

Press release issued on behalf of BCR

29 October 2021

Banking Competition Remedies Ltd (BCR) publishes progress updates

- **Pool E Capability and Innovation Fund recipients provide quarterly updates on Public Commitments**
- **Incentivised Switching Scheme residual funds recipients provide first progress updates on Public Commitments**

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 August 2021.

The public commitment updates this reporting period have generated a number of trials and soft launches of new functionality for SMEs. In addition, the distribution of Pool E funded solutions and services is gaining traction via relationships of awardees with larger institutions.

Awardees progress against public commitments made can be found [here](#). There have been no changes to business cases for Pool E awardees during this quarter.

Aidene Walsh, CIF Executive Director, said: “The strong focus on delivery has continued for Pool E awardees with almost all having soft-launched new functionality in the quarter and BCR is delighted to see that a number have delivered on several Public Commitments ahead of target. The external market continues to impact on demand for lending products particularly with the smallest SMEs, but the vast majority of awardees are expecting to see demand for their products and services to fall in line with their expectations in early 2022.

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 fourth 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 January 2022. Pool A, B, C and D awardees will provide their next progress update in November 2021, and Pool F awardees will provide their first progress update in February 2022. For more details on how BCR monitors CIF awardees see [here](#).

Incentivised Switching Scheme

On the Incentivised Switching Scheme, reports on performance in respect of the first nine weeks of the twenty two week programme have been received from Starling, Virgin and TSB, the three organisations which were awarded £24.1m at the end of July.

Although total spend to the end of September (£4.5m) was lower than expected, this has to be seen in the context of a very short period between the business case approval and standing up the respective projects. This having been said, good progress is being seen on the deliverables promised which range across improved brand awareness, more seamless on-boarding of customers and specific product development.

All three organisations have expressed confidence on both expenditure and delivery of initiatives by the year end as well as the resultant positive impact on competition in the SME banking arena. Further details on the Public Commitment Updates for each of the organisations can be found on the BCR website [here](#).

Notes to editors:

A summary of CIF Pool E performance against public commitments

Pool E fourth quarter update

Virgin Money UK PLC public commitment progress update: Virgin Money's new digital onboarding solution is now live with customers for "new to bank" applications for single director limited companies, its most significant customer cohort. Its underlying technology to support the solutions marketplace is also taking shape.

ClearBank Ltd public commitment progress update: ClearBank achieved its committed 1% additional the market penetration during the quarter. It is on track with all public commitments including providing opportunities for 17 SME partners and onboarding over 30,000 female and 42,000 BAME entrepreneurs to date.

Ebury Partners Limited public commitment progress update: Ebury released the first of its deliverables, Import Finance fully integrated with FX hedging and spot. It is currently on track with its second deliverable, Self Serve functionality.

MarketFinance Limited public commitment progress update: MarketFinance launched its third funding solution FlexLoan (previously known as Revolving Credit Facility) and has seen great momentum during the MVP stage. Its new unified accounts dashboard was developed and implemented in the quarter and is now live. It is on track with its partnership commitment having launched its 4th partnership in the quarter.

Funding Xchange Ltd public commitment progress update: Funding Xchange's SmartFinanceHub has been launched and is now live currently being utilised by a number of funders and brokers. It recently launched its FXE Technologies business, supplying technology to transform costs and customer experience by providing a digital eligibility journey for banks and lenders, and has recently reached agreement to provide its technology to a tier 1 bank.

Codat Limited public commitment progress update: Codat continued to strongly deliver this quarter. Its self-serve platform and lending portal are now live and it has integrated five data sources to its platform significantly ahead of schedule. Codat has now completed three out of five of its commitments and is well on track to deliver the remaining two commitments.

ezbob Ltd public commitment progress update: ezbob has now concluded a signed licence agreement with the first Proof of Concept, however face challenges related to slack demand due to current market conditions. Its new "activation", legal Content Management System and configurable risk engine has been developed as planned.

Fractal Labs Ltd (trading as tomato pay) and untied public commitment progress update: tomato pay and untied continued to make progress with phase 1 of its SMART proposition by incorporating customer feedback in the development of its features. It has soft-launched the SMART proposition with Santander UK to SME customers. It launched an instant payments app with QR-code based revenue collection and released an MVP of the smart invoice functionality.

Previser Ltd public commitment progress update: Previser's InstantFinance solutions are now available to over 3,400 SMEs with over £4.3m advanced to SMEs through an underwritten product. It developed and deployed a new autotrial feature that allows SMEs to try the early invoice payment service with minimal effort and delivered another corporate ERP plug-in for Oracle.

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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](#).