

Written evidence from the Chair of the City of London/Innovate Finance Fintech Strategy Group

I am writing in my role as Chair of the City of London/Innovate Finance Fintech Strategy Group.

We welcome the Coronavirus Business Interruption Loan Scheme (CBILS) but I wanted to take this opportunity to highlight some key issues which - in your role as chair of the Treasury Select Committee - we want to highlight urgently right now:

- Non-bank lenders currently provide an estimated 30% of all SME funding, but are unable to access any of the current Government schemes. Without Government support, a significant proportion of this lending will imminently be curtailed.
- However, with support, these lenders have the ability to distribute funding to the approximately 3 million small and micro businesses (those with fewer than 20 employees) that need access to additional finance.
- Urgently expanding the British Business Bank (BBB) accredited firms within days to include Fintechs and Specialty Finance Lenders, which have online and automated processes that can rapidly scale relative to the banks, will increase lending capacity to cover the businesses most at risk.
- Innovate Finance, supported by EY, are representing Fintech and Specialty Finance SME lenders who service over 400,000 SME borrowers and have the capacity to process around 50,000 applications per day to help aid this situation.

The attached presentation [not published] has been provided by Innovate Finance to HM Treasury and the Bank of England

Many regards

Iain Anderson

Executive Chairman

Cicero/AMO