CFIT | Centre for Finance, Innovation and Technology

CFIT Partner Briefing

19th May 2023

Agenda

	Agenda item	Timings
1	Overview of CFIT's first coalition: Demonstrating the benefits of Open Finance	*5 mins*
2	How will a coalition work?	*15 mins*
3	Hearing from potential partners	*10 mins*
4	Joining CFIT's first coalition as a Partner	*15 mins*
5	Next Steps	*5 mins*
6	Q&A	*10 mins*

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

What is CFIT?

CFIT Mission	Our purpose is to ensure the UK can be a leader not only for fintech start-ups, but also the best place in the world to scale a business and take solutions from IP creation through to widespread adoption.
Key Priorities	• Driving high-skilled job creation across the UK • Delivering better financial outcomes for consumers and SMEs • Providing industry context/insight for pre-product development • Building partnerships between start-ups and incumbents • Facilitating data sharing • Enabling proof of concepts to be scaled
Core Activities	• Research and data generation • National coordination; by prioritising enhanced connectivity across the nations & regions • Supporting the pipeline of talent by providing skills development opportunities
Mandate	• Improve access to financial services for citizens and small businesses • Generate High-income tech-based employment nationwide • Enable firms to archive global scale

The CFIT journey so far

March 2021:
CFIT was a key recommendation of the Kalifa Review of the UK Fintech

Sept 2022:
CFIT Playbook launched

Jan 2023:
CFIT entity setup

April 2023:
Announce first coalition

June 2023:
Announce coalition members and use cases

Source: CFIT Playbook and CFIT Website

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

What is a coalition?

CFIT will lead the world in financial innovation by bringing together coalitions of the brightest minds and best talent from across the country.

A CFIT coalition is…

- A focus group of experts to solve for the most challenging issues within Financial Innovation
- Data-driven, policy and research-led. Formed of diverse cross-sectoral industry representatives, who will work collaboratively towards identifying opportunities, ideating and creating innovative solutions positioned for implementation
- Agile, innovative, open and timebound. The outputs they create will have measurable, 'real-world' outcomes and benefits, referenceable to the coalition's work

The CFIT coalitions will:

Give CFIT the opportunity to leverage the best talent, skills and tech across the UK, accelerating ideation, design and build

Ensure regional input and opportunities to solve for issues across key hubs

Allow CFIT to be agile and responsive to a fast-paced industry

CFITs first coalition will focus on:

Proving the use case catalogue for Open Finance and Data

Potential Coalition outputs:

- Product / Platform prototypes Research papers
- Draft agreements
- Prototype API standards
- New sandboxes
- Improved data sharing

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

How will the coalitions work?

Each coalition will be different depending on the use cases, however all the coalitions will share a core approach to operation and output.

Key Principles

All coalitions will be established on a set of key principles.

Throughout each coalition, CFIT will ensure these principles remain:

- Time bound
- Solving for specific problem
- Scalable
- Impactful
- Agile
- Prototype can be achieved in nine months
- Input and impact regionally
- Linked to the FS ecosystem

How Coalitions Work

Coalitions will run within the following stage gates.

1. Formalising the coalitions
   - Research inspires a coalition idea
   - Formalise the coalition's opportunity statement
   - Announce the coalition
2. Unlock the potential
   - Mobilise the coalition
   - Define possible solutions
3. Position the coalition
   - Communicate and promote

Governance of Coalitions

Each coalition will have terms of reference, that will govern decision making with external industry and policy representation.

Coalition working groups will carry out the coalitions and deliver outcomes.

These will be made up of people from:

- Academia
- Regional hubs
- Broader FS
- Tech bodies

who can contribute to develop aspects of an overall solution.

Delivering specific outcomes

The outcome of the coalitions will drive success for both the market and CFIT.

