

-----Original Message-----

From:

Sent: 08 July 2019 10:57

To:

Cc:

Subject: RE: Greensill

Many thanks for getting back to us.

I can confirm that Wednesday 4th September at 4pm-5pm works for both Lex and Maurice. Can I ask that you kindly send an invite enclosing your full address and any arrival details, please?

Many thanks in advance.

Kind regards,

Executive Assistant
London

-----Original Message-----

From:

Sent: 08 July 2019 10:21

To:

Subject: RE: Greensill

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Dear

Hope you both had lovely weekends. I have heard back from our CEO's office and can offer the following dates for a meeting to take place at FCA offices in Stratford.

Monday 5 August between 9.00-10.00 am

Tuesday 6 August at 12.00-1.00 pm

Wednesday 4 September at 4.00-5.00 pm

Tuesday 22 October at 10.00-11.00 am

Would you be able to let me know if any are suitable for Maurice and Lex please?

Kind regards

PA to Jonathan Davidson – Executive Director of Supervision – Retail & Authorisations

12 Endeavour Square
London
E20 1JN

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-----Original Message-----

From:
Sent: 05 July 2019 12:12
To:
Cc:
Subject: RE: Greensill

Dear

Thank you. We will wait to hear from you in due course.

I have included [redacted] as she is Lex's PA.

With kind regards

-----Original Message-----

From:
Sent: 05 July 2019 11:52
To:
Cc: Lex Greensill [redacted]; Maurice Thompson

Subject: RE: Greensill

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Dear

Thanks so much for the email below; nice to e-meet you - I am Jonathan's PA and happy to look at dates for this meeting.

Jonathan mentioned that our CEO would like to join this meeting so I will check his availability and come back to you with some suggested dates if that would work?

Kind regards

PA to Jonathan Davidson – Executive Director of Supervision – Retail & Authorisations

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London
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-----Original Message-----

From:

Sent: 05 July 2019 11:17

To: Jonathan Davidson

Cc: Lex Greensill ; Maurice Thompson

Subject: RE: Greensill

Dear Jonathan

I hope you are well. Following on from Maurice's email below do you have an assistant I could liaise with to arrange a meeting with you and your colleagues?

I look forward to hearing from you.

With kind regards

Executive Assistant
London

-----Original Message-----

From: Maurice Thompson

Sent: 05 July 2019 07:20

To: Jonathan Davidson

Cc: Lex Greensill

Subject: Greensill

Dear Jonathan

Very good to see you yesterday evening.

As you know, I am Chairman of Greensill Group and also Chairman of our regulated bank in Bremen.

I would like to introduce you to Lex Greensill, our Founder and CEO.

You mentioned when we met the other night that you were organising an event at which a major funder of SME's might play a helpful role. Greensill could give a valuable and

differentiated perspective on this. We have over 2 million suppliers in our network in 165 countries.

Major corporations around the world are adopting our offering because of our ability to penetrate deep into their supply chains, which the banks cannot.

The origins of this have strong UK ownership. Jeremy Heywood grasped the power of this early on and David Cameron was a strong supporter as PM. David is a Senior Adviser to our firm.

We are HMG's appointed agent under the Crown Commercial Service programme and are engaged with various arms of the public sector under this initiative, particularly the NHS and MOD. John Manzoni, who we both know, is familiar with what we do.

We have opened up a new asset class to investors, offering alpha on self-liquidating assets with (generally) short duration.

As a result Greensill has become one of the most frequent bond issuers and we have over 100 institutional investors who buy our assets. We convert trade payables into bonds that have ISIN numbers and trade in Euroclear.

We would be grateful if we could meet you and your colleagues to familiarise you with what we do.

We would also like to share with you some of the new initiatives that we are considering, some of which relate to the public sector.

You also mentioned that we should connect with Charles Roxburgh at HMT. If, following our meeting, you think this makes sense we would be most grateful for that introduction.

Please let me know when we might get together.

I am copying who can organise for Lex and me.

Best regards

Maurice

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From

Sent: 13 September 2019 16:45

To: Andrew Bailey

Cc:

Wayne Laramee

Adam Langley

Subject: Meeting with Lex Greensill 12/09/2019

Jonathan Davidson met with Lex Greensill CEO of Greensill Capital, and Maurice Thompson, Chairman, on 12 September. I sat in.

