



Summary Note

Date and time: Monday 11th November, 15:00-16:30

Location: Room U, Portcullis House, SW1A 2JR

Session Title: Access to Capital and Markets

1. Opening Remarks - Luke Charters MP, Chair

- The Chair introduced himself and welcomed attendees to the meeting.
- Attendees introduced themselves and their organisations.

2. Presentation from Industry

- Volution VC presented to the group on the challenges it is seeing in the funding landscape currently.
- Volution combines tech founders and financial services experience and invests in financial services and enterprise software.
- The presentation from Volution outlined how post-series A funding is one of the biggest challenges facing the UK. The focus on seed funding and the UK's siloed approach means that the journey from series A to B is elongating and the series B market is currently flat.
- Volution stated that a more holistic approach to funding is required, specifically with a view to join the dots in founders' journeys, whilst making the UK a more attractive country to invest in. The role of the British Business Bank in promoting and executing such an approach was also noted.
- TrueLayer presented to the group on its recent funding experience, covering its mission to build a cheaper, securer and faster payment network.
- TrueLayer noted that the UK is good at backing companies at the early stage, but more capital is needed at the growth stage and suggested that upcoming pension reforms will increase capacity of the market.
- Engagement with industry by regulators and development of proportionate regulation was also identified as an essential component of helping scale up companies to grow.

3. Open discussion: What does FinTech need from the government and regulators on the issue?

- The Chair opened the discussion with attendees.
- One attendee outlined the 'growth equity gap' and the new tech paradigm, where patient capital and the role of the British Business Bank is becoming increasingly important.
- The growing scale up gap was noted by one attendee, who stated this is where focus is increasingly shifting, alongside trying to address the need for patient capital on R&D. The capability and comfortability of investors with regards to FinTech was also identified as being weak.
- The challenge of low inward flow of capital to the UK for later stage companies was identified by one attendee, who stated that regulations are weighted towards institutions rather than FinTech.
- The Chair asked whether regulations are a constraining variable at the scale up

stage.

- One attendee urged regulators to make decisions promptly or refrain from doing so at all, due to the uncertainty this can cause firms.
- The direct investments by the British Business Bank were identified as being particularly helpful by one attendee. It was suggested that the Bank needs to be clearer on what it wishes to invest in. Another attendee noted that the Bank is expanding direct investments and is sector agnostic, but will align with the priorities set out in the Industrial Strategy, published by the Department for Business and Trade.
- The Co-Chair noted concern over the lack of data on where capital is being invested.
- The Chair asked about the experience of women founders in raising capital.
- One attendee stated women are more likely to invest in women based on anecdotal evidence and that more explicit intention was needed to increase capital going to women-led businesses. It was also noted that female founders are more suited to patient and debt capital.
- Another attendee stated alumni from successful FinTech and tech companies are notably investing in start up and scale up firms. It was suggested that a cultural change with regards to pension funds is required to increase investment in FinTech.

4. Closing remarks and summary of recommendations for policymakers- Luke Charters MP, Chair

- The Chair summarised the discussion, noting points raised around the importance and potential of the British Business Bank's role in the FinTech funding landscape, the need for a women-led VC community in the FinTech ecosystem and for the regulators to deliver proportionate regulation at a faster pace. He also encouraged attendees to respond to the Government's ongoing Pension Review.
- The Chair noted the next meeting of the Group on Tuesday 10 December 2024.



Appendix- Attendee List

Industry

Allica Bank
Simply Asset Finance
PrimaryBid
TrueLayer
Thought Machine
Atom
ClearBank
Augmentum VC
Volution VC
British Business Bank
Ripple
Vested Impact

Secretariat

Innovate Finance	Amelia Martinez	Director of Ecosystem
Innovate Finance	Mike Carter	Senior Policy Adviser
Innovate Finance	Megan Jenkins	Policy and Public Affairs Manager

Parliamentarians

Commons	Luke Charters MP	Chair of APPG
Commons	Samantha Niblett MP	Co-Chair of APPG
Commons	Dan Alridge MP	Member of APPG
Commons	Callum Anderson MP	Member of APPG
Commons	Alison Griffiths MP	Member of APPG
Lords	Lord Vaux	Member of APPG