

tomato pay – £2.5m Award

Key Achievements to Date

2020

- tomato pay launched an instant payments app with QR-code based revenue collection helping SMEs stay on top of their cashflow.
- Strengthened leadership teams within both tomato pay and untied with strong, recognisable names from the SME banking and payments industries.

2021

- tomato pay's Open Banking payment APIs powered the first payment to HMRC (executed within the untied app).
- tomato pay's Open Banking payment APIs powers payment requests with built-in reporting ready for MTD.
- untied's app was recognised by HMRC for Making Tax Digital ('MTD') for Income Tax and first tax returns for 2020/21 were submitted using untied.
- The SMART partnership with beachhead bank partner was soft launched in August 2021.
- The co-branded SMART version in cooperation with Santander UK was shortlisted and highly commended in relation to 'Best Fintech Partnership' in the Banking Tech Awards of 2021.
- untied and tomato pay's joint POC utilising Variable Recurring Payments (the next generation of Open Banking payments) and untied's tax engine won an award from UK Finance/Open Banking World/ Ozone.

2022

- untied has been recognised with the Tolley's Taxation Award for Best Digital Innovation.
- tomato pay open banking APIs power fintechs across SME lending, accounting and payments
- untied distribution partnership went live with Virgin Money for Business in their marketplace.
- untied fully headless APIs used to file first tax return to HMRC.
- untied working with TSB as part of TSB Labs.
- tomato pay partner with leading digital banking solution provider to bring SMART to the middle eastern region.
- tomato pay and API Metrics release open banking performance whitepaper.

Assessment Period 8 (June 1st, 2022 – August 31st, 2022)

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

COMMITMENT 1 – Continue to strengthen the wider SME-focused financial ecosystem and the economy.

To focus impact on 4.4m sole traders which have been among the most vulnerable during the covid-19 pandemic by giving them access to easy-to-use tools and opportunities that have previously only been available to larger businesses by December 2020.

To integrate SMART services with partners for distribution and support including giving accountants and advisors access to data in order to better service their clients by July 2021.

We are on track with this commitment. SMART was launched in December 2020 as per plan, giving sole traders and SMEs access to easy-to-use financial management tools such as tax calculation and

cashflow forecasting.

We started working with distribution partners in July 2021 as per plan and now have close to 210,000 SMEs enabled on SMART through partners.

COMMITMENT 2 – Substantially improve the financial health and viability of SMEs in the UK.

Deploy new revenue, cost and cash management tools in the market:

- **Launch the core SMART proposition by December 2020 including 1) invoicing, 2) tax calculation and filing, and 3) data aggregation and cashflow forecasting**
- **Scale availability and usage via partners to 250,000 SMEs and 11,232 SMEs respectively by December 2022**
- **Scale availability and usage to 18,720 SMEs by December 2023**

We are on track with this commitment. The core SMART proposition was launched in December 2020, and we have already provided access to over 210,000 SMEs via partners and over 18,000 SMEs directly.

COMMITMENT 3 – Help SMEs to take control of their customer payment terms by providing them with powerful tools to help incentivise payments.

Develop and scale the SMART proposition Revenue management proposition to include:

- **Tax impact integration by May 2021**
- **Collection, invoicing tools and cash management tools by June 2021**
- **Dynamic discounting by September 2021**
- **Initiate £17m of Open Banking (PIS) payments by December 2022**
- **Initiate £70m of Open Banking (PIS) payments by December 2023**

We are partially on track with this commitment. The Tax impact integration module was launched in Q1 2022. Collection, invoicing tools and cash management tools were delivered successfully in June 2021. In Q4 2021, the dynamic discounting feature was launched successfully as per plan.

We are still behind on the target of total gross transaction value initiated via Open Banking (PIS) payments to be delivered by December 2022 due to delays with large partners, and therefore, we will not achieve this target by year-end.

COMMITMENT 4 – Distribute a simple, scalable and affordable method for SMEs to anticipate, prepare and submit tax.

Develop and scale SMART Cost (tax) management proposition to include:

- **Open-Banking driven personal income tax management and optimisation with a focus on sole traders and with support for other income sources. Integration with HMRC via self-assessment and Making Tax Digital. Built-in submission of personal income tax filings at launch by December 2020**
- **Third party tax calculator APIs allowing banks and others to integrate tax by December 2020**
- **Submit 2,000 tax returns by December 2022**
- **Submit 25,000 tax returns by December 2023**

We are partially on track with this commitment. SMART was launched in December 2020 including Open Banking driven personal tax management for sole traders, the integration with HMRC and built-in submission of personal income tax filings.

The third-party tax calculator APIs were also launched in December 2020. This has now extended to Making Tax Digital for Income Tax, though wider deployment is subject to HMRC's own rollout.

In respect of the third sub-commitment (tax return numbers) we now expect to fall short of the December 2022 target due to further delays in Making Tax Digital for Income Tax.

COMMITMENT 5 – Deliver best-in-class SME financial forecast.

To develop and scale the SMART cash management proposition to include:

- **Advanced cashflow tools offering data aggregation, tax and insights by March 2021**
- **Support 11,232 SMEs in aggregating accounts by December 2022**

We are on track with this commitment. The advanced cashflow tools offering data aggregation, tax and insights were launched successfully in March 2021. We continue to increase our data aggregation capabilities and have delivered the tax impact integration in Q1 2022. We have met our year-end 2022 target in relation to supporting 11,232 SMEs in aggregating accounts.

COMMITMENT 6 – Commit to promoting diversity and jobs nationally.

- **This initiative commits to creating 22 jobs across software development, product management, data science, partnerships and sales by December 2022**
- **Empower underrepresented groups with exceptional employment opportunities targeting 50% of these positions outside London, by December 2022**
- **At least 10 paid internships will also be available to support mentoring and training young talent to succeed in the tech world**

We are partially on track to deliver this commitment. Across tomato pay and untied, we have already created 23 jobs with 50% located outside of London. Across the two businesses, 5 paid internships have been created; however, we will not achieve 10 paid internships by year-end 2022.

COMMITMENT 7 – Co-investment

Fractal and untied will boost the delivery of SMART (created using C&I funding) by adding £1 from our own finances to every £1 received from BCR.

We are not on track with this commitment for year-end 2022. In Q3 2022, both parties have continued our fundraising efforts but have not made significant progress on co-investment. We are, however, making promising progress on commercialisation which will generate funds for co-investment as well as positively impacting our fundraising efforts going forward.