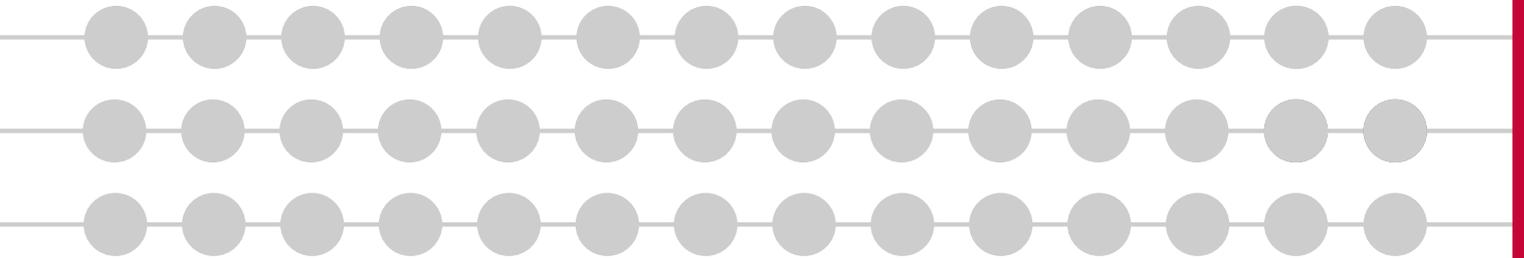


EVALUATION OF THE  
FINANCIAL HEALTH  
FELLOWSHIP:  
FINAL REPORT



**DAMON GIBBONS**

July 2018

# ABOUT THE CENTRE FOR RESPONSIBLE CREDIT

The Centre for Responsible Credit ('CfRC') is an independent research and policy unit hosted by Learning and Work Institute. Established in 2010, we have a remit to monitor the development of credit markets; research models of responsible provision, and to promote policy responses which protect the long term interests of households.

We strive to challenge the economic orthodoxy that has led to Britain's current personal debt crisis and provide high quality research to support effective policy and service delivery. Our work has a high impact, and is often cited in Parliament and the national media. Examples include our research into the regulation of high cost and predatory lending in the UK, which led to a cap on the total cost of credit that can be charged by payday lenders.

Our current work programme is grouped around three themes:

-  Improving Credit Regulation;
-  Getting Britain out of Debt; and
-  Supporting Financially Healthy Lives.

Further details can be found on our website at [www.responsible-credit.org.uk](http://www.responsible-credit.org.uk) and you can follow us on Twitter at [@responsiblecred](https://twitter.com/responsiblecred)

# CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>4</b>
About this evaluation	4
Key Findings	5
Key lessons and recommendations	8
<hr/>	
<b>1. INTRODUCTION</b>	<b>11</b>
The focus on Financial Health	12
Partnering with Toynbee Hall	13
The Financial Health Fellowship programme	13
About this Evaluation	14
About this Report	15
<hr/>	
<b>2. IMPACTS ON THE FELLOWS AND THEIR PROJECTS</b>	<b>16</b>
Pre and post programme surveys of skills, knowledge and confidence levels	16
Additional benefits of the Fellowship programme	20
Qualitative interviews	20
Monthly sessions	21
Action learning and collaboration	22
Business Mentors	22
Money Mentors	23
Leadership retreats	24
Pitch Practice and the Demo Day	26
More than the sum of its parts: building a community for change	26
<hr/>	
<b>3. CREATING A WIDER 'COMMUNITY OF PRACTICE'</b>	<b>29</b>
Funding and Pro Bono Support	29
Partnership with Toynbee Hall and 'co-design' with target communities	31
Influencing wider financial services policy and practice	35
<hr/>	
<b>4. CONCLUSIONS AND RECOMMENDATIONS</b>	<b>37</b>
Key learning and recommendations	38
Moving to a more modular system of support	38
From business mentoring to coaching	39
Sustaining mutual support within more flexible and modular support	40
Developing a 'Co-Design' Centre of Excellence	40
Supporting purpose-led innovation requires funding	41
Appendix 1: The Fellows and their Projects	43
Appendix 2: Structure of the Financial Health Fellowship programme	46

# EXECUTIVE SUMMARY

This report sets out the findings from our evaluation of the Financial Health Fellowship programme, and makes recommendations for future leadership and incubation support activities to be undertaken by the Finance Innovation Lab, its partners, and other agencies operating in this field.