Outcomes for the Market

- Grow the market by solving for issues that inhibit growth
- The identification and future implementation of specific use-cases
- Accelerate user adoption of coalition solutions
- Position the UK as a leader in Financial Innovation

Outcomes for CFIT

- Establish the organisation in the market
- Define future areas of work for CFIT

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

What is a use case?

In order to enable the creation of tangible outputs that demonstrate specific, highly impactful use cases coalitions will be split into smaller working groups each focusing on a specific Use Case.

Smaller, focused groups

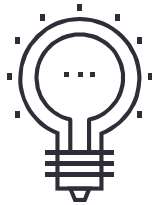
Focused group with the capabilities to deliver prototypes, reports that can be taken forward and scaled.

Regionally led

Specific regions will focus on the specific use case of their choosing and are largely self-organising

Able to pull in resources

Use case teams can contribute their own resources but are able to pull in resources from the central coalition



Focused on one opportunity area

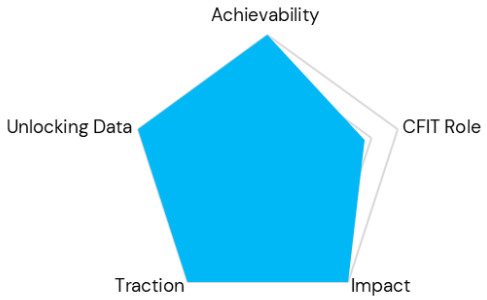
Use Case groups focus on one specific opportunity of their choosing within Open Finance.
This is initially identified centrally but refined by the group.

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

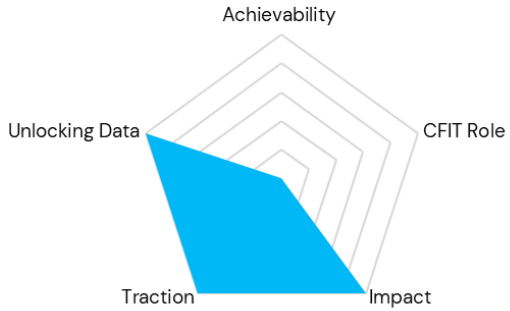
Use cases:

