 1.5. Chris Pond (CP) added that he regards financial inclusion as one of the most compelling responsibilities for the sector going forward. Financial literacy, and promotion thereof, should be a key priority for the board. Providers of financial services need to ensure that they have product and services fit for purpose, that allow people to understand their financial situation as easily as possible. CP thought that with the increase in ethical consumers, fintechs will be able to capitalise on creating a more accessible and democratized approach for people to manage their money, including in investment. He stressed that it was crucial for individuals to have the whole picture of their financial situation, and to ensure that incumbents were open and ready to provide support for this emerging priority. EB and JG agree.

- 1.6. Eamon Jubbawy (EJ) asked JG how much support from HM Treasury will there will be for the new wave of regtech start-ups that are tangentially contributing to the fintech ecosystem.
- 1.7. JG acknowledged the question and says that he thinks support will be available for those start-ups looking to revolutionise existing organisations and processes. He went on to say that a wave of change could be inspired by our Brexit decision, in that we have an opportunity to embrace smarter and more efficient ways of identification. This can be fully utilised when it comes to managing immigration, as the Government needed to ensure it attracts and retains a diverse supply of skills and talent. Effective mechanisms for transferring talent effectively were equally important. JG underlines that in his mind there was a real opportunity here. He added that the country would see a transformative effect in processes where changes providing economic advantage would happen. He finishes by stating that he viewed it as is his job to be the Panel's, and the ecosystem's, advocate in government.
- 1.8. EB thanked JG for attending. The group concurs.
- 1.9. JG left.
- 1.10. EB voiced her pleasure to hear that JG so clearly supports the FDP and recognises the importance of fintech and financial inclusion. EB then went on to thank the regional envoys for their attendance and asked them to introduce themselves and give a brief overview of their roles and interest.
- 1.11. David Duffy (DD), CEO of CYBG Plc introduced himself. He outlined how he is invested in collaborating with the North to become a flagship for the region, to ensure it capitalises on as many opportunities as possible. He stated it is his goal to build bridges from the North to other hubs, so each city can benefit from talking to each other. DD went on to highlight his connections with players outside of the UK market, like Australia in particular, and states that he is driven to support the UK by connecting money back into our marketplace. He finishes by stating how proud he is to work for the first fully API enabled bank, and says he was a keen advocate of improving the state of banking technology in the UK.
- 1.12. EB thanked DD for his contribution and passed over to Chris Sier (CS).
- 1.13. CS thanked EB and began by introducing himself as the regional envoy for England. This role, he said, sprung out of an established relationship with Treasury. He went on to say that he wanted to find an effective way of displaying the skills and talent that the UK- and the whole of the UK - is bursting with to the rest of the world. CS said that it became apparent in conversations with the Department of International Trade that those outside of the UK saw London as the only option for work or expansion in the UK. It was

a struggle to get them to take the conversation beyond just London. This is what drives his interest in supporting the regions, and ensuring that they are fairly represented. We know that Northern cities have a great deal to offer. The greatest challenge we have is making sure the relationship between cities is collaborative; we need to build bridges so we avoid cities competing. I want each city to work out its unique selling point, and drive engagement around that. It shouldn't be Manchester vs. Sheffield - everyone should be working to the best of their ability.

- 1.14. EB thanked CS. EB introduced Richard Theo (RT)
- 1.15. RT began by introducing himself. He is the CEO of Wealthify. He went on to say he is also very much aligned with the financial inclusion agenda, and supports all work ongoing in that field. His company has a grand vision for democratizing investment. He then went on to say how pleased he is to join as an envoy for Wales. Although not originally from Wales, he said, he went to Cardiff for University and never left. It is clear, RT says, that Wales has a nascent fintech ecosystem, and that there is a great deal of potential in the region. Wales has a great deal more than people give it credit for. RT hopes he can give a good perspective, as a small business owner, in building that effective ecosystem. He states that he believes there are seven to nine key factors in building an ecosystem. He would like to be involved in building those bridges in Wales to lift up everyone, and to encourage and empower people to start out on their own. RT finishes by saying how cheap it is to start a business in Wales, and that there is a wealth of talent available from the local universities.
- 1.16. EB thanked all of the envoys for coming today. DD, CS and RT all leave. EB ends the introduction by introducing Meera Last (ML) to the group, and thanking her for her work.