The Financial Health Fellowship programme was delivered by the Finance Innovation Lab in partnership with Toynbee Hall, and delivered a wide range of activities over a nine-month period to firstly recruit and then develop the leadership capacity and business skills of thirteen innovators working on nine different projects with a clear financial health focus.

Programme activities included monthly sessions with external speakers, business mentoring opportunities, leadership retreats, and engagement with Toynbee Hall's Money Mentors: people with lived experience of financial health problems.

Ten innovators, working on seven different projects, completed the full programme in 2017, culminating in a Demo Day in November 2017. This was attended by around 100 people including bank representatives, potential investors, regulators and policy makers, and civil society organisations – all of whom had the potential to support the Fellows in getting their products and services to market.

## ABOUT THIS EVALUATION

To evaluate the effectiveness of the programme, the Centre for Responsible Credit was commissioned by the Lab to:

-  Verify and review programme monitoring and evaluation data gathered by the Lab concerning the programme's impacts. This included pre and post programme surveys of participant skills levels, and logs of comments and feedback received from Fellows; stakeholders engaged by the programme, and with members of the Fellowship Delivery Team<sup>1</sup>;
-  Directly observe a selection of the monthly sessions; one of the leadership retreats; the final pitch practice event, and the Demo Day; and

---

<sup>1</sup> The members of the Fellowship Delivery Team were Marloes Nicholls, Head of Programmes, Finance Innovation Lab; Carl Packman, Research & Good Practice Manager, Toynbee Hall; Charlotte Millar, Co-Founder, Finance Innovation Lab; Anna Laycock, Executive Director, Finance Innovation Lab; and Isabella Coin, Programme & Communications Co-ordinator, Finance Innovation Lab.

- Conduct qualitative interviews with Fellows, the delivery team, and a selection of the wider stakeholders, including the programme's funders<sup>2</sup>.

Drawing on this range of evidence, this report provides our assessment of the Financial Health Fellowship programme in respect of:

- Its direct impact on the participating Fellows, and their projects; and
- How the Fellowship programme created a wider 'Community of Practice' by engaging an extensive network of people and organisations in its delivery. It has now also started to leverage the influence of this network on the financial system as a whole, and particularly in respect of financial health policy and regulation.

We detail the key findings in these respects and then draw together the learning from the programme to make a number of recommendations for the Lab and other stakeholders wishing to support social purpose-led financial services innovation moving forwards.

## KEY FINDINGS

In overall terms, the Fellows considered the programme to have been an outstanding success, with many providing high praise for both the content and the manner in which the programme was delivered.

"For me the Fellowship has been a game-changer. It's had a huge impact on the way I work, and how I feel about what I'm doing. It was so timely for me to take part, and has been hugely beneficial."

Pre and post programme surveys of the Fellows' knowledge, skills, and confidence indicate that the Fellowship particularly:

- Improved participants' knowledge of the 'poverty premium' and the needs of people in poor financial health;
- Increased their communication skills; helped them develop their business purpose, and their organisational cultures; and

---

<sup>2</sup> The Financial Health Fellowship programme was supported by the Lab's core funding from Friends Provident Foundation, and additional funding from Barrow Cadbury Trust, NatWest, the Chartered Banker Institute and Cash Services UK.

□ Raised their confidence to navigate the wider financial system; talk to senior people in the financial sector; and – specifically as a result of their participation in the leadership retreats – their confidence to lead a team; develop their projects; and manage their future self-development.

These findings were corroborated by our qualitative interviews, and Fellows also reported that they felt more connected to the financial system as a whole, and to other purpose led innovators in particular:

“The culture of the programme was great. I was apprehensive at first, but it engendered a real community with a relaxed learning environment and as the programme developed there were opportunities for collaboration between the Fellows and we’ve developed some really strong relationships.”

The collaborative nature of the Fellowship made a real difference to the progress that the Fellows have made. Examples of collaboration include Fellows participating on each other’s Boards; offering each other access to discounted prices for software products that they had purchased for their own businesses; sharing their wider contacts and networks, including funding and employment opportunities; and providing direct assistance to each other in their business planning, branding, and research activities.

