

Press release issued on behalf of BCR

30 April 2021

Banking Competition Remedies Ltd (BCR) published progress updates on Public Commitments from Pool E Capability and Innovation Fund recipients

The Board of Banking Competition Remedies Ltd (BCR) today publishes progress updates for Pool E recipients, providing a summary of performance against their public commitments to the period 28th February 2021.

The public commitment updates this reporting period indicate that most of those awarded are now making significant progress in their deliverables. A small number are facing challenges due to the pandemic and in particular the knock-on impact of CBILS/BBLs. BCR is currently holding review meetings with all awardees and a number have submitted updated business cases which is permitted under the CIF Agreement and subject to approval by the BCR Board. Awardees public commitments made can be found [here](#).

Aidene Walsh, CIF Executive Director, said: “Over the last quarter, we have seen awardees advance their relationships with FinTechs, build market share and deliver a number of new functionalities and firsts in the market that will enable them to provide meaningful competition to UK SMEs. Those awardees that are struggling to deliver on their business cases have been very transparent in their public commitments and BCR is currently working with them to understand what this means in terms of their CIF funding recognising that there needs to be a keen focus on creating options for SMEs in the near term.”

A summary of performance against awardees public commitments can be found in the notes to editors, with links to the full updates provided below:

Pool E second quarter update

- *Virgin Money UK PLC public commitment progress update*
- *ClearBank Ltd public commitment progress update*
- *Ebury Partners Limited public commitment progress update*
- *MarketFinance Limited public commitment progress update*
- *Funding Xchange Ltd public commitment progress update*
- *Codat Limited public commitment progress update*
- *ezbob Ltd public commitment progress update*
- *Fractal Labs Ltd public commitment progress update*
- *Previsite Ltd public commitment progress update*

The next progress updates for Pool E awardees will be in July 2021. Pool A, B, C and D awardees will provide their next reporting update in May 2021. As part of BCR’s role in monitoring the way that organisations are using the funds, BCR holds awardees to account on their progress against business plans which includes meeting all the recipients. For more details on how BCR monitors CIF awardees see [here](#).

Pool F: new funding round under the CIF scheme

BCR has £5m CIF funding available (referred to as 'Pool F') for distribution under the CIF scheme to support A, B and C eligible bodies in providing competition in financial services to UK SMEs. BCR is required to consult with potential applicants on the size of awards, with the consultation process due to run in August 2021. The BCR website has been updated with further details and timings, which can be found [here](#).

Notes to editors:

A summary of Pool E performance against public commitments

Pool E second quarter update

Virgin Money UK PLC public commitment progress update: Virgin Money announced 3 additional partnerships to their ecosystem bringing them to a total of 5 to date, namely: Strands, Redspire, Waracle, Codat and Life Moments. They have mobilised the delivery team and continue research and testing in order to enhance their proposition to meet SME needs.

ClearBank Ltd public commitment progress update: ClearBank have achieved a 5th of the market penetration target for Pool E (0.2%), taking their total market penetration to 5.2% c310,000 members. They also signed partnership agreements with a further three new lenders including Ultimate Finance and Uncapped, bringing the total to four, and development work has begun on the Confirmation of Payee (CoP) feature.

Ebury Partners Limited public commitment progress update: Ebury are on track to deliver the first of their commitments - Import Finance, however due to current market conditions they are experiencing challenges to a number of other deliverables.

MarketFinance Limited public commitment progress update: MarketFinance launched an MVP of the Revolving Credit solution in Q1-21. They now offer 3 customer solutions, and launched their new Unified Application Journey. They have also lent nearly £80m to more than 550 UK SMEs. Bounce Back Loans has meant average ticket size is higher than anticipated, meaning they expect to onboard fewer new customers than originally forecasted in order to meet their lending volume commitment.

Funding Xchange Ltd public commitment progress update: Funding Xchange integrated access to finance in Enterprise Nation's platform in Jan 2021. They have also onboarded additional lenders, enabling reach of over 200,000 SMEs over the reporting period and completed design elements of the Concessions Management MVP.

Codat Limited public commitment progress update: Codat successfully launched the first iterations of their self-serve platform and lending portal (Visualise) in this period. They now enable financial products to integrate with commerce platforms such as Shopify and Stripe.

ezbob Ltd public commitment progress update: ezbob developed their underlying infrastructure including a flexible UI framework and pricing engines. The impact of Covid-19 on the economic

environment has meant that launching their first POC has taken longer than expected, hampered further by the extended government backed loan schemes.

Fractal Labs Ltd (trading as tomato pay) public commitment progress update: Fractal Labs successfully launched their SMART solution in December 2020 with a view to start onboarding partners to increase usage of services such as tax filings and enabled payments. Both Fractal Labs and untied also powered the first open banking payment to HMRC.

Previser Ltd public commitment progress update: Previser announced the launch of another InstantFinance programme with a large international Healthcare provider in the last reporting period. They have also accomplished significant work on the planning and execution of the pre-launch phase of the Good Business Pays movement, and delivered their first corporate ERP plug-in.

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About BCR

Banking Competition Remedies Ltd (BCR) is the independent body established in 2018 to implement the £775 million Royal Bank of Scotland (RBS) State Aid Alternative Remedies Package. BCR is independent from RBS and the UK Government. It is governed by an independent board of directors.

The Alternative Remedies Package 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 five pools. BCR will run a further funding round, Pool F, later in the year. Information on this can be found [here](#). 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 are available on the BCR website.