

tomato pay – £2.5m Award

Key Achievements to Date

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's APIs was used to file first tax return to HMRC.
- untied working with TSB as part of TSB Labs.
- tomato pay and API Metrics release open banking performance whitepaper.

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.

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.

Assessment Period 9 (September 1st, 2022 – December 31st, 2022)

These Public Commitments are based on tomato pay's Revised Business Case which was approved in November 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 have met this commitment.

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 have met this commitment.

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**
- **Aiming to initiate £70m of Open Banking (PIS) payments by December 2024**

We are 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.

The total gross transaction value initiated via Open Banking (PIS) payments currently stands at just over £2.5m; however, we expect this to increase as the partnerships we are currently working on come to fruition.

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**
- **Aiming to submit 25,000 tax returns by December 2024**

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.

SMART has met its commitment in terms of integration. We have a partner using our APIs to file personal tax returns (with an estimated volume of 1,200 returns for January 2023). We have also worked with accounting firm Armstrong Watson to launch tax4doctors.co.uk, a vertical-focused implementation of untied with particular focus on the needs of doctors. This went live at the end of December 2022 and has been approved by the MDU (Medical Defence Union) and Medics Money.

Substantial SMART tax capability was to support HMRC's rollout of Making Tax Digital for Income Tax; however, MTD has now been significantly delayed and descope at HMRC, with a consequential impact on SMART in terms of achieving our ambition on customer numbers.

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 have met this commitment.

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 by December 2024 to support mentoring and training young talent to succeed in the tech world**

We are 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 already been created.

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 by December 2024.

We are on track with this commitment in terms of our year-end 2022 target. Fundraising is ongoing but remains difficult given the macroeconomic headwinds. Commercially, both parties are making progress, which is expected to cover the gap in co-investment over the coming quarters.