

Press release issued on behalf of BCR

28 February 2022

Banking Competition Remedies Ltd (BCR) publishes progress updates

- **Pool A, B, C, D & F Capability and Innovation Fund recipients provide quarterly updates on Public Commitments**
- **Incentivised Switching Scheme residual funds recipients provide final progress updates on Public Commitments**

Progress updates for Pool A, B, C, D & F recipients

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

The public commitment updates this reporting period has seen a number of awardees deliver on their commitments such as co-investment and initiative delivery. Furthermore, market share of UK SMEs continue in an upward trend with awardees exceeding overall targets ahead of schedule.

Awardees progress against public commitments made can be found [here](#). During the quarter business case changes were approved for Metro Bank to revise delivery timelines for some delayed initiatives and Modulr to replace one of its initiatives with one that it feels better meets SME needs.

The majority of awardees achieved strong performance as at the end of 2021 in terms of delivery particularly in lending initiatives, international payment solutions and market share. It is clear that many of the awardees are successfully challenging incumbent providers in meeting SME needs and in several instances partnering with those incumbents to complement their offerings. 2022 is a significant year in relation to spend and delivery with several awardees ahead of plan and others working extremely hard to progress their business cases in view of the external market which is now seeing a slow recovery in all aspects despite the challenges they continue to face.

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 eleventh quarter update

- [Starling Bank Limited public commitment progress update](#)
- [Metro Bank plc public commitment progress update](#)
- [ClearBank Ltd public commitment progress update](#)

Pool B tenth quarter update

- [Investec Bank plc public commitment progress update](#)
- [The Co-operative Bank plc public commitment progress update](#)

Pool C ninth 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 tenth 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 F first quarter update

- [Cashplus public commitment progress update](#)
- [Codat Limited public commitment progress update](#)
- [Swoop Finance Limited commitment progress update](#)

The next progress updates for Pool A, B, C, D and F awardees will be in May 2022. Pool E awardees will provide their next reporting update in April 2022. 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 regular meetings with all recipients. For more details on how BCR monitors CIF awardees see [here](#).

Incentivised Switching Scheme

At the end of December 2021, the agreements in respect of the additional £24.1m awarded to Starling Bank, Virgin Money and TSB from the pool of funds set aside for the Incentivised Switching Scheme ended. It has been encouraging to see the good use this money has been put to in raising brand awareness of their respective SME offerings as well as the service enhancements that have been made and the educational material provided. A further 436 customers switched from NatWest in the period to December with incentives funded by the award. In the interests of transparency, it should be noted that a modest amount of £194,000 has been returned by TSB – in line with the terms of the award agreement - due to a small underspend against its business case. Further detail on each bank's performance against its public commitments can be found [here](#).

Notes to editors:

A summary of Pool A, B, C, D and F performance against public commitments / business cases

Pool A eleventh quarter update

Starling Bank Limited public commitment progress update: Starling continues to make strong progress, including the completion of its co-investment commitment of £94.8m a year earlier than planned. Overall customers to date by the end of 2021 stood at 421,633, a market share of 7.6%. Starling remains on track to meet its remaining commitments by the end of 2023 as planned.

Metro Bank plc public commitment progress / business case update: Metro Bank launched its new Business Overdraft product and a new digital credit platform in December 2021, and these have received positive customer feedback. Its Revised Business Case was mainly based around revising timelines for delayed initiatives such as its Revolving Credit Facility, Small Business Loans and also store roll out for its remaining stores in the North from 2022 onwards which have understandably been impacted by Covid. None of these changes impact Metro Bank's Public Commitments.

ClearBank Ltd (CTBB) public commitment progress update: CTBB is now supporting 387,973 SMEs, a total market share of 7% of which 6% is attributable to Pool A initiatives. During Q4 2021, it launched a beta version of Tide Accounting which initially focuses on Self Employed businesses as well as a beta launch of its payment links product which allows SMEs to get paid without needing to have a website or card payment reader.

Pool B tenth quarter update

Investec Bank plc public commitment progress update: Investec is now supporting over 3,900 SMEs through its Business Savings Account, Lending and FX propositions. Investec has lent over £161m to date, mainly driven by CBILS, BBLs and most recently, RLS. Investec's strategic partnership with Monese to deliver its Business Current Account infrastructure is progressing well and, as at the end of 2021, Investec has met or exceeded several targets including the number of SMEs supported by lending, deposits and treasury products, as well as the amount of money lent to SMEs.

The Co-operative Bank plc public commitment progress update: The Co-operative Bank launched its new digital Business Current Account this quarter. It continues to improve its online banking channel which is a key dependency for it to be able to deliver on its business case. Its mobile app continues to build traction amongst its SMEs. The bank's Net Promoter Score for its new onboarding journey is +63 and its average account opening time has reduced to six days. BCA volumes are behind target; however, it remains confident these will improve now that the Business Current Account product has gone live.

