

FinTech Delivery Panel

Minutes of the meeting of FinTech Delivery Panel held at Runway East, 10 Finsbury Square, EC2A 1AF on Monday 15 February 2017 at 10 am.

Present:

1. Amanda Drugnick, Executive Assistant, Tech City UK
2. Anil Stocker, CEO, MarketInvoice
3. Anne Boden, CEO, Starling Bank
4. Ashley Groom, External Affairs, GoCardless (obo Hiroki Takeuchi, CEO)
5. Chris Pond, Vice Chair, Financial Inclusion Commission
6. Claire Calmejane, Director of Innovation & Digital Development, Lloyds Banking Group
7. Dan Turnbull, Head of Banking Competition, HM Treasury
8. **Eamon Jubbaw, Co-founder and COO, Onfido (Deputy Chair)**
9. Ed Molyneux, CEO, Free Agent
10. **Eileen Burbidge, Partner, Passion Capital (Chair)**
11. James Chappell, CTO, Digital Shadows
12. James Varga, CEO, The ID Company
13. Jo White, Director of International Corporate Affairs, Transferwise (obo of Taavet Hinrikus, CEO)
14. Laura Coffey, Interim FinTech Lead, Tech City UK
15. Lawrence Wintermeyer, CEO, Innovate Finance
16. Maria Palmieri, Senior Policy Manager, Tech City UK
17. Martin Cook, General Counsel, Funding Circle
18. Matt James, Head of UK Scouting, RBS
19. MB Christie, COO, Tech City UK
20. Michael Harte, Group Head of Innovation, Barclays
21. Ozlem Baz, Policy Adviser, HM Treasury
22. Philip Brown, Head of Policy, LV=
23. Sarah McKenzie, Manager, Competition, FCA
24. Serge Tabourin, Global Innovation Director, Aviva
25. Sigga Sigurdardottir, Chief Customer and Innovation Officer, Santander

Apologies:

1. Alice Newton-Rex, Head of Product, WorldRemit
2. Dr Andrew Weir, Chief Scientist, HSBC
3. Jeff Lynn, CEO, Seedrs
4. Paul Rippon, Deputy CEO, Monzo
5. Peter Smith, CEO, Blockchain
6. Taavet Hinrikus, CEO, Transferwise

7. Will Thorne, Innovation Lead, The Channel Syndicate

1. Preliminary

1.1 It was noted that the meeting had been duly convened.

2. Welcome

2.1 Dan Turnbull (DT) opened with an apology from the Economic Secretary to the Treasury Simon Kirby who will be in attendance at the next panel. DT explained that Her Majesty's Treasury's (HMT) directive for the Fintech Delivery Panel (FDP) is that it should be industry-led with the support of Tech City UK as a facilitator. DT clarified that HMT and FCA are both present in a listening capacity and that, should issues arise, HMT would be committed to investigating them further.

3. Terms of Reference and relationship with existing FinTech bodies

3.1 Eileen Burbidge (EB) introduced the terms of reference (ToR) which were shared as a pre-read. In summary, the FDP will focus on domestic FinTech businesses and will identify initiatives that can make a significant difference to their time-to-market. The panel have agreed to meet quarterly. EB requested Panel participants revert with any comments on the ToR within 48 hours of receipt.

3.2 EB reminded the Panel that the FDP sits alongside the existing Financial Services Trade and Industry Board (FSTIB) and the Innovate Finance Network Action Group (NAG). EB clarified that the purpose of this panel is not to duplicate the work done within these existing forums but compliment where appropriate. EB asked those involved in those other bodies to provide an update to the panel on their work.

3.2.1 Lawrence Wintermeyer (LW) briefed the panel on the NAG, chaired by the City of London. This is a membership-based organisation focussed on coordination at industry level with a focus on patient capital and talent. NAG meet quarterly and establish what is going on in the industry via information sharing. Their aim is to inform and lobby policymakers with evidence-supported requests and policies. So far, NAG have held two meetings.

3.2.2 Sigga Sigurdardottir (SS) explained the work of the FSTIB, which has set up five work streams: regulation, interoperability, talent, international/FinTech bridges and investment. The three priority work-streams are regulation, talent and interoperability. Work on a diagnostic tool to identify key issues around attracting further foreign investment into the sector is also underway.

