

Press release issued on behalf of BCR

**29 April 2022**

**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 for the period ending 28<sup>th</sup> February 2022.

The public commitment updates this reporting period has the majority of awardees making excellent progress and a couple seeing challenges due to headwinds in their sectors.

Awardees progress against public commitments made can be found [here](#). This quarter saw the approval of Virgin Money UK PLC and ClearBank Ltd Revised Business Cases. BCR is in discussion with ezbob as to the best way forward given the challenging external environment and we expect to agree a Business Case in due course. Tomato pay has also signalled a Revised Business Case.

BCR has now agreed with HMT and NatWest that it will continue to monitor awardees' progress against KPIs and Public Commitments post termination of CIF Agreements later this year to ensure that the commitments awardees have made in return for funding on improving competition in the provision of financial services for UK SMEs are met. Ahead of the termination of agreements, it is anticipated that there will be a number of Revised Business Cases to update deliverables.

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 sixth 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 July 2022. Pool A, B, C, D and F awardees will provide their next progress update in May 2022. For more details on how BCR monitors CIF awardees see [here](#).

## Notes to editors:

### A summary of CIF Pool E performance against public commitments

#### Pool E fifth quarter update

Virgin Money UK PLC public commitment progress / business case update: Virgin Money has achieved positive net growth in BCAs in Q1 2022. It delivered on its partnership commitment this quarter, having announced its partnership with Expend to support SMEs with expense management. It is starting to realise the impact of the functionalities launched as part of the CIF programme and the Incentivised Switching Scheme which has led to increased brand awareness and traffic to the Virgin Money website. The Revised Business Case focused on aligning spend with delivery as well as descope peer and supply chain analysis to prioritise the support it can offer to customers to better understand their business and identify needs through innovative digital tools.

ClearBank Ltd public commitment progress / business case update: ClearBank has now delivered the second part of its market share commitment whereby 25% of new members account for switchers. It also delivered on its partnership commitment and has now contracted a total of 26 partners as at the end of Q1 2022. Its Revised Business Case was simply aligning spend with delivery and had no impact on its Public Commitments which it is progressing well against.

Ebury Partners Limited public commitment progress update: Ebury has delivered four out of five Public Commitments and has deployed all CIF and co-investment spend. It has exceeded its £42m lending target and is progressing well against its final public commitment of customer targets (due by end 2022).

MarketFinance Limited public commitment progress update: MarketFinance is making significant progress in delivery with a number of 2022 targets either met, exceeded or on track to be delivered. It has originated c.£300m of new lending to date, 100% of target, and has built a significant pipeline for MarketPay of over 15 potential embedded partners.

Funding Xchange Ltd public commitment progress update: Funding Xchange is progressing with delivery, particularly in relation to the month-on-month growth in financing offered and disbursed. Funding Xchange has now onboarded 27 funders to the marketplace and its SmartFinanceHub is gathering pace with contracts signed to bring a large asset finance provider on board in Q2 2022. Funding Xchange's concession tool initiative and the number of lenders associated to this tool continues to be delayed until year-end 2022.

Codat Limited public commitment progress update: Codat has now delivered three of its five Public Commitments and is on track to deliver its remaining commitments by the end of 2022. Codat has built its self-serve platform and there are now more than 10 financial products in the market that have been developed via this channel.

ezbob Ltd public commitment progress update: Having launched its first Proof of Concept (PoC) in Q4 2021, ezbob is making progress with its second client and work continues to identify other potential organisations that will help it achieve its current commitment. However, ezbob continues to experience slower than anticipated uptake of its PoC programme due to the reduced risk

exposure to the SME sector by mid-tier lenders, thus having a knock-on negative impact on its lending commitments. A Revised Business Case has been submitted to BCR and is currently being discussed with a view to reach a decision in the next couple of weeks.

Fractal Labs Ltd (trading as tomato pay) public commitment progress update: tomato pay and untied launched their Tax Impact Integration which enables tax treatment to be set when an invoice is raised and for automatic tagging when it is settled. tomato pay has further refined Smart Invoices and Dynamic Discounting and continued to strengthen its distribution network by signing further affiliate deals. As a result of off-track impact targets due to external dependencies, tomato pay is expected to submit a revised business case to realign its targets.

Previsé Ltd public commitment progress update: Previsé continues to see strong traction with suppliers and has made its InstantFinance products available to over 43k SMEs to date. Work with a bank with a large UK presence has progressed positively with a planned launch for Q2 2022. Previsé continues to have a conservative approach with its lending commitments as the timing of achieving its overall targets is largely dependent on the third parties it is working with. Overall, Previsé is confident in delivering its commitments by the first half of 2023 due to the promising partnerships formed in Q1 2022.

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**About BCR**

Banking Competition Remedies Ltd (BCR) is the independent body established to implement the £700 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 £700m:

- The Incentivised Switching Scheme – which has now closed having distributed £275m 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. BCR holds awardees to account by closely monitoring their progress against business plans. With Pool F awards announced in 2021, 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/financial services to SMEs in the United Kingdom. Further details on the Capability and Innovation Fund can be found [here](#).

\* Up to an additional £75 million was made available by NatWest Group Plc to cover customers' costs of switching (e.g. through waiving or reimbursing break fees and/or other third party costs incurred by customers, such as legal fees).