The engagement with Toynbee Hall’s Money Mentors over the course of the Fellowship was also highly valued by the majority of the Fellows. This engagement provided a ‘reality check’ for Fellows, and they gained real insights into the financial difficulties faced by people on low incomes.

“Talking through the products we have been developing with the Money Mentors was really great for us. We honed a number of features in direct response to their input.”

## CHALLENGES

The success of the Financial Health Fellowship was all the more impressive given the challenges that it faced.

Chief amongst these was the constrained level of funding for the programme. This necessitated the Lab sourcing a considerable amount of pro bono support from a wide range of stakeholders. The need to source relevant expertise for session speakers and business mentors inevitably increased the complexity of designing and delivering the programme.

However, in meeting this challenge, the Lab’s role in co-ordinating pro bono support has also delivered a number of benefits:

- ❑ The Fellowship programme has been extremely good value for money, having leveraged in an estimated £25,000 of additional resource in the form of pro bono contributions. This represents just under one fifth of the total programme delivery costs.
- ❑ Speakers and business mentors contributing to the programme had a high level of commitment to the Fellowship, and reported that they themselves gained from their direct interaction with the Fellows;
- ❑ A number of contacts made by the Lab and Toynbee Hall have acted as 'advisers' to the team, providing them with further information about the wider landscape of support – both within their own organisations and externally – that is available to Fellows; and
- ❑ The involvement of many of the stakeholders in the programme also enabled them to build their own networks, because the Lab invested time and resources to strengthen their engagement and links to each other.

Bringing a bank, NatWest, into the group of funders for the Fellowship was also a very positive new development for the Lab. This ensured that it was able to access expertise within NatWest to support the Fellows, which would otherwise not have been as forthcoming. For NatWest itself, the engagement with Fellows has yielded insights for its own business support programmes.

However, funding constraints did also have a negative impact for the business mentoring aspect of the programme. Some Fellows reported that they were not able to meet with their mentors as often as they would have liked, and due to the changing nature of some of the projects over the course of the programme the initial pairing with business mentors no longer matched the priorities that some of the Fellows had.

Funding also remains a major challenge for the Fellows themselves. Although the Demo Day resulted in a great many pledges of support, the process of obtaining the investment required to bring new innovations to market is extremely lengthy and difficult. Delays in bringing new innovations to market are due to two main factors:

- ❑ Many new innovators are unlikely to have the resources to focus on their project ideas on a full-time basis. They have to develop their business propositions whilst simultaneously holding down other employment; and
- ❑ There is a lack of funding to meet the initial development costs of projects. These include legal fees and other work to obtain regulatory permissions; and funding to run detailed customer trials and provide robust evaluations of new products and services which would make the case for larger scale investments.

Finally, the Lab also faces the considerable challenge (and opportunity) of now leveraging the influence of its substantial Financial Health network to achieve wider 'system' change. This is now beginning to happen, and the early results are very encouraging (see box, below).

## INFLUENCING SYSTEMIC CHANGE

In February of this year the Lab convened two policy roundtables which started to bring the expertise present throughout its network to bear on issues concerning Open Banking and the use of Artificial Intelligence in the financial services system. These developments present both opportunities and risks for groups who have not traditionally been well served by the financial services system.

The two roundtables each brought together around thirty professionals from a diverse range of backgrounds including banks, Fintechs, policy-making bodies and regulators, as well as community organisations working with financially excluded groups, and funders. Feedback gathered from participants show that the roundtable discussions were well received and have helped to move debates forward.

The subsequent briefing papers<sup>3</sup> that the Lab has produced highlight how recent technological developments have created a 'pivotal' moment in the development of financial services in the UK, and make a compelling case for the further support of purpose-led innovation as a means – alongside more traditional regulatory interventions – of improving the financial health of lower income communities moving forwards.

Building quickly on the consensus of opinion achieved amongst consumer agencies following the first roundtable event, the Lab has been at the forefront of developing a Consumer Manifesto for Open Banking, which was launched at the Open Banking Convention – co-hosted by the Lab and the Open Banking Implementation Entity on 1<sup>st</sup> May<sup>4</sup>.

