

**Pool F: Distribution of £5m of Capability and Innovation Fund awards (the Pool F Fund)
Capability and Innovation Fund Assessment Criteria**

1. Assessment Criteria for Pool A Bodies and Pool B Bodies

1.1 In determining whether a Pool A Body or a Pool B Body should receive a share of the Pool F Fund, the Independent Body shall have regard to:

- (A) the current capacity of the Pool A Body or Pool B Body and the quality of its business case;
- (B) the likely impact that the Pool A Body or Pool B Body will have on competition in the SME and/or mid-corporate banking markets in the United Kingdom;
- (C) the ability of the Pool A Body or Pool B Body, in the Independent Body's opinion, to deliver the proposals contained in its business case;
- (D) the amount (if any) of its own funds that such Pool A Body or Pool B Body is proposing to invest in relation to the proposals outlined in its Business Case;
- (E) the extent to which such Pool A Body or Pool B Body commits to purchasing innovative financial services or software from SMEs in the United Kingdom;
- (F) the likely extension in the Pool A Body's or Pool B Body's addressable market in the SME and/or mid-corporate banking markets in the United Kingdom;
- (G) in the case of a Pool A Body only, the projected development of the Pool A Body's range of products and services applicable to SME and/or mid-corporate customers in the United Kingdom; and
- (H) any other factors which the Independent Body considers appropriate, provided that such factors are made known to each Pool A Body or Pool B Body before the date that it submits its application documents.

2. Assessment Criteria for Pool C Bodies

2.1 In determining whether a Pool C Body should receive a share of the Pool F Fund, the Independent Body shall have regard to:

- (A) the extent to which the proposal set out in the Pool C Body's business case facilitates the development of new and existing relevant business(es) and/or facilitates the deployment of new technology to relevant markets;
- (B) the current capacity of the Pool C Body and the quality of its business case;
- (C) the likely impact that the Pool C Body will have on competition in the SME lending

market and/or SME payments market in the United Kingdom (as applicable);

- (D) the ability of the Pool C Body, in the Independent Body's opinion, to deliver the proposals contained in its business case;
- (E) the amount (if any) of its own funds that such Pool C Body is proposing to invest in relation to the proposals outlined in its business case;
- (F) the extent to which such Pool C Body commits to purchasing innovative financial services or software from SMEs in the United Kingdom;
- (G) the extent to which the proposal set out in the Pool C Body's business case is innovative and different from its existing offerings (or those of other providers), in terms of product design, service level and/or means of delivery or distribution; and
- (H) any other factors which the Independent Body considers appropriate, provided that such factors are made known to each Pool C Body before the date that it submits its application documents.

3. Assessment Criteria for Pool D Bodies

3.1 In determining whether a Pool D Body should receive a share of the Pool E Fund, the Independent Body shall have regard to:

- (A) the extent to which the proposal set out in the Pool D Body's business case facilitates the commercialisation of financial technology that is relevant to SMEs in the United Kingdom;
- (B) the quality of the Pool D Body's business case;
- (C) the amount (if any) of its own funds that such Pool D Body is proposing to invest in relation to the proposals outlined in its business case;
- (D) the extent to which the Pool D Body's fintech product or service:
 - (i) is a useable alternative to traditional banking products or facilitates the provision of a useable alternative to traditional banking products;
 - (ii) is likely to benefit SMEs in the United Kingdom either directly or indirectly;
 - (iii) is easy for its end customer(s) to use;
 - (iv) is already used by SMEs, or offered to SMEs in the United Kingdom by alternative providers, and (if so) whether the business case provides an improvement to an existing product or service;
 - (v) uses breakthrough technology;
 - (vi) purports to fill a gap in the current offering available to SMEs in the United Kingdom (in which case the Pool D Body should have demonstrated its

knowledge of the relevant gap in the market); and/or

(vii) is, or is likely to be, in demand by SMEs;

(E) the extent to which the Pool D Body:

(i) is committed to ensuring security standards for end-users of its products or services in accordance with (or to a higher standard than) good industry practice;

(ii) is able to scale-up and/or reach new end-users; and/or

(iii) has been able to generate demand for its products or services whether in relation to the business case or in previous offerings;

(F) the extent to which the Pool D Body has demonstrated to the satisfaction of the Independent Body the credibility of its business model; and

(G) any other factors which the Independent Body considers appropriate, provided that such factors are made known to the Pool D Body before the date that it submits its application documents.