

Press release issued on behalf of BCR

For immediate release: Wednesday 23 September 2020

Banking Competition Remedies Ltd (BCR) announces the awards of Capability and Innovation Fund Pool E (Application Period Two)

The Board of Banking Competition Remedies Ltd (BCR) today announces the results of Application Period Two of the Capability and Innovation Fund Pool E grant process.

The Capability and Innovation Fund Pool E Application Period Two was open to organisations that meet the same eligibility criteria as previous Pool A, B and C bodies, which can be found [here](#).

The grants, which have a combined value of £80 million, are awarded as follows:

- £35m – Virgin Money UK PLC
- £25m – ClearBank Ltd
- £10m – Ebury Partners Limited
- £10m – MarketFinance Limited

The successful applicants will shortly each be invited to enter into a Capability and Innovation Fund Agreement with BCR. As part of the application process, each applicant provided public commitments stating what it will deliver with the CIF funds. These can be found [here](#).

We had 64 applicants, and 78 completed applications in total for Application Period Two.

BCR's assessment and decision-making processes were completed on time and adhered to the assessment criteria pre-determined in the design of BCR.

Aidene Walsh, Lead Director on the Capability and Innovation Fund workstream, said: "While it's a tough economic environment for both financial providers and SMEs, we've seen many examples throughout this application process of companies demonstrating innovation in putting the evolving needs of SMEs at the heart of their propositions. Our successful applicants have carefully considered the impact of Covid-19 on their delivery timelines and, in their solutions, have evidenced a strong focus on digitisation of the SME journey, cash flow optimisation, harnessing alternative approaches for lending solutions and offering more international trading options for SMEs".

BCR decision-making

As with each previous Pool of the Capability and Innovation Fund, BCR engaged business and technology consultancy, Baringa, to receive and analyse the applications via a rigorous and detailed process. BCR's evaluation team decided which applications should be recommended to the BCR Board for consideration and final decision.

Applicants were advised that, while all [assessment criteria](#) should be addressed, BCR was particularly interested in the applicant's ability to fulfil the product and service criteria, while ensuring high security standards for end-users.

More information on the Capability and Innovation Fund decision-making process can be found [here](#).

Ongoing monitoring

BCR retains a focus on monitoring and compliance of all funding recipients once funds have been awarded. Progress against each applicant's public commitments will be updated on a quarterly basis with the first reporting update due in January 2021. The commitments provide a publicly-accessible record of delivery.

Awardees report regularly to BCR, including meetings as necessary. The HM Treasury-appointed Monitor, Mazars, reports to HM Treasury on progress and is fully briefed on BCR meetings with awardees.

Richard Anderson, Chair of BCR, said: "We know that the winners and all SMEs in general face challenging times as we head towards winter with both the Covid-19 pandemic and the resulting economic challenges ahead. For that reason, it has been exciting to see a very wide range of innovative approaches from so many applicants to supporting all sizes of SMEs in their banking needs. It has been difficult to narrow the awards down to a small number of outstanding winners and BCR looks forward to monitoring progress as they implement their programmes".

-Ends-

For media enquiries, please contact

Tony Langham: TonyL@lansons.com; 07979 692287

Maddy Morgan Williams: MaddyMW@lansons.com; 07739184920

Rimmi Shah: Rimmis@lansons.com; 07963014027

Megan Sunderland: MeganS@lansons.com; 07508245699

Notes to editors

About BCR

Banking Competition Remedies Ltd (BCR) is the independent body established to implement the £775 million Royal Bank of Scotland (RBS) State Aid Alternative Remedies Package (ARP). BCR is independent from RBS and the UK Government. It is governed by an independent board of directors.

The purpose of BCR is to implement the ARP such that the UK's State Aid commitments are met, coupled with an ambition that seeks to increase and expand competition among providers of financial services to SMEs.

The ARP was negotiated and agreed between HM Government and the European Commission and comprises two RBS funded measures amounting to £775m:

- The **Incentivised Switching Scheme** – to which up to £275m is allocated to assist SME customers within the Williams & Glynn business to move to 'challenger banks.' A further maximum sum of £75m has been set aside within RBS to cover customers' switching costs.
- The **Capability and Innovation Fund** – to which £425 million has been allocated to support the development of wider capabilities and competition in the SME banking market essentially

through grants to eligible challenger institutions across four pools. A further funding round, Pool E, has been created to redeploy some £100m to eligible applicants, after two awardees, Metro Bank and Nationwide, each returned £50m to BCR after their own internal strategic reviews indicated a change in business direction. BCR holds awardees to account by closely monitoring their progress against business plans. How BCR monitors awardees can be found [here](#).

The Capability and Innovation Fund is designed to promote capabilities and competition in the market for banking services to SMEs in the United Kingdom. Further details on the Capability and Innovation Fund including information on Pool E can be found [here](#).