

CFIT FAQs

1. About CFIT

What is CFIT and why is it being established?

CFIT was a key vision of the 2021 Kalifa Review of UK Fintech. The purpose of CFIT is to solve the fintech industry's most complex and 'knotty' problem statements, and drive forward tech innovation in UK financial services

Who has been involved in the development of CFIT so far?

Development of CFIT has been led by a Steering Committee chaired by Ron Kalifa. Over the course of the past 5 months, the SteerCo has worked with EY to provide the leadership team with a strong foundation to be able to hit the ground running. This has resulted in a >130 page 'playbook' covering, vision, strategy, op model, governance, funding options, coalition model analysis and more to support the leadership team.

How can I stay up to date with the development of CFIT?

There is now a website hosted on the COLC website where you can find the latest information on the development of CFIT.

2. CFIT – Vision, Mission and Strategy

What is CFIT's Vision and Mission?

CFIT's vision statement builds on the perimeters set by HMT and COLC for the UK to be a global leader for financial innovation

- Vision - The UK is the global leader for financial innovation
- Mission - To accelerate opportunities and unblock barriers to growth for fintech, by bringing together the best minds from the ecosystem, to drive better outcomes for consumers and SMEs across the UK

What are CFIT's core objectives?

CFIT's core objectives:

- CFIT will bring together time-limited 'coalitions' of experts from across the finance and technology ecosystem, to address barriers to fintech sector growth, in line with the priorities identified in the Kalifa Review
- CFIT will support the creation of high-income tech-based employment nationwide, it will enable firms to achieve global scale, and it will improve access to financial services for citizens and small businesses.

Driven by:

- Research and data generation
- National coordination; by prioritising enhanced connectivity across the nations and regions
- Supporting the pipeline of talent by providing skills development opportunities.

CFIT is not

- A funding mechanism: the sole purpose of HMT's and COLC's seed funding is for the establishment of CFIT
- A lobbyist and does not promote individual brands: focus is on accelerating scaling and growing the fintech sector
- An implementation body: focus is on identifying complex problems/ barriers and convening coalitions to find solutions

CFIT does not

- Set UK fintech strategy or policy; strategy and policy work sits with the government, although CFIT may support and inform it
- Duplicate the work of other organisations and initiatives; CFIT's coalition work will be additive to ongoing work by other organisations in the market (i.e., The International Fintech Group, DIT, Innovate Finance)

Why is the skills focus just on placements?

While the skills & talent agenda is of highest importance to the UK government and played a prominent place in the Kalifa review, it is important not to overburden a new, small, and nimble organisation like CFIT with solving a very large and complex issue. Key objective of CFIT is the coalition work and that's what this emphasis is trying to underline.

What role will CFIT play in securing investment opportunities for UK fintech organisations?

CFIT's focus will be to address 'knotty' industry problem statements to help accelerate and scale the market through coalitions. Other organisations, for example DIT, are already focusing on inward investment opportunities for UK fintech.

Will CFIT have an international / exporting role?

No. CFIT focuses on the fintech sector in the UK. It will work and coordinate with Innovate Finance / DIT on any international related work (e.g., helping UK fintech organisation to expand/ export; bringing international fintech organisations to the UK).

3. Coalition Model

What is the coalition model?

Coalitions will be the primary delivery component of CFIT, designed to identify and solve for complex problems and barriers to UK fintech growth.

Coalitions should be:

- 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

They should not be:

- An implementation body. Whereas it will identify an opportunity to address, for which it will ideate, design, and develop a solution positioned for market to be implemented, CFIT may need to identify someone to implement the solution it has created
- A think tank – value generated by CFIT’s research capabilities may happen outside the formulation of a coalition and operate separately

What will a coalition journey look like?

A proposed coalition journey consists of three phases, from research, to design and build, to identifying an implementation candidate



How long will a coalition last?

