

**FINTECH DELIVERY PANEL
MEETING MINUTES**

Date: 16.03.21

Time: 9:30 - 11:00

Location: Zoom

ATTENDEES

- (EST) John Glen, Economic Secretary to the Treasury
- (EB) Eileen Burbidge, Chair, Fintech Delivery Panel & Partner, Passion Capital
- (AD) Adam Dickinson, Head of Fintech, Innovation and Partnership Procurement, HSBC
- (AE) Adrian Eagleston, Chief Revenue Office, Automated Intelligence
- (AB) Ahmed Badr, General Counsel, GoCardless
- (AE) Andrew Elphick, Head of Intrapreneurship and Innovation Mindset, Barclays
- (AT) Arunan Tharmarajah, Head of European Banking, Wise
- (BL) Ben Lockett, Managing Director, Aviva Ventures
- (CP) Chris Pond, Chair, Financial Inclusion Commission & Lending Standards Board
- (CF) Christian Faes, Co-founder, LendInvest
- (CH) Colin Hewitt, CEO, Float
- (ET) Edward Twiddy, Chief Customer Officer, Atom bank
- (GR) Gemma Rogers, Co-founder, Fintrail
- (JH) Janine Hirt, COO and Board Member, Innovate Finance
- (LO) Louise O'Shea, Chair Insurtech Board, CEO, Confused.com
- (MI) Martin Ijaha, Fintech adviser, previous co-founder Neyber
- (MJ) Matt James, Head of Innovation Scouting UK & Europe, NatWest Group
- (MT) Min Teo, Partner, ConsensysLabs
- (NL) Nick Lee, Head of Regulatory Affairs, Oak North
- (PG) Philip Garner, Head of Innovation, Lloyds Banking Group
- (SD) Stephen Dury, Director of Innovation, Santander
- (SB) Sujata Bhatia, COO, Monzo
- (VB) Veronique Barbosa, Co-founder/COO, Flux

Observers

- (AP) Alex Pleasants, Head of Government Relations, Tech Nation
- (BM) Beth McGauley, Fintech Policy Adviser, HM Treasury
- (CN) Carly Nimmo, Head of Fintech Team, HM Treasury
- (GG) Gerard Grech, CEO, Tech Nation
- (LE) Louise Eggett, Head of Fintech Hub, Bank of England
- (NC) Nick Cook, Director of Innovation, FCA

Secretariat

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

Apologies

- Francesco Simoneschi, CEO and Co-founder, True Layer
 - Natasha Foster, Co-founder/COO, Paid
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Welcome and Objectives (Eileen Burbidge, Chair)

- EB welcomed Panel Members and introduced AT as the new FDP member from Wise
- EB introduced LO from Confused.com as new Insurtech Board Chair, and recognised the enthusiasm and expertise that Ed Leon Klinger had brought to the role during his tenure.
- EB provided a brief overview of latest FDP work on partnerships, financial inclusion, and diversity, and set out the meeting's objectives as an opportunity to discuss next steps for the fintech sector following the Kalifa Review.

Opening remarks from the EST (John Glen, HM Treasury)

- EST thanked Tech Nation and FDP members for their commitment and hard work, noting the importance of the Fintech Delivery Panel in unlocking opportunities for the fintech sector, and welcoming the priorities set out in the [FDP's Vision statement](#).
 - Acknowledged the significance of relationships between fintech and larger institutions, and evidence of the benefits this brings to both parties be it leveraging a fintech's agility and expertise, or the opportunity to scale quickly through an institution's significant customer base
 - Asserted the opportunity presented by the Fintech Pledge to help embed fintech solutions across financial services
 - Encouraged further exploration of where fintech can support the financial exclusion challenges faced within society and by vulnerable customers
 - Understood the need for regulation to keep up with the fast pace of innovation
- EST invited feedback from the Panel on the Kalifa Review, ranging from general comments to more targeted input on e.g. how the scalebox concept could work and how it could support growth, and recognised the need to work with Panel members and the wider sector to consider the recommendations carefully.
- EST reiterated where government had already responded on key issues in the Budget e.g. listings to help the IPO journey, and e.g. visas to attract fintech talent to the UK

Discussion of Kalifa Review recommendations (All)

- EB thanked EST, acknowledged the significant work by Innovate Finance supporting the Kalifa review, and agreed on the complementary nature of FDP priorities such as partnerships, financial inclusion and a progressive regulatory environment.
- EB welcomed GG to the meeting
 - GG provided a brief overview of Tech Nation's involvement in the Kalifa review, stressing the ongoing importance of supporting and connecting regional fintech activity to encourage growth right across the UK
- EB invited comments from the Panel on the Kalifa Review and next steps
- CP agreed with the opportunity for fintech to help address financial exclusion, and the need to now operationalise findings from the Review. He recalled the previous

success of the FDP 1.0 'Fintech For All' competition and confirmed plans to evolve this initiative into a new format in autumn 2021, looking to bring together established financial institutions and charity partners

- LO welcomed the Review's recognition of high growth fintech clusters throughout the whole of the country including Wales, and emphasised the importance of including regional representation in the future development of a potential Centre for Finance, Innovation and Technology in order to ensure UK-wide clarity of objectives and seamless communication
- CF added that the Review has been well-received by the sector, and asked the EST to provide some more detail on next steps
 - EST replied there are certain recommendations that can be taken forward immediately, for example the scalebox where FCA will work with the industry, and also visas, whilst others such as Digital Identity are critical but broader than the Review, so will be taken forward on a cross-government basis
 - On a potential Centre for Finance, Innovation and Technology EST confirmed that City of London Corporation are leading on further scoping objectives, funding and governance
- NL echoed views across the industry in welcoming the Review, particularly the scalebox concept, but stressed this would need to be taken forward by both the FCA and the PRA given some firms are dual regulated. NL also commented on the fast-paced nature of fintech, with the need for regulation to be proportionate and keep pace with developments.