- 3.3 Jo White (JW) was concerned about overlap and wants to ensure how the FDP can avoid this being “just another panel”.
- 3.4 DT confirmed, from an HMT point of view, that FSTIB is concerned with the international agenda whereas the FDP is tasked with a domestic FinTech focus, and clarified that NAG is more of a lobbying group focused on regulation and that its research could form a key input to the FDP. He further stated that the FDP should focus on industry-led initiatives rather than asks of government or regulation change (although it is understood some might be requested to deliver changes.)
- 3.4.1 EB thanked DT for this most helpful clarification.
- 3.5 Ed Molyneux (EM) wanted to know what success looks like for the FDP and how it could be measured.
- 3.5.1 EB defined success as establishing a vision for what a flourishing domestic FinTech ecosystem would look like by 2020, and what the panel needs to do to achieve that. This would then form a list of prioritised deliverables against which a set of KPIs on a tactical and practical level could be developed
- 3.6 Anne Boden (AB) suggested that the panel should focus on a bold, ambitious agenda.
- 3.7 Concluding on the ToR, Laura Coffrey (LC) looked for clarity from a secretariat point of view around delegate participation.
- 3.7.1 EB confirmed that in terms of working groups the panel should be reaching out further into existing networks. However, in terms of attendance and participation in the panel itself should be restricted to those invited and that should any panel member feel a lack of desire to be involved, or prioritise other scheduling arrangements, it would be an early warning sign that the panel is not being specific, tactical or ambitious enough. She asked that if this is the case, then participants contact EB directly to discuss.
- 3.7.2 EB also clarified that whilst the panel is only comprised of 24 members, it was a stated goal to further engage the broader community as much as possible. Therefore, depending on the FDP priorities, there would be a structure of sub-committees or working groups, which would be envisioned to include many others from the industry.

4. Planning for Success – where do we want to be by 2020?

- 4.1 EB asked the panel what can we do as a group that is unique and what our vision should look like. For example, this could include: collaboration or conduits between banks and SMEs (PSD2), collaboration on KYC/AML, EIS relief and thresholds, BGF funding for fintech, EMI scheme threshold changes, data protection, skills and talent, apprenticeships or educational industry led programmes.
- 4.2 James Chappell (JC) brought up the subject of GDPR – the general data protection regulations that will come into force in 2018. JC said that since the UK will still be in Europe at this point we will be required to comply to maintain links with Europe’s data protection regulations and will need to do so in order to trade with the EU going forward.
- 4.3 MH suggested that the panel take a top down approach on the four focus areas set out in the EY report; tech, talent and skills, access to capital, regulatory conditions and size of the market. EB agreed.
- 4.4 On tech and talent, LW mentioned that the CBI are making recommendations on visas and feels it is a priority for this group to support.
- 4.4.1 EB responded that the FDP should not focus on visas since initiatives already exist to address this. She accepted that more communication of these existing schemes (such as the Tech Nation visa scheme run by Tech City UK) would be helpful as some FDP members were not aware.
- 4.4.2 EM agreed there would be benefit in communicating about visa schemes in existence as some of the regions may not be aware.
- 4.5 MJ feels that there is a practical aspect that requires focus: locating where the friction is for FinTechs, especially the new ones struggling to get off the ground, how to reach their customers, get access to utilities and get to market. There is a toolkit that could be put in place in this space.
- 4.6 JW brought up that in today’s press reported that Freedom of Movement will end immediately on triggering Article 50, she and that this was unhelpful in terms of recruiting talent and reduced the confidence of existing talent. JW believes there is a big communications piece needed to address this, but noted that this is perhaps more in the scope of FSTIB.
- 4.6.1 AB agrees that this is an urgent pinch-point, with a PR campaign needed that London, and the UK, is a great place to come and work/start a FinTech.

- 4.7 MJ feels that there is an infrastructure point missing in the four focus areas laid out by EB. This infrastructure piece includes: payments, access to data, access to professional services or partnerships – these are all practicalities that would help a FinTech grow or flourish
- 4.7.1 EB agreed with the importance of infrastructure and said that it is covered in the EY report under the section on capital.
- 4.8 EB clarified that the panel’s priorities need to be agreed by June including identifying what toolkit domestic FinTechs need to succeed and a communications piece on visas. She suggested that the FDP might also look at skills e.g. coding in the school curriculum.
- 4.8.1 Claire Calmejane (CC) mentioned that UCL/Oxbridge are looking for the support of SMEs to tailor their programmes on FinTech and suggested that a list of university courses be compiled.
- 4.9 Eamon Jubbawy (EJ) reinforced that in his mind the FDP’s mandate is around action and driving progress across the industry.
- 4.10 From a secretariat perspective, LC reminded the Panel that the EY report is now a year old and that the formation of the Panel had taken a year. She underlined that the FinTech community are watching and agreed with EJ that action to build momentum and identification of quick wins are needed.
- 4.11 AB stated that the panel should be looking to establish the UK domestic FinTech market as a model for the rest of the world and that this should form part of the the vision of what the Panel should try to achieve by 2020.
- 4.12 JW added that as a FinTech, regulatory wins are pressing in importance and acknowledged the FCA’s responsiveness to date.
- 4.13 CC reminded the Panel that it ought to be able to articulate what success by 2020 means from a customer perspective, as well as from an industry perspective.
- 4.14 AB feels that this vision should also be around generating more jobs across the UK, noting that FinTechs don’t necessarily employ as many people as existing FS institutions. AB also brought up the importance of working across all the UK regions to make FinTech a nationwide success.
- 4.15 LW mentioned that investment in FinTechs comes from institutions and corporate ventures increasingly, and that quantifying this would be useful.