Jonathan (JD) briefly explained the structure of the FCA and where he sits within it.

Lex Greensill (LG) explained his background and the current operation of his eponymous company. Supply Chain Finance formerly operated on an Over The Counter basis. Greensill Capital's business model has been to securitise these assets and allow much broader trading in companies' receivables, invoices and inventories. Greensill Capital is the largest player in the very fragmented Supply Chain Finance market, and is largely funded by corporate investors, including SoftBank.

Supply Chain Finance, or "Working Capital Finance" as LG prefers, is unregulated in most jurisdictions, including in the UK. Their largest UK customers are Vodafone, Airbus and the Government, primarily through the NHS, where, for example, the firm has contracts for English pharmacy procurement.

LG sees his business as allowing operators to ask for their money early.

LG began to move onto how he plans to expand into a business that is similar to the nascent Employer Salary Advance Scheme market. His service, named Pay As I Earn (PAIE), would be provided to employees at no cost (in contrast to the existing ESAS industry). Instead, he would charge the employer a fee for providing the service which would be equivalent to the charges for his Working Capital Finance product. Additionally, he would provide this service for free to the NHS, but not to the large corporates that will follow.

LG and MT met with the CEO, Chairman and CFO of the NHS, who expressed excitement at the idea. He has a half-day workshop with the NHS on Monday 16 September. He has also met with the Health secretary, and expressed confidence that the government would be supportive of the product.

JD explored some of the issues with the current ESAS industry, including where a flat fee is charged. JD considers such a structure analogous to fixed overdraft charges in retail banks, which FCA have recently banned. LG agreed with our articulation of some of the possible risks of harm in the industry, and reiterated that his product would be provided free of charge to employees, and that only salary earned so far that month could be drawn down. We also discussed the current state of the high cost credit industry, and the collapse of Wonga which was largely down to historic redress liabilities. JD pointed out that while the industry was currently struggling, the demand for such services was likely to continue, especially considering the gig economy, the failures in the rollout of Universal Credit, and the possibility of a recession.

JD spoke about some of the issues facing Retail Banks in the UK, particularly focussing on our recent strategic review of retail banking business models, which revealed that there is a huge advantage to the larger players with large capital resources, most of which became so large because of structural, historic factors, rather than anti-competitive practices.

We thanked LG and MT for their time, and ended the meeting.

All best,

Assistant Private Secretary to Jonathan Davidson

Executive Director of Supervision – Retail & Authorisations Division

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From: Jonathan Davidson
Sent: 28 October 2019 14:14
To: Lex Greensill Jonathan Davidson
Cc: Maurice Thompson
Subject: RE: Greensill Capital

Dear Lex

Thanks so much for the email you sent to Jonathan on Saturday; I have brought it to his attention.

Have a great week.

Kind regards

PA to Jonathan Davidson – Executive Director of Supervision – Retail & Authorisations



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From: Lex Greensill
Sent: 26 October 2019 19:31
To: Jonathan Davidson
Cc: Maurice Thompson
Subject: Greensill Capital

Dear Jonathan,

Further to our meeting last month, I wanted to let you know that we have closed our acquisition of the employee early payment software company, FreeUp (as discussed), and

We understand that the Mail on Sunday will be running an article with a headline along the following lines "SoftBank invests £500mm in company that plans to end payday lending".

Separately, we are hopeful that we will be live with the first NHS entities providing the option for all staff to get paid every day (at no cost) by Christmas.

We thought you might want to be aware in advance.