## KEY LESSONS AND RECOMMENDATIONS

In our view, the Financial Health Fellowship programme has been a great success. However, as with any programme, there are lessons to be learnt moving forwards.

-  Due to the varying capacities of Fellows to progress their projects - and because they all had different pre-existing skills, knowledge and confidence of the topics covered

---

<sup>3</sup> Lab Briefing (2018). Open Banking and Financial Health, available at <https://financeinnovationlab.org/briefing-open-banking-and-financial-health/>  
Lab Briefing (2018). Ethical Use of AI in Finance, available at <https://financeinnovationlab.org/briefing-ethical-use-of-ai-in-finance/>

<sup>4</sup> Read more about the Consumer Manifesto for Open Banking at <https://financeinnovationlab.org/a-consumer-manifesto-for-open-banking/>

by the curriculum - future programmes would benefit from adopting a more flexible, modular, approach;

- Each of the elements contained within the curriculum could be significantly expanded, and modules developed for people with different levels of knowledge and skills, from beginners to experts. This would ensure that sessions<sup>5</sup> were of specific interest, and at the right level or 'grade', for participants;
- A more flexible approach to business mentoring should be adopted whereby coaching expertise on specific issues and priorities for the Fellows is bought in from members of the Lab's network at the time that is right for the innovators;
- In order to continue to foster mutual support and collaboration the Lab should create more 'cross-cutting' events, which facilitate contact between newer innovators and those with greater experience;
- The engagement with Toynbee Hall's Money Mentors brought end user perspectives into the Lab's Fellowship programme for the first time. This had a considerable impact on the development of several Fellows' projects, and this aspect of future support for innovators – whether led by the Lab or others – should be expanded. The Lab and wider stakeholders should consider establishing a 'Co-Design Centre of Excellence' for this purpose. A strategy for the development of this work, together with a clear business proposal for funders – including both public, private and third sector interests – needs to be developed. In our view, the overarching elements of this need to include:

  - Bringing innovators together with their target user groups at as early a stage in the development of ideas as possible. The Lab could provide a matching service between innovators and target end user communities, and support this engagement in practice, ensuring that the process is empowering for end user communities;
  - Supporting ongoing engagement, so that products and services have been thoroughly trialled and tested before pitches for larger-scale investment are made. Agencies working with target groups and communities, as well as the individuals within these, will often need additional resourcing and support to engage

<sup>5</sup> Whether delivered in person or in the form of Webinars or other formats.

consistently over extended periods, and funders need to consider how this can be achieved. The Lab could facilitate both customer trials and research and evaluation of existing products, and make recommendations for funding to be directed to support these activities;

- Tracking and reporting on the lessons learned. The Lab could evaluate what works, and publish best practice guides for the future co-design of financial services innovation.



Finally, there is a need to address the difficulties that new purpose led innovators face when trying to fund the development of their projects and also raise the investment necessary to get their innovations to market.

- Funders should consider developing a blended fund – part grant and part investment – to support future financial health innovation. This would ensure that potential innovators with lived experience of financial difficulties have an opportunity to participate in this area, and, if their business propositions are viable, can be assisted to get to scale. Without this type of support, there is a risk that the only innovations getting to scale are those developed by people with independent financial means and/or those who already have access to capital;
- To this end, the Lab should consider establishing an investor and funder Community of Practice and convening early discussions to map out what support is currently available and address any identified gaps.

# I. INTRODUCTION

This report sets out the findings from our evaluation of the Financial Health Fellowship programme, and makes recommendations for future leadership and incubation support activities to be undertaken by the Finance Innovation Lab, its partners, and other agencies operating in this field.

The Lab distinguishes itself from other business support and accelerator provision by placing social values at the heart of its Fellowship programme: seeking to use this to incubate the ideas and people with the potential to transform the financial system for the better. It aims to create a broad social network that sustains Fellows over the duration of the programme and continues beyond this, with connections to other pioneers across the financial system who believe that finance can and should work in the service of everyone in society.

