

Cashplus Bank – £5m Award

Key Achievements to Date

- We have completed development of our Making Tax Digital solution and are awaiting HMRC approval, following which we will launch to customers.
- We have implemented enhancements to enable categorisation and enrichment of transaction data, and also selected a vendor for receipt capture which will form part of our Expense Management offering.
- We completed a technical discovery phase to scope our Decision Engine which is a key enabler for Advance Underwriting. We have also selected a vendor to assist with delivering this.
- We have partnered with a further 2 UK businesses for Business Credit Card applications, achieving 4 of the 5 we have committed to partnering with.
- Work Orders to support Business Credit Card (Phase 2) have moved into test and are on track for delivery in Q3 2022.

Assessment Period 3 (April 1st, 2022 – June 30th, 2022)

These Public Commitments are based on Cashplus Bank's Updated Business Case which was approved in April 2022. The former Public Commitments, including rationale for the changes can be viewed [here](#).

COMMITMENT 1 – Expansion of SME lending:

We will deliver an all-new business credit card, with phased rollout through 2022 and delivery of all functionalities by the end of Q4, that will serve as a truly flexible SME credit and payments facility, driving increased choice and more competition in the market

Combining our unique lending expertise in corporate overdrafts and basic SME credit cards, accompanied with sustainable product economics, we will deliver a new business credit card with a range of valuable features and a market-beating 1% cashback (entirely funded by Cashplus). This product will be an industry-first, truly flexible credit and payment facility with integrations to Open Banking, Faster Payments and Direct Debit and will return up to £2m in cashback to small businesses by 2022. In conjunction with our Business Current account, this product will deliver £300m in spend and lending by the end of 2022, rising to £4bn to the end of 2025.

We commit to acquiring 150K new customers by Q2 2023.

This commitment has partially been met

Cashplus is on track to deliver all functionalities for the enhanced business credit card by the end of 2022. For spend & lending, we are on track to achieve our 2025 targets, despite observing some market wide softness of demand as a result of Covid-19 loan schemes. We are also seeing increased competition since we won the BCR grant in 2021, with other lenders now also offering 1% cashback in direct response to our BCR proposition, which may impact our acquisition rates but can be considered a wider benefit to the market.

COMMITMENT 2 – We will make switching and opening credit products fast, simple, and beneficial for small businesses

Cashplus will remove barriers to switching by making it straightforward and painless for businesses to change providers. We will:

- I. **Launch a bespoke business credit building product to help small businesses access cheaper funding in the future, by the end of Q1 2022.**
- II. **Remove competition barriers by building small business eligibility checks for all credit products, with APIs allowing integration to external data sources, by the end of Q1 2022.**
- III. **Provide customers with guaranteed pricing and credit limits and, through Open Banking, offer guaranteed savings where we can beat competitor costs, by the end of Q4 2022.**
- IV. **Offer free company formation services, alongside our Business Credit Card and Business Current Account, offering a frictionless journey to customers looking to form a company.**
- V. **Develop an industry-leading underwriting process, that leverages advanced AI to help customers access funding by the end of Q4 2022.**

We are on track to deliver this commitment.

We are progressing marketing campaigns to promote our Business Credit Builder product and are developing user journeys for our company formation services which are in partnership with e-filing.

We have completed a Technical Discovery phase to design a Decision Engine which will be a key enabler for our enhanced underwriting process.

COMMITMENT 3 - Development of Reconciliation and Expense Management Tools leveraging Open Banking

We will transform business banking by providing the most flexible SME banking solutions in the industry. For both our SME Business Credit Cards and Business Current Account, we will transform business banking by providing advanced tools that will simplify life for UK businesses. These solutions will reduce administrative burden and drive great efficiency by building an industry first of expense tracking and invoice reconciliation into the Business Credit Card platform, along with direct accounting package integration by the end of Q4 2022. Completing the SME tool kit, Cashplus will also ensure that HMRC digitisation solution of Making Tax Digital will be available and easy to use for micro limited business and sole traders by the end of Q2 2022.

We are on track to deliver this commitment

Our Making Tax Digital (MTD) solution has been delivered and is ready to launch, pending HMRC approval, and we continue to develop new tools and services for UK SME's in line with our business case.

We've carried out discovery activities to understand SME needs across bookkeeping and accounting. These include user interviews with a range of UK SMEs and accounting partners. The research findings are shaping our expense management, MTD and reconciliation solutions. The findings ensure we develop customer-centred solutions that meet user needs.

COMMITMENT 4 - Partnering with business:

We will partner with at least five UK businesses throughout 2022 to deliver CIF initiatives.

We are on track to meet this commitment

We have already partnered with 4 (mSix, Funding Options, Funding Xchange and Capitalise) of the 5 committed businesses.

COMMITMENT 5 - Investment

We will invest £10m of our own funds into delivering these commitments, in addition to the 100% of all cashback rewards – up to £2m by the end of 2022 - funded by Cashplus.

We are on track to deliver this commitment to provide match funding of the activity of £10m by 2023 and up to £2m cashback through our Business Credit Card and Business Bank Account.

To date we have invested £2.76m of funding and paid out £430k of cashback.