Warmest regards,

Lex

-----Original Appointment-----

From: Jonathan Davidson
Sent: 30 August 2019 16:35
To: Maurice Thompson; Lex Greensill
Cc:
Subject: Jonathan Davidson, FCA / Maurice Thompson and Lex Greensill, Greensill Capital
When: 12 September 2019 17:00-17:45 (UTC+00:00) Dublin, Edinburgh, Lisbon, London.
Where: Room 1.10, FCA Offices, 12 Endeavour Square, London E20 1JN

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From: Jonathan Davidson
Sent: 12 February 2020 13:53

To: Philip Salter
Christopher Woolard

Andrew Whyte
; Andrew Bailey

Subject: Launch of Greensill pay advance scheme in the NHS

All

I ran into Maurice Thompson (Chair of Greensill) on Whitehall yesterday. He told me that Greensill is about to announce (with the DHSC endorsement) of a scheme to allow NHS staff to be paid daily in advance of a monthly paycheck. He says that the relevant ministers are very supportive and that they see it as an important offering to NHS nurses who they believe are frequent users of payday loans at the moment.

My understanding is that it is not deemed to be a regulated activity. Nevertheless, MT is keen to provide any briefing that we might want. I thought it is worth passing on as we may be asked for comment – especially given the narrative about this as an alternative to HCSTC.

Thoughts?

Jonathan

Jonathan Davidson

Executive Director of Supervision – Retail & Authorisations Division



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From:

Sent: 03 December 2020 12:10

To:

Cc:

Subject: RE: Woolard Review into change and innovation in the unsecured credit market

Hi

Thank you for your email.

9 December at 11am works for Chris.

I'll send a diary invite.

Kind regards,

PA to Christopher Woolard



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From:

Sent: 02 December 2020 17:54

To:

Cc:

Subject: RE: Woolard Review into change and innovation in the unsecured credit market

Dear

I hope that this finds you well.

Lex has some availability on Wednesday 9th December between 11am and 2pm. Could you advise on a time slot that might work for Chris in that window?

We look forward to hearing from you.

Warmest regards,

From

Sent: 01 December 2020 14:06

To:

Cc:

Subject: RE: Woolard Review into change and innovation in the unsecured credit market

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Hi

That's great news. Please find attached our Call for Input, although today is the closing date for input it sets out the scope and purpose of the review – let me know if you need any further detail.

In terms of input from Lex, we've been meeting other firms in the market who currently offer Employee Salary Advance Schemes and so Chris would like the opportunity to have a high-level discussion with Lex covering the following:

- understand more about Earnd's business model
- how Earnd works with your partner employers (the kind of data and trends you share with them)
- Earnd's approach to vulnerable consumers or consumers in persistent debt
- his vision for growth of the product

I've copied [redacted] who can liaise with [redacted] to co-ordinate diaries – if Lex's diary allows we'd be keen to meet with him as soon as possible.

Kind regards

Senior Associate / The Woolard Review

This email is classified as FCA Official, unless marked otherwise

From:

Sent: 30 November 2020 21:39

To:

Cc:

Subject: Re: Woolard Review into change and innovation in the unsecured credit market

Dear

I am pleased to say that Lex is very interested in participating in the review.

Could you please send me through a comprehensive briefing note describing the scope and purpose of the review, any background information that may be helpful and what you would require from Lex in terms of input and time.

I am copying my colleague [redacted] who is in London and therefore better suited than I for scheduling purposes. I am based in New York.

Thank you for your patience.

Very best regards,

From:

Date: Tuesday, November 17, 2020 at 12:04 PM

To:

Subject: RE: Woolard Review into change and innovation in the unsecured credit market

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Dear [redacted] – thanks for your email.

We're having to work at pace on the review, so grateful if you can let me know as soon as you can if Lex would be interested in providing input. Thank you.

Kind regards

Senior Associate / The Woolard Review

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From:

Sent: 16 November 2020 20:14

To:

Subject: Re: Woolard Review into change and innovation in the unsecured credit market

Dear [redacted]

Thanks for your note.

I have run this up the chain to the CEOs office and will revert as soon as I have a response.

Very best regards

Sent from my iPhone

On Nov 16, 2020, at 2:24 PM,

wrote:

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To whom it may concern

As you may know, the FCA Board has asked [Christopher Woolard](#) (outgoing FCA CEO and former Executive Director of Strategy and Competition) to conduct a review into change and innovation within the unsecured consumer credit market. We currently propose to examine the current state, as well as change and innovation within the market, the drivers of credit use, the impacts of Covid-19, credit products which fall inside and outside the scope of our regulation and the impact of our regulation.

As part of the review, we are seeking input from stakeholders who can bring a variety of perspectives to feed into the review. Chris was hoping to speak to Lex Greensill about firm's UK offering.