## **2. Standards Update**

- 2.1. Matt James (MJ) is given the floor to update the group on progress. He began by stating that he feels the group has made significant progress. One thing the group looked at after the last meeting was how they could accelerate delivery of their key objectives. We've managed to do just that, he said.
- 2.2. MJ continued. When we discussed it, he said, the largest concern was from the banks. We needed to go through their control functions, at all the major banks, but we went through that process with surprising speed. We had a full house of representatives, and I'm happy to say we are ready to go for the public consultation. The consultation launches today [13th June 2018]. If you have anyone you'd like to explicitly invite to comment on our draft, please send through their names.

- 2.3. MJ went on to say that the group have organised a meeting for the 24th July to review all comments received. We are aiming to submit the final copy in September, for publication in October. So overall, MJ says, that first part is making excellent progress. We want to start looking at the toolkit itself, we want to explore materials that sit alongside the documents. We ultimately want to move to a simplified, standardised model for collaboration between partners, making the process a lot easier.
- 2.4. GM added that we have the link for the public consultation now. It's amazing to have progressed the work this quickly, he says, and adds that AMEX wants to get involved. There's a real sense that people want to get involved, it does set the bar for the industry.
- 2.5. Anna Wallace (AW) added that it might be something the insurance industry also want to get involved in.
- 2.6. James Varga (JV) said that the process of partnering with start-ups is such a fundamental pain in the market. He asks the group if there's a way the regions can effectively support this work.
- 2.7. Charlotte Crosswell (CC) echoed that sentiment, and went on to say that she's interested in how she can support.
- 2.8. Kaushalya Somasundaram (KS) posed a question to MJ. She asked how he is navigating those internal conversations, especially with some departments that aren't as initially supportive.
- 2.9. MJ responded by saying that it is still early days. He said that internally those departments have been surprisingly supportive, and that there is a recognition that having a vehicle to support the industry overall is very valuable.
- 2.10. Michael Cook (MC) asked if it is MJ's assumption that the industry will be adopting this as a standard.
- 2.11. MJ responded by saying that this work is the first of two main stages. He said that each bank will vary the standards slightly, according to their needs, but that it is a positive start to have a baseline that is broadly reflective and enables further conversations. It also helps that we are speaking with fintechs that can offer insight into what was difficult for them, so we can incorporate this going forward.
- 2.12. MC asked that, on that basis, will the team socialise these standards with fintechs they are currently working with.
- 2.13. MJ responded by saying that the established fintechs will be able to provide

us with feedback on the established painpoints. If their objective is to work with incumbents, he said, then we can ensure we show the right way of conducting and complying with policy and regulatory guidance. MJ said he sees it as being potentially more beneficial to the earlier stage startups, almost acting as a checklist for compliance, to enable them to be in the best position possible to scale and partner. Data protection standards, he said, for example, if you're not compliant then you risk wasting a lot of time and money. MJ says this work can provide a good level of support against this.

- 2.14. AW asked MJ if he is going to act as the industry figurehead for these standards.
- 2.15. MJ said he is more than happy to be that.
- 2.16. JV asked whether the FCA can be a good stakeholder, and continued by saying that perhaps there is a useful overlap there.
- 2.17. MJ agreed, and said that there is a lot of focus on the regulatory aspects of partnerships at the moment. It can also play a part in enabling conversations beyond this, as we move more into the open banking environment.
- 2.18. EB thanked MJ and congratulated him on the excellent progress that the working group has made.
- 2.19. Claire Calmejane (CIC) agreed and added her congratulations, but also asked how the group intend to avoid making the standards seem like compulsory regulations rather than a guidance for partnerships.
- 2.20. MC agreed, and says he doesn't expect them to be adopted as a compulsory standard.
- 2.21. MJ agreed, and says that he doesn't think you'd want them to be adopted as standards. You'd want them [incumbents] to adopt a version that best suits their business, he says, and makes an improvement on their current processes for partnering.
- 2.22. EB agreed, and added that is is about getting a stake in the ground to support the ecosystem.

### **3. Insurtech Board**

- 3.1. EB passed over to Will Thorne (WT) to give an update on the Insurtech Board.
- 3.2. WT began by saying that the board launched its vision to a good reception, with people from across the industry contacting Tech Nation to offer their

support.