## BOX 1: FREDA OWUSU, MEMBER OF THE LAB FELLOWSHIP ALUMNI, CREDSCOPE

Freda Owusu is member of the Lab Fellowship alumni, having participated in the 2016 pilot of the programme. Through Lab Fellowship, she developed CredScope (initially named Insight Report) – an alternative, bottom-up credit reference agency with a vision to enable more people to become financially included through credit scoring. It is a credit scoring system using alternative data, which is centred on the consumer as a person, rather than on their transactions alone.

While Freda had lots of relevant experience and expertise to make CredScope a success – she worked for ten years as a Loan Fund Manager in London, has a PhD in Social Policy and is also a co-founder of iHealth-Direct, a telemedicine service for health inclusion – she found the programme very useful, especially in developing her collaborative leadership, marketing skills and network of contacts working in financial inclusion. She also really valued the community of talented peers and senior fellows with shared values that the Fellowship generated: which she found inspiring, confidence-boosting and supportive.

On completing the programme, Freda and her team, with advice from some of the Lab's senior fellows, have developed the CredScope brand and website, and gained authorisation from the Financial Conduct Authority. CredScope was chosen from over 80 apps to be one of six finalists for Tech Nation's Fintech for All competition in 2017.

Freda continued to attend the Lab's Financial Health Fellowship events in 2017 in order to support the new cohort of Fellows, and network with the Lab's ecosystem of supporters. More recently, Freda has become an acknowledged thought leader. For example, she has participated in policy roundtables about Fintech and spoken at events (e.g. Cash Services UK's "Less Cash Society" in March 2018).

The team were also co-winners of the Diaspora Challenge for Africa competition 2017 organised by Co-Creation Hub, and have developed a new concept for African countries called TruScore (coming soon).

## THE FOCUS ON FINANCIAL HEALTH

This is the second year that the Finance Innovation Lab has run a Fellowship programme. In 2016, it delivered support to sixteen innovators with ideas that spanned across a diverse range of financial sectors, social and environmental issues, product types and organisational forms.

Following the delivery of that programme, the Lab was approached by Toynbee Hall and asked to consider a Fellowship focused on improving the financial health of lower income communities. This was attractive to the Lab, both because of the clear need to support innovations to meet the needs of people who have traditionally been failed by the mainstream financial services system, and because it felt that theming the 2017 Fellowship would enable it to tailor the business skills content of the programme more effectively. This had been recognised as a challenge for the Lab in its evaluation of the 2016 Fellowship. Although the innovators that year all shared similar values and missions, and a strong sense of community was engendered as a result, there was a considerable diversity of business ideas which complicated the delivery of the programme.

The scoping phase for the 2017 Financial Health Fellowship included a review of recent research which confirmed the need to encourage innovation in the design of financial products and services so that these better meet the needs of low to middle income households and communities.

Following this review, the Lab also organised a 'Financial Health Hack' with Toynbee Hall in March 2017 to further explore the issue. The hack brought together forty financial health experts, with backgrounds in community development, national and local policy-making, alternative finance, fintech, and banking. It confirmed the need for interventions in this area, and indicated that influential stakeholders were keen to work with the Lab to encourage these. The Hack was also used to:

-  Develop a shared understanding of the financial health challenges faced by low to middle income households and to identify opportunities for innovation to address these;
-  Inform the development of the curriculum for the programme and the selection criteria for Fellows, and
-  Begin the building of a supportive network for the Fellowship programme amongst wider stakeholders. This would eventually number in excess of 200 individuals, and the network provided a source of ongoing expertise, contacts, and opportunities to the delivery team and the Fellows both during the programme and beyond.

## PARTNERING WITH TOYNBEE HALL

The decision to partner with Toynbee Hall for the delivery of the Fellowship both recognised the leading role that Toynbee Hall has played in the development of the financial health agenda in the UK in recent years, and also enabled Fellows to engage with individuals recruited through its 'Money Mentors' programme.

The Money Mentors programme works with financially excluded people in London. Toynbee Hall provides these with training to improve their financial management skills and confidence so that they can support others within their own communities about financial issues.

Bringing the lived experience of Money Mentors into the Financial Health Fellowship programme provided opportunities for Fellows to gain insights into the financial behaviours of their target customer base, and helped improve the design of their products and services. It also provided opportunities for the Mentors themselves to engage with and influence the wider financial system.