Consumer

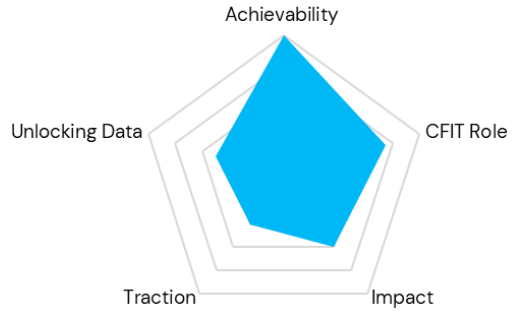
Consumer credit files
83.3/100



Consumer financial awareness
79.1/100

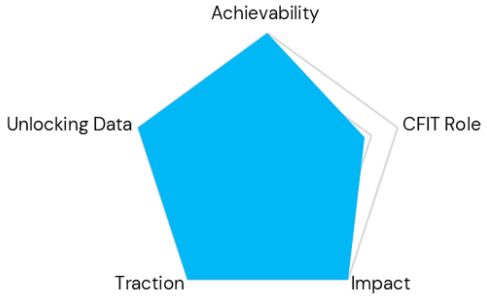


Supporting vulnerable customers
62.5/100

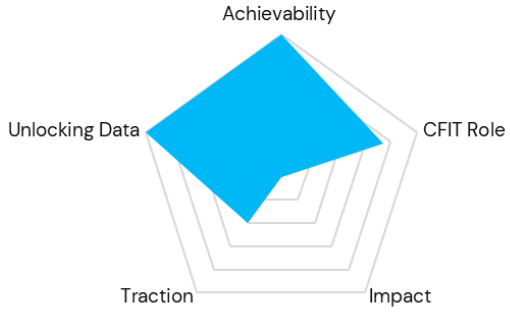


SME

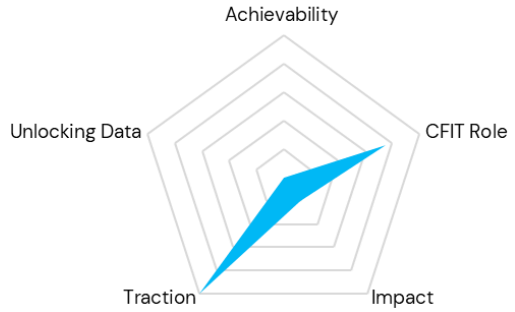
Access to finance for SMEs
83.3/100



Access to bank accounts
58.3/100



Protecting SMEs
54.1/100



Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

Indicative prioritised use cases:

Access to finance for SMEs

SMEs struggle to access lending due to limitations in data availability and portability to enable accurate underwriting decision making

---

Consumer credit files

Consumers with limited or no credit history face difficulty in accessing financial products and face financial exclusion.

Consumer financial awareness

Consumers are facing increasing financial challenges, such as how to save and manage debt, due to low awareness of the financial products available to them or barriers that exist to them accessing financial advice and education

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

How will a use case work?

1 Pre-use case

a Define challenge statement

The CFIT team will define an opportunity/ challenge statement to be issued to coalition members. These will have been prioritised by the team and ecosystem members will have had an opportunity to give their views on the impact and achievability of these opportunity statements.

b Research

Research will be conducted by the CFIT research team on c.3 of the opportunity statements. This may include desk based research as well as consultations and interviews with industry and the broader FinTech ecosystem.

c Refinement

Challenge statements refined and then provided to the coalitions, who can refine further if they want. Coalitions will also be provided with the research created in the previous phases, as well as any data unlocked in pre-work. There will be a clear deadline for creating defined outputs.

2 Use case development

Define solution and work with data owners to unlock data sets needed.

a Prototype & test

Build and test (including performance testing, integration testing and functional testing) prototypes using Agile sprint approach. Core team comprised of technology and consulting resources to lead on this with oversight from core coalition and support from CFIT PMs. Sandboxes are available and used during this phase.

Develop final output, which will likely consist of prototypes (UX examples and back end specifications) plus accompanying document specifying policy and regulation changes (new or edits) .