4.16 Returning the conversation to talent, EB wanted to clarify the panel's view on apprenticeships. Through a show of hands, it was determined that just under half of the panel have actively supported apprenticeship schemes.

4.16.1 JC fully supports the apprenticeship scheme but found it to be cost-neutral at best and wondered if more could be done to incentivise adoption.

4.16.2 AB's experience was very positive, Starling have run a scheme with plans to repeat. SS was of the same frame of mind. AB explained that the incoming levy might help with incentives and explained the details of this levy.

4.16.3 On the basis of the discussion, EB felt that apprenticeships ought to be an area of focus – perhaps increasing the number of apprenticeships that join FinTechs or the number of SMEs that take apprentices. The group were in broad agreement.

4.16.4 EJ mentioned that when his company explored it, an apprentice worked out to be about the same cost as a graduate hire and suggests that perhaps the schemes can be further subsidised by government since it remains costly for startups. EB feels that it might be challenging to get the subsidy increased but there might be a way to get the whole pipeline to absorb the cost. AB mentioned that this was the intention of the levy.

4.17 EJ raised the additional issue that not enough graduates are aware of a career in FinTech and that there needs to be an educational piece around this.

4.18 MB Christie (MBC) noted that on the skills agenda, there are opportunities to do more around retraining and putting in place on-ramps for mid-career professionals.

4.19 In the interest of time, the Chair (EB), brought the open discussion session to an end and suggest the panel progresses the conversation to crystalize priorities over email.

5. How are we going to get there

5.1 EB opened this session stating that in addition to the discussions thus far there seemed to be four further areas of potential focus: regions, financial inclusion and infrastructure to address MJ and JC's earlier points regarding data and so on.

5.2 On regions, the panel was in agreement that it is a critical focus area. EB opened a discussion around regions and what makes a practical difference for regions.

- 5.2.1 JC spoke of a connection between Level 39 and Belfast on a cyber security programme which was successful.
 - 5.2.2 James Varga (JV) spoke of how cookie-cutting London to the regions will not work. JV suggested that the panel could create a map of FinTech and financial service regional hubs.
 - 5.2.3 SS felt that if this panel identifies areas as regions of expertise that might create drive and pull.
- 5.3 MH suggested that the panel convene in a smaller group to articulate the vision and share a draft in 10 days' time. Following on from this, a lead could be appointed to each of the EY four pillars - talent and skills, access to capital, regulatory conditions and size of the market – with the aim to summarise each pillar and, utilising the nine recommendation areas from the EY report, establish which of those we are going to tackle and which we not going to as there isn't enough resource or other groups already are involved.
- 5.4 Conscious of time, EB, proposed to continue the conversation by email. In June, a blog post or press release will be used to let the community know what the panel has convened to do. EB reinforced the need for an open call to the community once priorities had been agreed.
- 5.4.1 The panel was in agreement to continue the discussion via email.
- 5.5 As a closing point, the Deputy Chair, reinforced AB's steer that the FDP has to be ambitious and that even if it fails to implement everything, at least the bar will be set high and it will have made a significant, material difference.
- 5.5.1 MJ spoke of his agreement with this level of ambition, but not to lose sight of the importance of some quick wins. The panel was in unanimous agreement.
- 5.6 CC mentioned the launch of the Digital Strategy on 1st March and asked whether the panel might be referred in the report. EB and DT both conferred that they do not believe there a reference to the panel. (NB: There has actually been a reference to the FDP in the FinTech subsection of Section 3 of the Digital Strategy published earlier today.)

6. Next meeting

- 6.1 The next meeting will be held on Wednesday 21st June, 10am-12pm.

7. Close

7.1 There being no further business, the Chairman thanked the panel for their time and declared the meeting closed at 12pm.

Action Items (and owners):

[Secretariat] Establish email distribution group

[Secretariat] Circulate meeting minutes

[Secretariat] Circulate draft Terms of Reference (TOR) for comment (any/all to be received within 48 hours of receipt)

[Secretariat] Call to group for list of suggestions/ideas for priority list

[Tech City UK] Circulate information (and website address) for Tech Nation Visa scheme

[?] Group to assemble list of university/otherwise-accredited courses for the sector

[?] Establish key contacts for NAG and FSTIB