## THE FINANCIAL HEALTH FELLOWSHIP PROGRAMME

The Financial Health Fellowship programme delivered a wide range of activities over a nine month period to firstly recruit, and then develop the leadership capacity and business skills of thirteen innovators working on nine different projects with a clear financial health focus. Ten of these, working on seven different projects, completed the full programme in 2017<sup>6</sup>. Details of the Fellows and their projects can be found in Appendix I to this report.

The main activities of the programme, which were delivered between May and November 2017, included:

- ▣ Six, monthly, business strategy sessions;
- ▣ Peer coaching ('action learning') sessions;
- ▣ Access to Money Mentors and the feedback these were able to provide on business propositions from their perspective of a lived experience of poor financial health;
- ▣ Pairing with business mentors;
- ▣ Specialist workshops (e.g. on financial health and regulation);

---

<sup>6</sup> Three Fellows were unable to complete the programme. Feedback provided by these Fellows indicates that this was due to a variety of changes in their circumstances which meant that they could no longer meet the time commitments required to participate fully. Although the Delivery Team attempted to find ways to accommodate the needs of these Fellows, this was not ultimately possible. Nevertheless, even these Fellows appreciated the activities that they had been able to participate in, and they have maintained contact with the Lab and continue to form part of its wider network.

- Two 'pitch practice' sessions; and
- Two residential leadership retreats.

These activities then culminated in a Demo Day for Fellows to pitch their business propositions to potential investors and this also provided an opportunity for them to raise their profile amongst other influential individuals in the financial health policy community.

Full details of the schedule of activities contained within the programme are available in Appendix 2.

Although the Financial Health Fellowship programme has now formally ended, the Lab continues to provide ongoing support to its Alumni. This includes notifying Fellows of forthcoming networking and funding opportunities, and helping them to develop their business contacts. The Lab has also started to draw out wider lessons from the programme for financial health policy and regulation and involves its Alumni directly in events designed to bring their voices into relevant policy discussions.

## ABOUT THIS EVALUATION

To evaluate the effectiveness of the programme, the Centre for Responsible Credit was commissioned by the Lab to:

- Verify and review programme monitoring and evaluation data gathered by the Lab concerning the programme's impacts. This included pre and post programme surveys of participant skills levels, and logs of comments and feedback received from Fellows; stakeholders engaged by the programme, and with members of the Fellowship Delivery Team<sup>7</sup>;
- Directly observe a selection of the monthly sessions; one of the Leadership retreats; the final pitch practice event, and the Demo Day;
- Conduct qualitative interviews with Fellows, the delivery team, and a selection of the wider stakeholders, including the programme's funders<sup>8</sup>.

---

<sup>7</sup> The members of the Fellowship Delivery Team were Marloes Nicholls, Head of Programmes, Finance Innovation Lab; Carl Packman, Research & Good Practice Manager, Toynbee Hall; Charlotte Millar, Co-Founder, Finance Innovation Lab; Anna Laycock, Executive Director, Finance Innovation Lab; and Isabella Coin, Programme & Communications Co-ordinator, Finance Innovation Lab.

<sup>8</sup> The Financial Health Fellowship programme was supported by funding from Friends Provident Foundation, Barrow Cadbury Trust, NatWest and the Chartered Banker Institute.

## ABOUT THIS REPORT

This report now provides our assessment of the Financial Health Fellowship programme in respect of:

- ▣ Its direct impact on the participating Fellows, and their projects; and
- ▣ How it has also helped to create a wider 'Community of Practice' by engaging an extensive network of people and organisations in its delivery. It has now also started to leverage the influence of this network on the financial system as a whole, and particularly in respect of financial health policy and regulation.

The report provides details of our findings in respect of each of the above two areas of impact in turn<sup>9</sup>. We then conclude by drawing together the key learning from the programme and make recommendations for the Lab itself as well as other stakeholders wishing to support social purpose-led financial services innovation moving forwards.

---

<sup>9</sup> It follows the publication of a 'Rapid Assessment Report' in December 2017, which looked at the immediate impact on Fellows.

## 2. IMPACTS ON THE FELLOWS AND THEIR PROJECTS

This chapter provides our findings in respect of the impact of the Fellowship programme on the Fellows themselves, as well as on the development of their projects. It also examines the extent to which the Fellowship has created a mutually supporting network of purpose-led innovators.