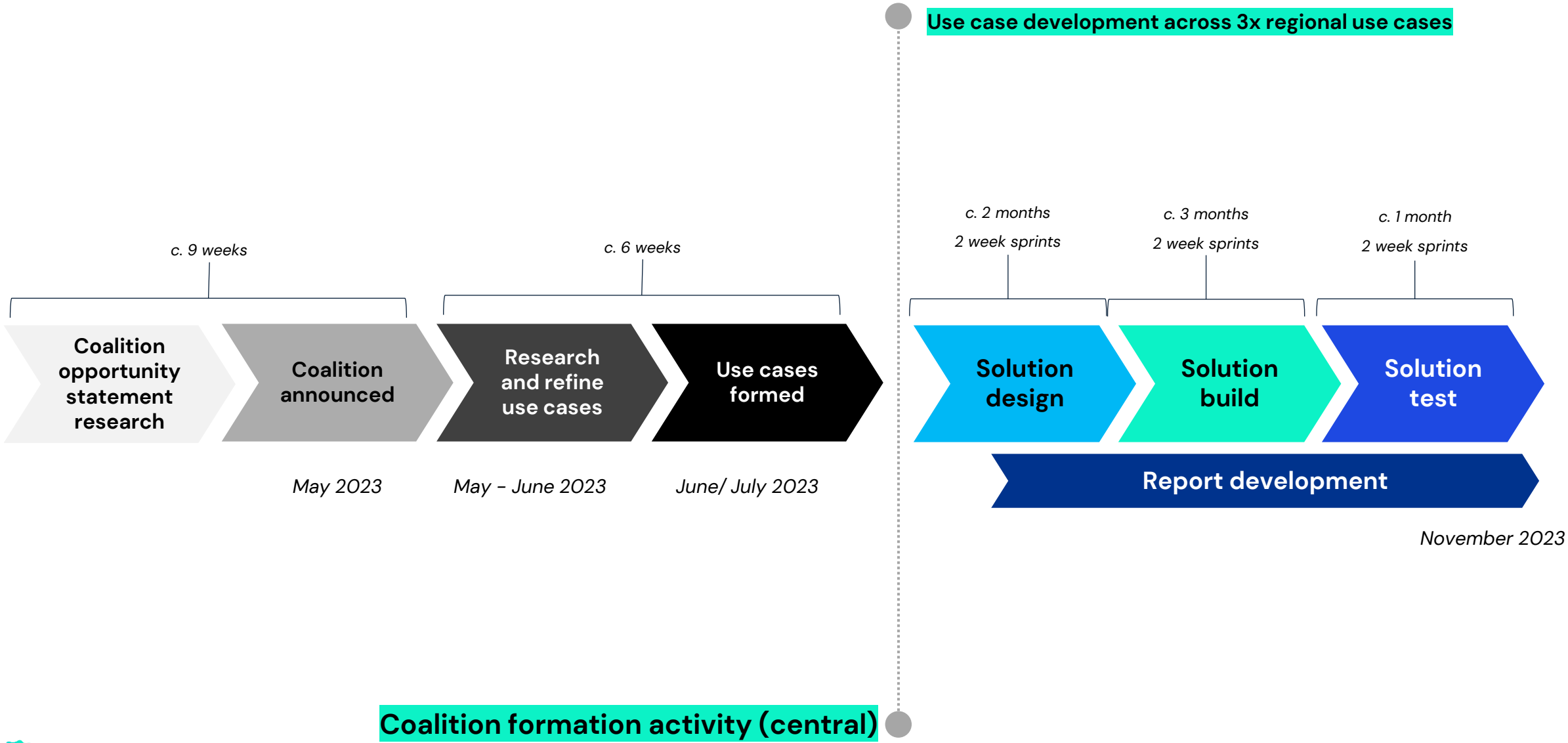
3 Post-use case

a Launch

Playback and demonstrate coalition findings in a 'demo day' with attendees