

Capability and Innovation Fund Assessment Criteria

1. POOL A FUND AND POOL B FUND

- 1.1 In determining whether a Pool A Body should receive a share of the Pool A Fund, the Independent Body shall: (i) assess the nature of the Pool A Body's business current account offerings (if any); (ii) have regard to the extent to which the proposal set out in the Pool A business case facilitates the development of more advanced offerings of business current accounts and ancillary products for SMEs and/or mid-corporates [in the United Kingdom](#); and (iii) give preference to a Pool A Body with an established business current account offering.
- 1.2 In determining whether a Pool B Body should receive a share of the Pool B Fund, the Independent Body shall have regard to the extent to which the proposal set out in the Pool B Body's business case facilitates the modernisation of that Pool B Body's business current account offering (if any) for SMEs [in the United Kingdom](#) or the development of new business current account or ancillary product propositions for SMEs [in the United Kingdom](#).
- 1.3 In determining whether a Pool A Body or a Pool B Body should receive a share of the Pool A Fund or Pool B Fund (as applicable), the Independent Body shall have regard to:
- (A) the current capacity of the Pool A Body or Pool B Body and the quality of its business case;
 - (B) the likely impact that the Pool A body or Pool B body will have on competition in the SME and/or mid-corporate banking markets [in the United Kingdom](#);
 - (C) the ability of the Pool A Body or Pool B Body, in the Independent Body's opinion, to deliver the proposals contained in its business case;
 - (D) the amount (if any) of its own funds that such Pool A Body or Pool B Body is proposing to invest in relation to the proposals outlined in its Business Case;
 - (E) the extent to which such Pool A Body or Pool B Body commits to purchasing innovative financial services or software from SMEs [in the United Kingdom](#);
 - (F) the likely extension in the Pool A Body's or Pool B Body's addressable market in the SME and/or mid-corporate banking markets [in the United Kingdom](#);
 - (G) in the case of a Pool A Body only, the projected development of the Pool A Body's range of products and services applicable to SME and/or mid-corporate customers [in the United Kingdom](#); and

- (H) any other factors which the Independent Body considers appropriate, provided that such factors are made known to each Pool A Body or Pool B Body before the date that it submits its application documents.

2. POOL C FUND

2.1 In determining whether a Pool C Body should receive a share of the Pool C Fund, the Independent Body shall have regard to:

- (A) the extent to which the proposal set out in the Pool C Body's business case facilitates the development of new and existing relevant business(es) and/or facilitates the deployment of new technology to relevant markets;
- (B) the current capacity of the Pool C Body and the quality of its business case;
- (C) the likely impact that the Pool C Body will have on competition in the SME lending market and/or SME payments market in the United Kingdom (as applicable);
- (D) the ability of the Pool C Body, in the Independent Body's opinion, to deliver the proposals contained in its business case;
- (E) the amount (if any) of its own funds that such Pool C Body is proposing to invest in relation to the proposals outlined in its business case;
- (F) the extent to which such Pool C Body commits to purchasing innovative financial services or software from SMEs in the United Kingdom;
- (G) the extent to which the proposal set out in the Pool C Body's business case is innovative and different from its existing offerings (or those of other providers), in terms of product design, service level and/or means of delivery or distribution; and
- (H) any other factors which the Independent Body considers appropriate, provided that such factors are made known to each Pool C Body before the date that it submits its application documents.

3. POOL D FUND

3.1 In determining whether a Pool D Body should receive a share of the Pool D Fund, the Independent Body shall have regard to:

- (A) the extent to which the proposal set out in the Pool D Body's business case facilitates the commercialisation of financial technology that is relevant to SMEs in the United Kingdom;
- (B) the quality of the Pool D Body's business case;

- (C) the amount (if any) of its own funds that such Pool D Body is proposing to invest in relation to the proposals outlined in its business case;
- (D) the extent to which the Pool D Body's fintech product or service:
 - (i) is a useable alternative to traditional banking products or facilitates the provision of a useable alternative to traditional banking products;
 - (ii) is likely to benefit SMEs [in the United Kingdom](#) either directly or indirectly;
 - (iii) is easy for its end customer(s) to use;
 - (iv) is already used by SMEs, or offered to SMEs [in the United Kingdom](#) by alternative providers, and (if so) whether the business case provides an improvement to an existing product or service;
 - (v) uses breakthrough technology;
 - (vi) purports to fill a gap in the current offering available to SMEs [in the United Kingdom](#) (in which case the Pool D Body should have demonstrated its knowledge of the relevant gap in the market); and/or
 - (vii) is, or is likely to be, in demand by SMEs;
- (E) the extent to which the Pool D Body:
 - (i) is committed to ensuring security standards for end-users of its products or services in accordance with (or to a higher standard than) good industry practice;
 - (ii) is able to scale-up and/or reach new end-users; and/or
 - (iii) has been able to generate demand for its products or services whether in relation to the business case or in previous offerings;
- (F) the extent to which the Pool D Body has demonstrated to the satisfaction of the Independent Body the credibility of its business model; and
- (G) any other factors which the Independent Body considers appropriate, [provided that such factors are made known to the Pool D Body before the date that it submits its application documents.](#)

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