Coalitions are likely to be time bound and carry on for around 1 year, but there is flexibility here and will be dependent on its agreed objectives and outcomes and CFIT’s future leadership team.

What role does a coalition member have?

What is the commitment? There will be a wide mix of coalition members. Coalition members will support in both an advisory and delivery capacity, time commitments will vary based on coalition and member, but there will be instances when the commitment is quite large – but it will be balanced based on impact and ability of member to contribute.

Who will decide who gets to join a coalition?

The decision will lie with the CFIT leadership team. The coalitions will look to bring in a wide range of stakeholders who are best placed to work on its opportunity statement, informed by its governance framework to ensure appropriate representation and balance is struck.

4. Operating Model, Governance and Finance

What is CFIT's operating model?

CFIT has a coalition-led operating model, driven by the following principles:

1. Data-driven, policy and research-led
2. Engage thought leaders

3. Champion diversity
4. Agile and time bound
5. Innovative and open
6. Measurable outcomes and benefits

How is CFIT funded?

- Although government (public) funding is for establishing CFIT, it will be a private sector led organisation, independent of government. CFIT will need to be financially self-sustaining and generate revenue from private sector sources
- The seed funding, £5m from HMT plus £500k from COLC, will be dispersed over three years plus pre-launch expenditure including various initial set up costs. This funding will cover two coalitions. Further coalitions and ongoing costs will be financed through post seed funding
- Further coalitions and ongoing costs will be financed through post seed funding. Philanthropic funding can be accepted alongside public funding from commencement of CFIT. It can be used alongside private investment; however only once public funding has been used
- Before private investment can be received, CFIT must exhaust its public funding. CFIT cannot use, or be seen to use, private investment when it has public funding. Private investment can be utilised alongside philanthropic funding
- Subsidy control risk relating this seed funding needs to be managed carefully so as not, or be perceived, to support any commercial advantage

How will CFIT remain independent if coalitions are funded through private means, such as receiving funding from several larger organisations?

CFIT, guided by its funding principles, will need to demonstrate how its funding is used to deliver on its vision, mission, and objectives. The Board will be held accountable and will need to manage any actual or perceived conflict of interest

5. Ecosystem Engagement

What is CFIT's position on the concept of 'ecosystem'?

CFIT has been set up as a networked versus a hub and spoke organisation – it is an ecosystem player and therefore dependent on contributions and engagement with the ecosystem. It is recommended that CFIT is a virtual organisation wherever possible.

What is CFIT's position on the concept of 'national coordination'?

National and regional co-ordination is in CFIT's remit but not exclusively - everyone else in the ecosystem has a responsibility to make national and regional co-ordination work.

Who will CFIT benefit?

- Customers
 - (incl. individual consumers and SMEs)

- Support individual consumers to understand and access financial products & services
- Support SME growth by accelerating access
- Demystify the complexity in emerging areas of innovation
- Fintech
 - Provide access to research and experimentation at the forefront of innovation
 - Create student skills placements to grow pipeline of fintech talent and improve skills available in the market
- Tech and FS firms
 - Provide the opportunity to access participants across the FS and tech ecosystems including fintech innovators, tech and BigTech firms, FS incumbents, policymakers, and regulators
- National and regional networks
 - Knowing, understanding, and amplifying significant activities and research around the whole country
 - Facilitate and lead UK integration into the organisation
 - Join up of initiatives for the benefit of the whole ecosystem and other initiatives
- Policy makers and regulators
 - Provide a clear path of access and communication between industry, policymakers, and regulators to unblock critical challenges
 - Provide an evidence base to guide policy priorities and critical regulatory or other implementation action

How will CFIT be non-duplicative with full range of other bodies and initiatives?

It will be critical for CFIT to be clear on its role and position in the market, particularly on cross-cutting themes such as national connectivity and skills. To ensure its work is non-duplicative and additional, CFIT will be collaborative and seek to work with the full range of other ecosystem bodies and initiatives.