from government, academia, industry and investors.

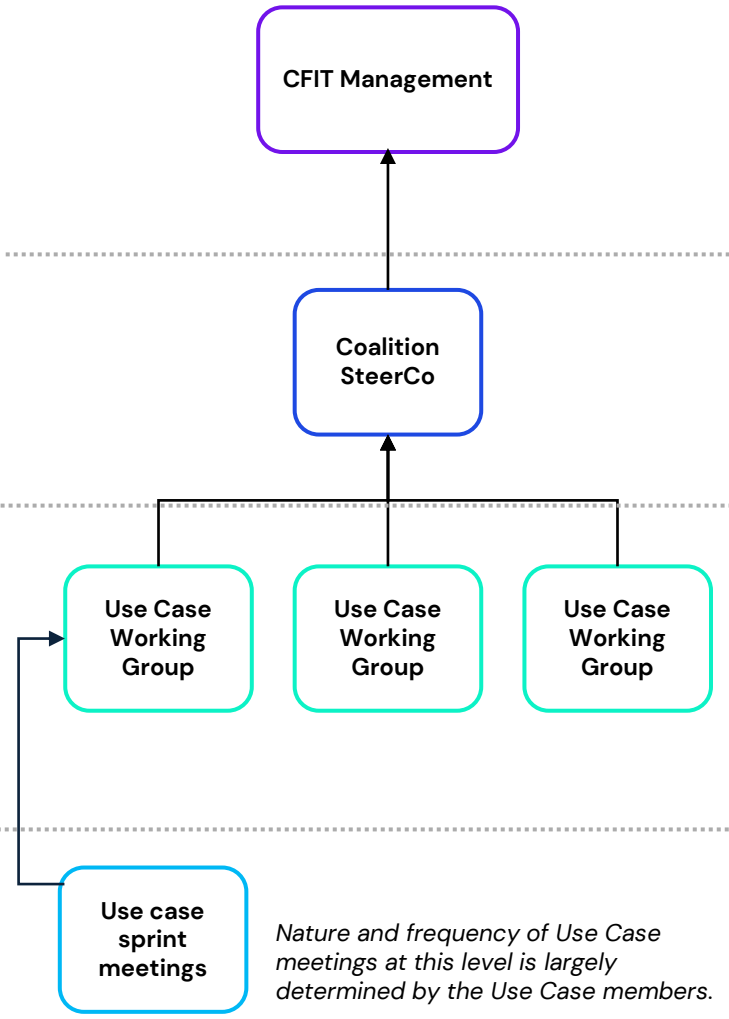
Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

