

Press release issued on behalf of BCR

For immediate release: Wednesday 20 October 2021

Banking Competition Remedies Ltd (BCR) announces the awards of Capability and Innovation Fund Pool F

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

The Capability and Innovation Fund Pool F 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 £12.5 million, are awarded as follows:

- £5m – Codat Limited
- £5m – Cashplus Bank – see further information [here](#)
- £2.5m – Swoop Finance Limited

The successful applicants will shortly 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 33 applicants applying for 43 grants in this pool.

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: “BCR received a number of excellent applications, but we selected awardees we felt could achieve the largest impact in a short period of time. These organisations are successfully leveraging emerging technologies, such as open banking, to provide new and exciting solutions for SMEs, including: cardless payment solutions, the provision of market infrastructure to level the playing field for lending providers, frictionless payment reconciliation, as well as an automated process for achieving funding for growth SMEs.”

BCR decision-making

As with each previous Pool, BCR engaged business and technology consultancy, Baringa, to receive and analyse the applications via a rigorous and detailed process. The 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 applicants that can deliver on their commitments by the end of December 2022 which is the term of the CIF Agreement, and achieve positive impact within the SME market.

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 2022. 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: "Pool F applicants have demonstrated the resurgence in demand for access to alternative lending and payment solutions in the UK SME marketplace. This Pool has seen very innovative propositions leveraging market infrastructure such as open banking which will really start to level the playing field not only for providers but also for SMEs who will be able to take advantage of best of breed solutions from multiple providers without creating a significant admin burden for themselves. As with previous rounds, it has been difficult to narrow the awards down to a small number of outstanding winners and BCR looks forward to monitoring their progress as they implement their programmes and contribute to creating further competition in the provision of services for UK SMEs".

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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** – which has now closed having distributed £251m of the dowry fund available to SMEs that switched from NatWest.
- 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. BCR holds awardees to account by closely

monitoring their progress against business plans. With Pool F awards announced, there are now 22 awardees across 6 pools.

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 can be found [here](#).