Pool C ninth quarter update

Atom Bank plc public commitment progress update: Atom Bank continues to exceed its 2021 and 2022 targets for secured lending having achieved £257m as at the end of 2021. It delivered its fixed rate business lending product, providing SMEs with the ability to benefit from the certainty of fixed

payments. However, it continues to experience delays in delivering its Next Generation Broker Portal, impacting some of its commitments and is replanning to align delivery timelines.

The Currency Cloud Group Ltd (Currencycloud) public progress commitment: In the last twelve months, Currencycloud has processed cross-border payments for over 28,200 UK SMEs (8.4% of all SMEs trading internationally). It is making ongoing enhancements to its onboarding journey and decision time which has helped embed cross-border payments into a number of unregulated platforms.

iwoca Ltd public commitment progress update: iwoca issued its first loans to customers applying through its Xero integration in Q4 2021, with one customer receiving funds within 4 hours of applying. It continues to exceed overall targets with its no and limited personal guarantee commitment achieved ahead of schedule. It also originated its first RLS loans during the quarter. iwoca increased its iwocaPay sellers base and transactions and added a partner to its OpenLending platform as it continues to strive towards its remaining commitments.

Modulr public commitment progress / business case update: Modulr continues to exceed overall targets for number of SMEs (now standing at 989,000) reached through its payment innovation products. Modulr's business case during the period saw it replace its cash initiative with an international payments solution after popular demand from its UK SME base. Modulr has also changed its approach to the delivery of CASS which has a direct impact on the delivery of Request to Pay.

Pool D tenth quarter update

Codat Limited public commitment progress update: Codat continues to make strong progress against its business case, having already delivered 4 out of its 7 public commitments. Its deliverables remain on track except for the number of impacted SMEs which Codat is confident in achieving this year.

Fluidly Limited public commitment progress update: Fluidly was acquired by OakNorth Bank during the quarter but remains committed to delivery of its commitments. Fluidly has delivered its Actions Hub cash flow reporting feature which allows accountants to share cash flow and associated insights reporting with their SMEs. It has further developed its VAT insights tool by adding a VAT Cash scheme support option. While it continues to run Partner Engagement sessions and onboard accounting firms and accountants, it is currently behind target for delivering training and the number of connected and supported SMEs.

Form3 Ltd public commitment progress update: Form3 delivered its Payment System Orchestration initiative in line with its business case. It continues to build its SWIFT solution whilst engaging in sales and marketing activities in advance of the launch. Form3 delayed the launch of its SWIFT International Payments initiative because of issues related to SWIFT interacting with Form3's cloud-based platform, which has now led to further delays to all other initiatives.

Funding Options Limited public commitment progress update: Funding Options is progressing well and remains on track to deliver on all initiatives by the target dates. Funding Options launched its BCA comparison tool and its Funding Cloud™ platform continues to build traction. Funding Options has either met or exceeded several 2021 targets including surpassing its lending volume targets. The

number of additional SMEs served is behind target due to the impact of government backed loan schemes on UK market-based lending.

Swoop Finance Limited public commitment progress update: Swoop continues to make significant progress against its business case despite some targets not being achieved due to the current climate. It launched Swoop Credit Passport leading to a surge in bank integrations as well as a new FX platform feature to drive FX savings. It has seen a 15% increase in lending volumes and its grant and loan referrals has boosted success volumes by 9% as a result of its partnership with Tide Bank. Swoop continues to onboard brokers and challenger banks and has also partnered with AssureHedge where Swoop customers can now lock in better FX rates and has launched a partnership with F45.

Pool F first quarter update

Cashplus Bank public commitment progress update: Cashplus Bank launched its Business Credit Card in December 2021 and acquired 1,500 customers, achieving £1.75m of lending during the period. It also started contributing to its cashback commitment during the quarter, ahead of schedule.

Codat Limited public commitment progress update: Codat is making good progress, where all deliverables are on track. Planning and engineering are underway in relation to the development of Codat's sync API and it is working on its new insights features for revenue-based lenders.

Swoop Finance Limited public commitment progress update: Swoop has run successful activities with ICAEW, social media educational videos and email campaigns, all leading to a positive pipeline. It has agreed on initiative road maps with BNP Paribas, Futrli and Forward AI and is also on track to onboard other growth-based funds including Fasanara Capital, Element, Claret and SME Capital.

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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** – which has now closed having distributed £251m of the dowry fund available to SMEs that switched from NatWest. £194,000 was returned by TSB due to an underspend against its business case.
- 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 all pools. BCR holds awardees to account by

closely monitoring their progress against business plans. There are currently 24 awardees across 6 pools.