Use case development phase overview



Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

Roles and responsibilities



Nature and frequency of Use Case meetings at this level is largely determined by the Use Case members.

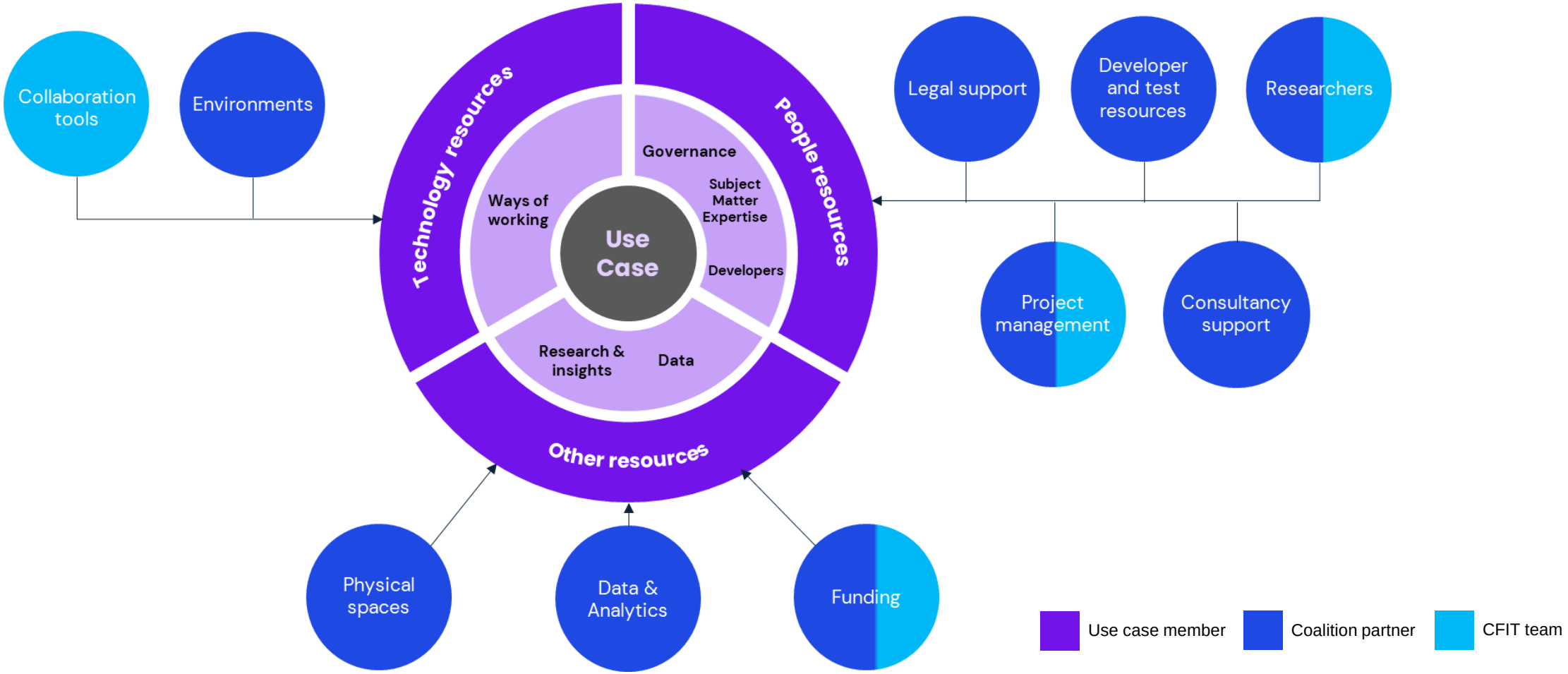
	Members	Roles and responsibilities
CFIT Management	▪ CEO ▪ COO ▪ Director of Research, Coalitions and Connectivity. ▪ Coalition Programme Manager.	▪ Design and measurement of coalition objectives and success metrics. ▪ Ensure key risks have been identified and appropriate mitigation controls are in place. ▪ Sign off on coalition and use case resourcing
Coalition SteerCo	▪ Coalition programme manager ▪ Use case leads ▪ Other Use Case members ▪ Coalition Partners	▪ Track delivery against the Coalition's goals and objectives. ▪ Approval of Use Case work plans and deliverables ▪ Monitor and escalate RAIDD where appropriate. Monitor position against budget.
Use Case Working Group	▪ Use Case Lead ▪ Project manager ▪ Tech Lead ▪ SMEs as needed ▪ Coalition programme lead as needed	▪ Provide advice and guidance on scope, approach options and solution outline ▪ Work with other working groups to ensure alignment ▪ Co-ordinate and report on progress ▪ Request additional resource from central team
Use case sprint meetings	▪ Use Case Lead ▪ Project manager ▪ Developers, testers, data team (depending on phase) ▪ Research and design (depending on phase)	▪ Design and develop solutions that can be taken forward by development partners upon completion of the coalition in six months. ▪ Execution of approved plans. ▪ Identify programme risks and blockers and escalate as needed. ▪ Identify any future resource needs