- 3.3. We have four working groups up and running, WT continued, all making good progress.
- 3.4. The first is Onboarding, WT said, and the idea there is to create a set of standard legal documents for partnerships, with endorsements from key players. At the moment we have drafts for a non-disclosure agreement, an appointed representative agreement, a Terms of Business Agreement, and we've started work on the MGA agreement. Essentially, the latter allows you to work as an insurer with a separate capacity backer. WT added that we are awaiting endorsements from BIBA, Lloyd's, LMA and the ABI, and asked AW if the FCA would be interested in adding their endorsement.
- 3.5. AW said that there are many ways the FCA can support this work. We could cover quite a broad section of people, she says, as we know and have experienced some issues in the insurance partnership model. There are some things that can be done, some very formal, and formulaic, others slightly more informal, so we can talk about what works best in this scenario.
- 3.6. WT thanked AW for her answer.
- 3.7. WT continued by stating that the Support working group are also making progress. One thing the working group has raised, he said, is a PRA conversation around the fullstack approach. We have seen, WT says, emerging fullstack insurtech players in Germany, France and the US, but at the moment it is difficult to become one in the UK.
- 3.8. AW agreed, but says that this is a conversation that needs to happen with the FCA involved.
- 3.9. WT responded by saying that the conversation with the PRA is informal at the moment.
- 3.10. The next group, WT said, is focused on International Reputation. They are planning to organise an inward trade mission to the UK, with US start-ups as the focus, to be supported by the central team at the Department for International Trade.
- 3.11. The group acknowledges that there is a challenge with Brexit in that US firms are not sure about how this will impact their arrangements, so a lot are choosing to avoid the market. It is important that we communicate a strong and clear message in this regard.
- 3.12. WT finished by giving an update on the Investor working group. He stated that he has had a great deal of conversations with individual investors, and

that problems have been recognised, but the group are unsure as of yet as to how they can solve these problems.

3.13. CP asked WT if the group has considered the financial inclusion angle. There are 16 million households without basic contents insurance, for example. Some of the innovation in this field, and companies like L&G are particularly interested. Can we keep that front of mind, as it could form an important part of this work.

3.14. WT agreed. EB thanked WT and hands over to EJ.

#### **4. Digital ID Update**

4.1. EJ started by explaining that the working group has had 4 meetings so far, and a 5th is in the diary for tomorrow. We are definitely making good progress, he said. If this group can't solve the problem, then no one can. Our focus for the last 6 months has been to have a working pilot in Q1 2019, mutually agreed by all members by Q4, and to see if we can make this work.

4.2. He continued by stating that all sessions have been well attended, we've recently had FCA and Treasury involved he adds. At the last meeting we talked a lot about the technology side of the project, and how the infrastructure for this will work. EJ said he has shared his recent work with the FCA.

4.3. AW acknowledged this, and said it is with a member of her team.

4.4. EJ continued by saying that the FCA are engaged. We are trying not to operate in a silo, he said, and we want to include a diversity of perspectives. Tom Price (TP) had some thoughts to offer from a Treasury perspective. We want to be the guys to deliver something.

4.5. EB said that this is one of the topics that needs to be addressed, as it's such a shared challenge for the market, but acknowledged that everyone works in a different way. We want to be able to offer a solution. EB asks EJ if he is concerned by any blockers in the market.

4.6. EJ said he feels they have everyone we need involved. EJ went on to say that he hopes we have outlined in the papers all of the areas we need to think about, and that by Q3 end we should have everything that we need.

4.7. CC asked how many other groups are trying to solve this Digital ID problem.

4.8. They are all in discussion groups, said EJ in response. We have involved them in our work but we are the only ones committed and prepared to deliver something, and we will. We are inviting others to make sure everyone has a

chance to contribute. Just to reiterate that those who want to get involved can be involved in the running of the pilot.