Update on Partnerships & Fintech Pledge (Matt James, NatWest group)

- MJ welcomed inclusion of the Fintech Pledge in the partnerships section of the Kalifa Review
- MJ updated the Panel on progress with the Fintech Pledge
 - Confirmed that six months on the first five banking signatories have implemented the core components of the Pledge principles
 - Explained the potential for the Pledge to broaden out across the financial services sector, with insurers now also being invited to sign
 - Reflected on the importance of simultaneously also helping and supporting fintechs to be well prepared to partner with larger financial institutions - the Panel is planning to run Partnership Masterclasses and also appoint a new co-Chair of the Partnerships Workstream to be filled by a fintech representative
 - Mentioned the importance of maintaining visibility and momentum around the Pledge to help drive forward its desired outcomes, and the forthcoming FDP event in UK Fintech Week on Fostering Productive Partnerships

Guest speaker: Opening remarks (Nick Cook, FCA)

- NC gave the Panel an overview of FCA activity supporting the UK fintech sector focusing on providing an enabling, innovative environment, assisting with international connections, and sharing learnings and networks through events.
 - Welcomed the ongoing appetite across the sector to apply for the regulatory sandbox, which to date has included a significant focus on retail lending, retail investments, payments and regtech and less in insurance and pensions, with

- the FCA keen to do more to explore why this is the case.
- Confirmed the FCA is evaluating learnings from the recent Digital Sandbox pilot, which has drawn on synthetic data assets to bring fintechs together with a community of advisors to support the development of new products and services, with green and sustainable finance amongst future themes being considered for any future phase.
- Invited Panel members to join the forthcoming TechSprint focused on women's empowerment
- On the Kalifa Review, NC welcomed the feedback contained in the Review on the FCA's Innovate services in terms of user experience and effective support, acknowledging uptake is stronger in certain sub-sectors and perceived as predominantly targeted at start-ups. NC pointed to a number of findings where the FCA will be responsible for taking recommendations forward.
 - Explained the Productive Finance Working Group co-chaired by Andrew Bailey and Nikhil Rathi will take forward matters such as capital and dual shares related to listings
 - Reflected on likely evolutions to the FCA regulatory sandbox including being always 'on' (as opposed to cohorts) and not just being for new propositions (as long as they are not already available at scale), as well as the future of GFIN's global sandbox. NC invited the Panel to inform the FCA of their priority overseas markets to assist prioritisation of their own international engagement.
 - Confirmed FCA is considering the right future model for the Digital Sandbox, as well as the scalebox concept in terms of who the support is targeting and for what end goal, and how FCA best supports the sector as it matures and transitions into more substantial supervision, possibly through a 'probationary' or 'nursery' period. NC invited the Panel to share further information on the areas where this would be most helpful e.g. governance or e.g. conflicts of interest to help the FCA best target their response.

Q&A and Discussion (All)

- EB thanked NC for his comprehensive update and invited comments from the Panel
- GR welcomed further development of a global sandbox as a significant opportunity to share experiences and challenges, as well as the 'nursery' period where firms could become more accustomed to dealing with additional regulatory responsibilities e.g. AML in a live customer environment.
- NL also welcomed a 'nursery' period for the supervision of maturing fintechs, emphasising that even a 'one to many' model would be beneficial if it could be introduced sooner rather than later
- AB welcomed prioritising engagement with US regulators, with AT further proposing also advancing the scalebox concept within US, Europe and major Asian markets, as well as the need to ensure international standards and regulatory equality.

FDP next steps (Eileen Burbidge, Chair)

- EB thanked Members for their attendance and input, and invited them to provide:
 - high-level comments on the Kalifa review
 - potential export markets to help FCA prioritise their international engagement

- views on future FDP ways of working through the online questionnaire
- EB thanked workstream chairs for continuing to guide the Panel's efforts in-between meetings, and all those who are contributing to these ongoing plans and discussions
- EB reminded Panel members of the upcoming *Emerging Tech, Future Finance* roundtable focused on Crypto and Decentralised Finance on 23 March 2021 and confirmed the next Panel meeting as 17 June 2021.

Actions

Action	Owner	Timeline
Minutes and meeting materials circulated	JP	COMPLETED
Panel members to provide high level comments on Kalifa Review to feedback to HM Treasury	Members	COMPLETED
Panel members to list target export markets to assist FCA with future international prioritisation	Members	COMPLETED
Panel members to provide information on key scaling challenges related to regulation or supervision to inform FCA's next steps on scalebox	Members	APRIL 2021
Insurtech Board to offer reflections to FCA on why there is a lower appetite for the regulatory sandbox amongst insurance and pensions propositions	Insurtech Board	ONGOING
Panel members to complete questionnaire on FDP future ways of working	Members	COMPLETED