

Press release issued on behalf of BCR

28 May 2021

BCR publishes progress updates on Public Commitments from Pool A, B, C and D Capability and Innovation Fund recipients

The Board of Banking Competition Remedies Ltd (BCR) today publishes progress updates for Pool A, B, C and D recipients, providing a summary of performance against their public commitments to the period 31st March 2021.

The updates of those awarded, their original commitments made and key achievements to date can be found [here](#).

In this reporting period, BCR approved four business case changes for The Co-operative Bank plc, The Currency Cloud Group Limited, Fluidly Limited and Funding Options Ltd mainly due to awardees bringing forward functionality and related spend. The Co-operative Bank and Currencycloud also increased their co-investment. These changes have now been reflected in their public commitments.

Aidene Walsh, CIF Executive Director, said: “During the last reporting quarter, we have seen two Pool A awardees Starling and ClearBank achieve over 5% market share in business current accounts, well ahead of the targets they set themselves. Their performance alongside the vast majority of Pool A-D awardees showcases the choice and credible competition awardees are creating for UK SMEs. The four business case changes approved during this reporting period were for positive reasons and further demonstrate commitment to accelerate delivery and focus on the relevant needs of UK SMEs.”

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 A eighth quarter update

- *Starling Bank Limited public commitment progress update*
- *Metro Bank plc public commitment progress update*
- *ClearBank Ltd public commitment progress update*

Pool B seventh quarter update

- *Investec Bank plc public commitment progress update*
- *The Co-operative Bank plc public commitment progress update*

Pool C sixth quarter update

- *Atom Bank plc public commitment progress update*
- *The Currency Cloud Group Ltd public commitment progress update*
- *iwoca Ltd public commitment progress update*
- *Modulr Finance Limited public commitment progress update*

Pool D seventh quarter update

- *Codat Limited public commitment progress update*
- *Fluidly Limited public commitment progress update*
- *Form3 Ltd public commitment progress update*
- *Funding Options Limited public commitment progress update*
- *Swoop Finance Limited public commitment progress update*

Pool A, B, C and D awardees will submit their next progress reports in August 2021. Pool E awardees will provide their next reporting update in July 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 A, B, C and D performance against public commitments / business cases

Pool A eighth quarter update

Starling Bank Limited public commitment progress update: Starling now has 336,438 SME customers, resulting in a 5.6% share of the UK SME market. Over 52,000 SME businesses have directly benefited from the £2.2bn of lending made available by Starling to date. In addition, Starling continues to iterate and improve its launched products such as developing additional features for its 4 digital touchpoints that will give SME customers the power to allow other parties to access relevant aspects of its bank accounts.

Metro Bank plc public commitment progress update: Metro successfully launched its business current account online application process for multi-director businesses beginning in February, before a full rollout in April. Metro has also launched its in-app invoicing for business customers – allowing quick creation, tracking and management of invoices.

ClearBank Ltd (CTBB) public commitment progress update: CTBB now has 323,237 SME customers, resulting in a 5.4% share (5% directly attributable to Pool A) of the UK SME market, and has built significant brand awareness at 40% of SMEs. It also continues to develop and launch propositions, including progress on its easier switching initiative with expedited onboarding and trial switching for established businesses using open banking.

Pool B seventh quarter update

Investec Bank plc public commitment progress update: Investec is now supporting over 2,700 SMEs through its Business Savings Account, Lending and FX propositions. To date, it has managed over £230m in savings, lent over £95m under CBILS and BBLs, and clients have bought over £115m in FX.

The Co-operative Bank plc public commitment progress / business case update: The Co-operative Bank has exceeded 100,000 business current accounts for the first time as it continues to make good progress with its transformational initiatives. It has launched its mobile app, Business Concierge product with Assurant, and SME Insurance proposition with AXA. Its business case changes covered realignment of its spend profile to support accelerated delivery of key initiatives this year. It also increased its co-investment by £1m, from £17m to £18m.

Pool C sixth quarter update

Atom Bank plc public commitment progress update: Atom has responded to the challenge of COVID-19 and released its balance sheet to support the economy, with over £0.6bn of funding applied for through its secured lending CBILS product (including £86m of BCR attributable secured lending) as at 31 March 2021. It has also deployed the build of 'Portal Lite', the first iteration of the Next Generation Broker Portal.

The Currency Cloud Group Ltd (Currencycloud) public progress commitment / business case update: Currencycloud has processed cross-border payments for 6% of all UK SMEs trading internationally (over 20,200 UK SMEs) over the last twelve months and continues to enhance its cross-border payments proposition. In changing its business case, Currencycloud has increased its co-investment to accelerate its proposition impact and delivery.

iwoca Ltd public commitment progress update: iwoca has successfully achieved its no and limited personal guarantee commitment almost three years ahead of schedule, originating £314m as at 31 March 2021. In addition, it nearly doubled the number of invoices sent and transactions paid through iwocaPay from last quarter, and officially launched the iwocaPay app within the Xero ecosystem.

Modulr public commitment progress update: Modulr launched the first version of the Accountants Payments Control Centre product with 19 accountancy practices and accountants onboarded so far, delivered the first automated customer onboarding initiative (address lookup functionality), and successfully launched the SME Channel Website.

Pool D seventh quarter update

Codat Limited public commitment progress update: Codat, having delivered 4 out of its 7 public commitments, continues to progress well and is working with key partners towards its remaining commitments.

Fluidly Limited public commitment progress / business case update: Fluidly revised its business case to address the challenges COVID-19 had on its proposition, mainly as a result of its experience with smaller accounting firms and SMEs to date. Fluidly has broadened the scope of its SME reach to

include those benefitting from the CIF funded technology through its accounting partners. To date, it has supported over 90,000 UK SMEs and delivered over 3,500 hours of training.

Form3 Ltd public commitment progress update: Form3 has mobilised this quarter against its revised business case focusing on the initial design requirements for its direct SWIFT solution and sales and marketing activity.

Funding Options Limited public commitment progress / business case update: Funding Options has achieved £129m of new lending to date for SMEs and onboarded new advisory partners onto its Project Ballpark platform for Accounting firms. As a result of the CBILS and BBLs schemes, volume demand for market-based lending has reduced significantly and the average loan size increased sharply. While Funding Options has continued to meet SME needs and is indeed exceeding its lending targets, the number of SMEs is lower than envisaged when it won the award, and this shift is expected to continue for the foreseeable future. Funding Options will continue to make a difference by onboarding new alternative lenders to the platform in providing appropriate funding options for UK SMEs.

Swoop Finance Limited public commitment progress update: Swoop continues to achieve strong delivery of functionalities. It launched its grant application tool and has processed over 3,000 applications in the quarter. Loan applications remain strong with 61,000 applications and £469m secured, to date, mainly through CBILS and BBLs. Swoop continues to experience challenges in reaching its equity targets despite the increase in SMEs applying, as the investment market is slow to recover to pre-Covid levels.

For media enquiries, please contact

Tony Langham: TonyL@lansons.com; 07979692287

Maddy Morgan Williams: MaddyMW@lansons.com; 07947364578

Rimmi Shah: Rimmis@lansons.com; 07963014027

Megan Sunderland: MeganS@lansons.com; 07866040940

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. Owing to the

return of £5m earlier this year, BCR will run a further funding round, Pool F in Q3. 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.