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

Resourcing model

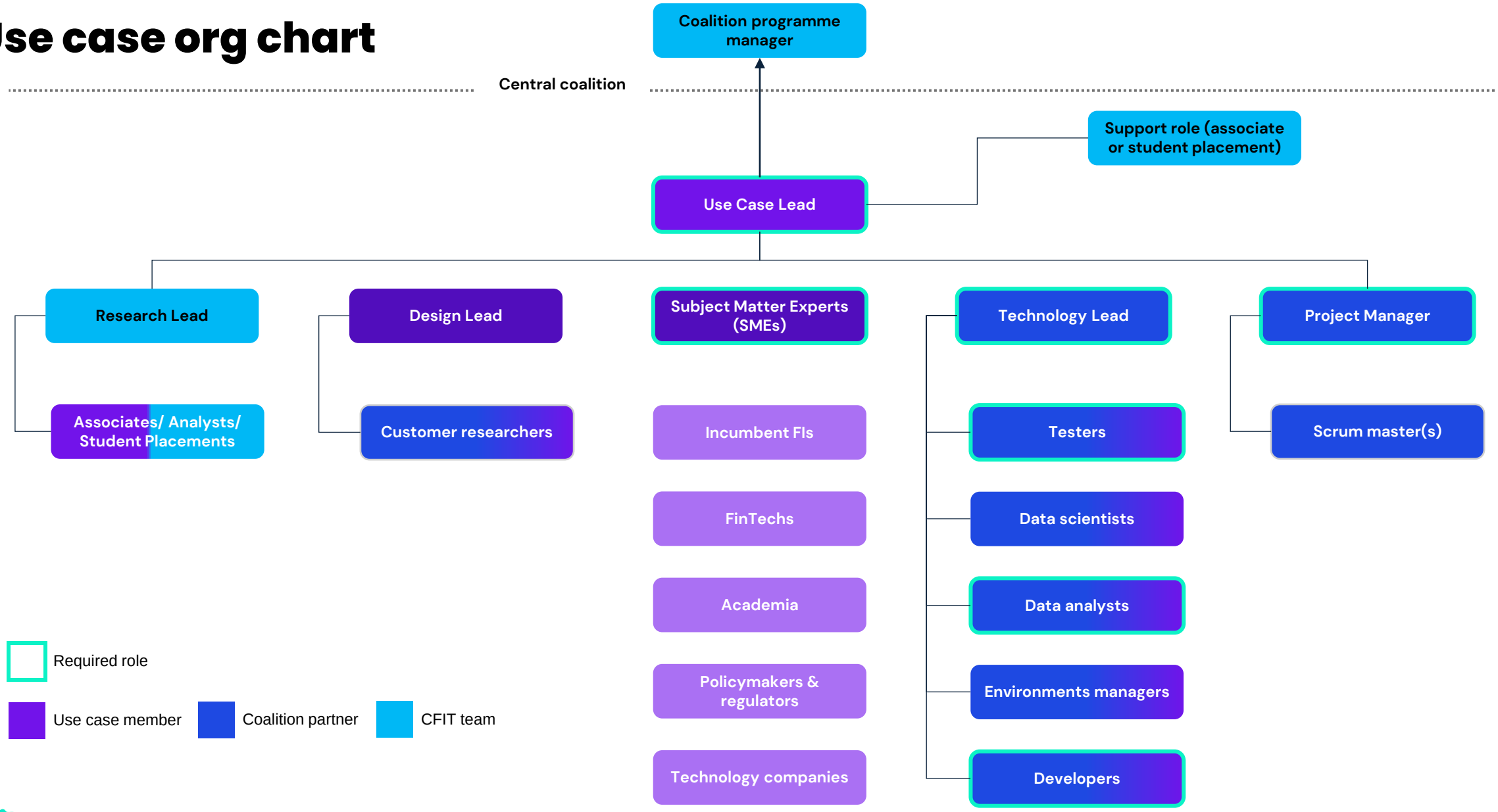
Self-organising use case groups are able to supplement their own resources and capabilities with coalition level support provided by CFIT's own team and Coalition Partners.

CFIT team manages central resources (such as developer and consultancy time) across the sub-coalitions, who can request additional resources during SteerCo meetings or an on ad-hoc basis.



Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

Use case org chart



Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

CFIT | Centre for Finance, Innovation and Technology

Hearing from potential partners

CFIT Coalition Partners

CFIT is looking for partners who can provide resources across coalitions within the capabilities mentioned.

These partners will have the opportunity to sit across all three use cases but are also welcome to join in regional groupings for use cases they have a particular interest in.

We ask for commitment from partners offering resources to support the coalition through the signing of a terms of reference.

What resources can you offer?

- Consider what resources you could offer
- Consider what capabilities or other assets you have that might be used by coalitions or specific use cases.
- Consider when and for how long these resources could be used.

Can you commit resources formally?

- A Terms of Reference document will be used to ensure commitment from coalition partners
- This document will also cover off critical points around Non-Disclosure Agreements (NDAs) and confidentiality, intellectual property and competition.

How will you work with the coalition?

- Joining as a Coalition partner means that your organization would be involved at a higher level across the coalition, working with multiple/ all use cases.
- Involvement in the regional use case groups is also encouraged.

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)

CFIT | Centre for Finance, Innovation and Technology

Q&A

Next steps

Please consider what kind of role you would like to play in the coalition or use case groups and what you could offer.

If interested please email contact@cfit.org.uk

Please also complete our survey: https://cfit.org.uk/2023-coalition-use-cases-survey/

Thank you for joining!

Copyright © 2023 Centre for Finance, Innovation and Technology (CFIT)