

Press release issued on behalf of BCR

30 July 2021

Banking Competition Remedies Ltd (BCR) publishes 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 31st May 2021.

The public commitment updates this reporting period indicate that the awardees are now advanced in deploying the CIF spend and making significant progress in developing valuable propositions for UK SMEs. While a small number will not see the impact they had hoped for in respect of SME take up in the short term, as the market returns to normal, their offerings will be a strong value add for UK SMEs. BCR has now held review meetings with all awardees and four (Virgin Money UK PLC, Ebury Partners Limited, MarketFinance Limited and ezbob Ltd) have submitted updated business cases which is permitted under the CIF Agreement and subject to approval by the BCR Board. MarketFinance Limited, ezbob Ltd and Ebury Partners Limited have made changes to their public commitments and in addition, Ebury Partners Limited has returned funds of £7.5m as highlighted in BCR's press release last week which can be found [here](#). Awardees progress against public commitments made can be found [here](#).

Aidene Walsh, CIF Executive Director, said: "Pool E awardees are starting to make important inroads in delivering on their public commitments. A number have improved their brand awareness whether through partnerships with the Federation of Small Businesses (FSB), Enterprise Nation or through their own marketing efforts and they are seeing the benefits in increased SME engagement. As is to be expected, the enduring pandemic with its impact on SMEs and, in some cases, Financial Institution partner priorities has caused a couple of awardees to reprioritise or adapt their plans. In approving updated business cases and accepting any returned funds, BCR is confident that the awardees continue to have the offering and ability to make a meaningful difference in the provision of financial services to 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 above:

Pool E third 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*
- *Previser Ltd public commitment progress update*

The next progress updates for Pool E awardees will be in October 2021. Pool A, B, C and D awardees will provide their next reporting update in August 2021. For more details on how BCR monitors CIF awardees see [here](#).

Pool F: new funding round under the CIF scheme

BCR has £12.5m 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. The consultation process is now running and the letter can be found [here](#). Further details on Pool F can be found [here](#).

Notes to editors:

A summary of Pool E performance against public commitments

Pool E third quarter update

Virgin Money UK PLC public commitment progress update / business case update: Virgin Money launched its digital onboarding account opening journey for single director limited companies, which is the first milestone in delivering its digital proposition. It announced partnerships with Fluidly and Trade Ledger (total of 7 partnerships to date) in developing its partner ecosystem for the benefit of UK SMEs.

ClearBank Ltd public commitment progress update: ClearBank now has a market penetration attributable to Pool E of 0.8%, taking total market penetration to 5.8% c350,000 members. It has also built significant awareness at 40% brand recognition, recruited its first 25 managed services partners, and has now onboarded over 21,000 female and 28,000 BAME entrepreneurs.

Ebury Partners Limited public commitment progress update / business case update: As a result of the impact of Covid on the economic environment and the changing SME lending landscape, Ebury has changed its product and origination strategy. As a result, it reduced the scope of its Business Plan to focus on investing in scalability and an improved online user experience for UK SMEs and returned £7.5m of its £10m award.

MarketFinance Limited public commitment progress update / business case update: MarketFinance has now advanced close to £1m through the MVP of FlexLoan and continued to bolster its Unified Application Journey including a new customer journey for Recovery Loan Scheme applications. MarketFinance's change in business case, due to continued availability of BBLS, has impacted customer onboarding and funding commitments, as well as major bank partnership timelines. It has however accelerated partnership timelines with non-bank SME providers.

Funding Xchange Ltd public commitment progress update: Funding Xchange's engagement with a range of market participants has enabled the platform to engage hundreds of thousands more businesses through new partnerships and continue to expand market reach. Funding Xchange has

also launched SmartFinanceHub to support brokers, and successfully delivered the Concessions Management Proof of Concept in conjunction with partners.

Codat Limited public commitment progress update: Codat continued to deliver strongly this quarter, with four new integrations to its platform completed significantly ahead of schedule, and it remains well on track to meet its remaining commitments.

ezbob Ltd public commitment progress update / business case update: As a result of Covid-19, financial institutions are looking to improve their existing digital capabilities and hence require granular solutions. Therefore, ezbob has reprioritised some of the features of its platform to support a modular approach of its technology. ezbob is confident that this flexibility now offered to financial institutions will enable its clients to quickly make a difference to their SME lending experience.

Fractal Labs Ltd (trading as tomato pay) and untied public commitment progress update: Fractal Labs and untied continue to make good progress with phase 1 of their SMART proposition by incorporating customer feedback to the development of its features. Fractal Labs and untied are also preparing for launch with a tier one financial institution as well as key commercial launches planned for later this year.

Previsé Ltd public commitment progress update: The Good Business Pays movement was launched during this period. It has achieved strong levels of engagement, with support from leading business interest groups such as the FSB. Hundreds of thousands of SMEs are now receiving information about the Good Business Pays initiative, and this has encouraged them to use the support and data available to manage their working capital more effectively, supported by Previsé's InstantFinance technology.

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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. This scheme is now closed.

- 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 £12.5m earlier this year, BCR will run a further funding round, Pool F in Q3. Information on this can be found [here](#). BCR holds awardees to account by closely monitoring their progress against business plans.

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.