If Lex would be happy to meet with Chris, could you let me know who I can liaise with to arrange a convenient time in their diaries. Given the current restrictions, the meeting will take place remotely via MS Teams.

We're working at pace, with the intention of presenting the review to the FCA Board at the end of January 2021, as such the meeting is likely to be in the next few weeks.

Kind regards

Senior Associate / The Woolard Review

<image001.png>

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From:

Sent: 05 March 2021 11:39

To:

Cc:

Subject: CW meeting with Lex Greensill

Hi

The NfR is in the Woolard Review onenote here: [Greensill 09/12/2020 \(Web view\)](#)

For ease, I've copied the text below.

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9 Dec - 11am-12pm

Review team: Chris Woolard,

Greensill: Lex Greensill

Chris gave a brief intro to the review and that it is looking at unregulated products near the perimeter

Lots of different business models, some providers are regulated by FCA for other activities.

Lex

- Core business - not a consumer credit company. Do extend credit to consumers but through prism to corporates.
- Own a bank in Germany
- Syndicate loans. Trade receivables.
- 1000+ employees. Global firm, offices around the world.
- Licences in Europe, China, UAE.
- Built a technology solution for invoices for goods for companies. Offer early payment within the supply chain based on credit score of purchaser. Then issue bond covering this lending sold to institutional investors and then repaid when invoice paid by corporate.
- Do this for NHS. Displacing much more expensive forms of corporate credit.

- Mastercard making investment into the company.
- Now looking to integrate employees into this system. Product called 'earnd'. Same structure.
- Free for employees - straight to their bank account.
- Package up all these invoices up and sell onto investors.

CW - can see the proposition around invoicing for goods, but less clear how it makes money from employees. Where does this make money?

Lex:

- Do this for NHS. Lose money. Feedback from employees. Seen as similar to a pay rise.
- While he loses money, not losing very much. Costs of onboarding employees very low. Gave a demo of the tech for us. To show that it is very fast.
- How do they make money? For NHS, it is an add on as they already are making a lot from NHS contracts.
- For others expect to charge them a capitation fee, around £1/month per employee.
- Use case - staff who are immigrants and send money abroad pay significant transaction costs, Greensill will allow people to remit as they earn - will make some money on this, with employer offering
- Thinks there will be a move to people being paid everyday. Thinks doing so will reduce the need for credit.
- Looking at how to make bills operate on a daily basis to help budgeting.
- Daily payments of utilities, rent.

CW- in terms of employee product do they only offer this to firms using their other products?

Lex:

- Offer on a standalone basis
- 20 companies with them and 18 don't do anything else with them
- Would like this to be a foot in the door.

CW - what are the main risks?

Lex:

- Principle risk is corporate credit risk. Where employees are paid early, Greensill hold all the risk that the firm could go bust.
- Easy to do this for NHS and Vodafone. Want to do it for all SMEs but there is credit risk there. One way they could do this...employees have seniority during bankruptcy. Would like it to be that they had same seniority where they've offered an advance.
- Would like to take this to emerging economies - said World Bank has shown some interest in idea.
- Do this in Australia. Have had a bankruptcy of a retail there - courts there recognised them as super-senior creditor.

- Digital businesses have risks - spend a lot on cyber security.

CW - any other reflections on regulation?

Lex:

- Would like to see a move towards daily payments of income and bills - this would reduce credit use.

CW - are there other ways they monetise this?

Lex:

- Commit to employees to never sell the data to anyone.
- Only provide solutions as a principle.

- asked about how people use it, drawdown limits, repeat use.

Lex:

- Average amount drawn down is £32 - people use the app every second day. Later suggested once a week on average. Don't set limits on the amount that people can take out. NHS cap at 30% of salary but can have 100% of overtime.

Lex asked what CW's view was on ESAS

CW - history shows good innovative ideas can go wrong - cross selling of other loans would be a concern and questions about repeat use and privacy - but clearly there are upsides. If ESAS providers can find sustainable ways to earn from offering these schemes, including ideas such as remittance abroad (as Lex mentioned) or small charges to employers or employees then this can be a good product.



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