- 4.9. EB asked that EJ provides detail on the pilot, so the group can support the onboarding of people or organisations onto the pilot. AW agreed.
- 4.10. EJ said he will. He responded to the frustration question by saying that it is easy to point out ways it can't work. We need to switch the conversation into how we can make it work, he said. It's just the negativity that's frustrating. We haven't even selected the companies that will be involved in the pilot yet. We need to be realistic about who we can include.
- 4.11. AW said if you are persistent and dedicated, you can strip out observers and run with believers.
- 4.12. MB Christie (MBC) agreed, and goes on to suggest a communications person working on this to make sure that the messaging is right from the very start.
- 4.13. KS agreed, and adds that there are a multiplicity of things going on. The EU commission, she said, have set up their own working group to deliver on a blockchain digital identity project similar to this one.
- 4.14. JV agreed and says that it is the same conversation that's been going on for many years. We still keep trying to plug the technical into it. The issue is adoption and behavioural change.
- 4.15. EJ said that there are enough people interested in a pilot, so it will happen, with that kind of forceful approach we can just progress without first movers, we can keep them informed.
- 4.16. CLC agreed, and suggests going for a fintech bank to prove the business case for a pilot. Just be clear about what you are going to do. Maybe we could get Starling involved.
- 4.17. EJ agreed, and adds that we have Monzo on the working group already.
- 4.18. EB finished by saying that there is a lot of support in the room for this project.

## **5. Access to Capital**

- 5.1. EB opened by saying that there have been a couple of changes. Tuesday 26th June is now the confirmed date. It will be hosted by General Assembly. We have a least 30 fintechs hopefully attending, with the intention for each to have 3 hours each, with 3 VCs, with input from across the country. If the group has anyone in particular in mind, she says, please send through.

- 5.2. WT asked how many VCs have committed.
- 5.3. EB responded that we might not get partners present, but representation from 15 VCs is likely and expected.
- 5.4. WT asked if there is going to be some sort of formal feedback loop for the VCs attending, so we can assess the value of the event.
- 5.5. EB said yes. We have seen a lot of demand, but we can see how good the feedback is.

## **6. Skills & Talent**

- 6.1. CIC opened by saying she is very pleased with the progress made. They have done a great job with the working visas, she says. We are trying to get as much done as possible, but we did take a little step back to see what is achievable and to assess what is going to bring the biggest benefit.
- 6.2. CIC went on to say that there are three main focus areas for her group. Communicating and sharing knowledge, identifying quick wins for the market, and using real data in the most consistent and accessible way, so we have a clear picture of what's going on in the market.
- 6.3. CIC went on to say that female representation forms a large part of this. With CC, we have launched the women in fintech group, we need to continuously make sure that they are included as part of this panel and beyond. The first Women in Fintech session was well attended, and there is a lot of opportunity.
- 6.4. MC said thanks to CIC. There is so much going on in the market generally, he says, around building a network of networks.
- 6.5. CC agreed, and adds that the digital skills group can add more on the education piece. How can we encourage more skills in 8 year olds, for example, encouraging more women into stem/computing. As we know, she says, tech visas have been announced this morning.
- 6.6. AW agreed, but says we don't pick winners when it comes to the sandbox, but it's stark how few women we have in the sandbox. We are also getting to the stage where we should all be asking about diversity approaches with panels and events.
- 6.7. CP also agreed, and adds that he is involved in a movement around women in paytech. We've held two events, he says, and we're organising a third in September.

- 6.8. EJ asked the group if there is a directory for fintech female speakers, so the group can direct requests at as many as possible.
- 6.9. EB appreciated this, and said we [female members around the table] can always forward things on, so send us requests. Let's start a list, that's a good idea, she said.
- 6.10. JV said he is happy to host events in Scotland, We are recruiting at the moment, he said, and in some cases it is difficult to ensure diversity.
- 6.11. CC said that we [Innovate Finance] are putting a section on their website for job postings, trying to drive traffic there.

## **7. Programme Update**

- 7.1. GM thanked the group for their support. He says that we are now progressing sourcing for startups, aggressively looking for companies that we can accelerate in our programme, so please refer them to us, if you have the change, and we have put in place quite a robust sourcing apparatus.
- 7.2. GM went on to say that we have representation from across the regions, and we are striving to ensure diversity in terms of gender too. We have a good roster of speakers already prepared. If you have speakers to recommend, please get involved, we want to make sure that we have a really good selection of entrepreneurs that want to pass the baton. This is not about London anymore, he said. This is about beyond that. We want to lift everyone up. We want to bring these sessions to other hubs, so we start talking to each other, the network of networks.
- 7.3. It is important for us to have diversity in the cohort, GM said, and we have tried to have as diverse as possible panel to be representative.
- 7.4. The group acknowledged that the programme will look to be as diverse as possible.
- 7.5. EB thanked GM for the update, and asked TP if he has anything to add before closing.
- 7.6. TP said no, he has nothing to add, other than to say how happy he is with the progress and momentum of the group.

**Close**