



Making a better world for all through financial innovation, collaboration and inclusion.

Significant Funding Boost for Scotland's FinTech Cluster

Global Open Finance Centre of Excellence to receive £22.5m Innovation Funding

The growing international role of Scotland's fintech cluster was given a further significant boost today with the announcement of £22.5 million innovation funding for the Global Open Finance Centre of Excellence (GOFCoE) to be established in Edinburgh and the Central region.

The news was confirmed by UK Research and Innovation, the Government research funding agency, as one of seven proposals being funded by the *Strength in Places Fund* aimed at supporting innovation and economic growth.

GOFCoE will provide a trusted environment for participants from around the world to research and develop innovative solutions aimed at delivering social and economic benefits through open banking and financial data.

For example, the initiative will present opportunities to conduct research into public earning, spending and saving to allow innovative enterprises to create citizen focussed financial services as well as enable policy makers to understand the economic and social impact of policies and regulations before implementing them.

The ground-breaking concept and the development of the initiative over the last two years has been led by the University of Edinburgh, FinTech Scotland, the Financial Data and Technology Association (FDATA) and Scottish Enterprise with the support of a broad range of organisations.

The announcement will further bolster the global recognition of Scotland's fintech cluster, following on from the formal European cluster excellence accreditation earlier this year, by providing the opportunity for greater research and development in financial innovation to support sustainable economic development.

Commenting on this news, Stephen Ingledew, Chief Executive of FinTech Scotland said,

"The news reinforces the value of cluster collaboration between the diverse range of entrepreneurial enterprises, academics, large institutions, government and citizen groups in embracing the role of data in driving financial innovation to benefit all.

With engagement across Scotland, UK and globally, the initiative will further reinforce the inclusive international approach in developing the fintech cluster which is focused on delivering better consumer financial outcomes and sustainable economic growth through innovation.

I would like to pay tribute to my colleagues Kevin Collins and Damien McGarrigle of University of Edinburgh, Gavin Littlejohn of FDATA, Nicola Anderson of FinTech Scotland along with the rest of the GOFCoE project team for their terrific leadership over the last couple of years in securing this funding opportunity."

Ivan McKee, Minister for Trade, Investment and Innovation, said:

“I have had the pleasure of working with all of the proposals from Scotland in this competition. Each one demonstrates our appetite for innovation and desire to translate this into benefits for people and places across Scotland.

“I am delighted that the Global Open Finance Centre of Excellence is one of the two projects from Scotland that have received funding from this highly competitive fund. This project will unlock the benefits of open banking and will enhance Scotland’s position as a top destination for fintech.”

The University of Edinburgh’s Senior Vice-Principal, Professor Jonathan Seckl said:

“Using real financial data for social good and allowing governments, companies and people to make better economic and financial decisions is at the heart of the Global Open Finance Centre of Excellence. Never has there been a time of greater need for data-driven insights into the UK economy. The award from the Strength in Places Fund will allow us to make a unique contribution to the economic recovery from Covid-19. The Centre will be a world-first, providing leadership, coordination, research and capability to develop the benefits of Open Finance and to safely unlock the potential of customer data as a force to improve lives.”

Philip Grant, Chair of Scottish Financial Enterprise, said:

“This is great news for the continued development of the fintech cluster in Scotland and a credit to all the partners involved. The collaboration so evident in this initiative is now recognised as the driver of the continued growth and success of financial services as an important part of the Scottish economy. SFE and our members will continue to support the important work of FinTech Scotland and its ambition to be one of the top five fintech clusters in the world.”

Linda Hanna, Managing Director of Scottish Enterprise, said:

“This award is excellent news for the Fintech sector in Scotland and for our economy as a whole. The Centre of Excellence project sets out to help Scotland maximise the societal benefits of Open Finance, such as enabling quality financial services in disadvantaged areas – in line with SE’s increasing focus on inclusive growth and tackling inequality.

“FinTech is fast becoming one of Scotland’s key sectors and, particularly in the current climate, it is crucial that we continue to build our digital capability and our use of data, making our mark on the digital industries. The project will further boost the recognition of Scotland’s distinction in this field internationally, following on from our recent accreditation as a European Cluster of Excellence.”

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About FinTech Scotland

www.FinTechScotland.com

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FinTech Scotland is an independent not for profit body jointly established by the financial services sector, universities and Scottish Government to ensure that Scotland seizes the FinTech opportunities and achieves positive economic and social outcomes by encouraging financial innovation, collaboration and inclusion as part of the country’s broader digital economy objectives.

The organisation acts as a strategic enabler and cluster management body focused on leveraging the potential economic (i.e. productivity, business creation, employment) and social (i.e. financial inclusion, well-being and accessibility) benefits arising from becoming a leading global centre focused on Fintech innovation.

FinTech Scotland's objectives are to develop an innovative community of FinTech firms, generate impactful collaborations between firms of all sizes and foster an inclusive cluster which is globally recognised and connected.

In January 2020, FinTech Scotland was formally recognised for the development for the Fintech cluster in Scotland and accredited with the bronze label for Cluster Management Excellence by the European Secretariat for Cluster Analysis.

FinTech Scotland was initially founded in January 2018 as a joint initiative by Lloyds Banking Group, HSBC, University of Edinburgh, Scottish Government and Scottish Enterprise. The organisation is now supported by a broad range of global financial services, technology and professional services firms as well as University of Edinburgh and University of Strathclyde, the Financial Conduct Authority, Scottish Government and Scottish Enterprise.

Media Contact:

Mickael Paris – Marketing Director, FinTech Scotland

mickael.paris@FinTechScotland.com

www.FinTechScotland.com

WHAT IS THE GLOBAL OPEN FINANCE CENTRE OF EXCELLENCE?

The Centre of Excellence will be a global economic observatory and digital sandpit of global datasets. It will provide leadership on standards and ethics, as well as offering a test-bed of real, anonymised transactional customer data from banking, credit, investment and other financial services. The Centre will be supported by world class data infrastructure and data science, safely used as a force to change lives.

WHAT WILL THE CENTRE OF EXCELLENCE DO TO OPEN FINANCE WORLDWIDE?

1: GAME-CHANGING INSIGHT

Financial services apps and providers will access the sandpit to test and perfect new products and services before they go live, increasing innovation and competition, and changing the way people and businesses manage their money, and manage their lives.

2: HELPING SOCIETY

The global economic observatory will be invaluable to Universities, NGOs and charities, who will be able to use the data to create new insight and new policy on national and global issues such as climate change, based on real data and evidence.

3: BETTER GOVERNMENT

Imagine a world where governments can be almost certain about the impact of a policy intervention by testing it first on the live data in the sandpit.

4: ETHICS & REGULATION

The sandpit could be revolutionary, but it must be used to deliver economic and social benefits. We will ensure legal compliance and trust from consumers by using the data ethically, for the public good - anything else is bad for the consumer and bad for the market's development.

5: DATA & ANALYTICS

This is the first time that the large data sets in the sandpit will be combined with such super-computing power. New forms of capability will be produced as a result of innovation in data analysis, interpretation and visualisation.

Partners: fdata (Financial Data and Technology Association), THE UNIVERSITY OF EDINBURGH, FinTech Scotland, and Scottish Enterprise.