To assess the impact of the programme on the Fellows, the Lab conducted pre and post programme surveys which asked a series of questions about their knowledge, skills, and confidence levels. We have reviewed the results from these, and in order to further understand the effectiveness of different elements of the programme on these have also undertaken qualitative interviews with Fellows.

We have also used the qualitative interviews to explore how the programme has impacted on the development of the Fellows' projects; and how far the programme has created a mutually supporting network or 'community' which continues to provide benefits after the formal end of the Fellowship programme itself.

We now report on the findings from the surveys and the qualitative interviews in turn.

### PRE AND POST PROGRAMME SURVEYS OF SKILLS, KNOWLEDGE AND CONFIDENCE LEVELS

All thirteen Fellows starting on the programme were asked to complete a survey regarding their current levels of relevant skills and knowledge in respect of the main elements covered by the curriculum. These were:

- Developing your strategy
- Setting your purpose
- Developing your business model
- Developing your organisational culture
- Developing your brand
- Building your team
- Engaging with customers
- Communicating your work, and
- Securing investment

The survey required Fellows to self-assess their current level of relevant skills on a scale between one and five: where one indicated that they had 'very limited' skills in that area, and five that these were 'excellent'.

This survey was then repeated at the end of the programme. It should be noted that Fellows were not reminded of their initial scores prior to taking the survey for the second time in order to reduce the potential for these to influence their final assessment. In total, ten Fellows completed the post programme survey.

Figure 1, below, reports the results; indicating that average self-assessment scores improved in respect of all areas covered by the programme's curriculum.

Figure 1: Average scores, pre and post programme, relevant skills



As can be seen from the above, the programme appears to have had its greatest impact on the skills of Fellows in respect of communications, organisational culture, and business purpose. The average scores reported by Fellows all increased by an average of at least a full point in these areas.

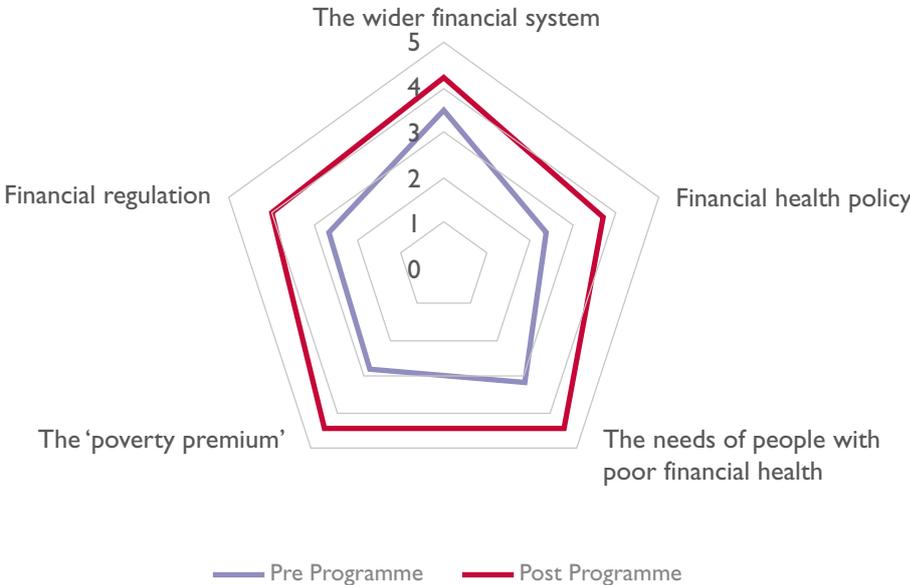
However, there was less improvement in respect of strategic development skills (an increase of 0.3 on average scores) and in relation to skills to secure investment (an increase of 0.5 on average scores). As the initial score for strategic development skills was already averaging 3.8 for Fellows at the start of the programme this is less of a concern than the score for investment – which was relatively low at the outset (2.8). We return to this issue later in this report.

In addition to undertaking a self-assessment of skills, the pre and post programme surveys also asked Fellows to rank their knowledge of:

- The wider financial system
- Financial health policy
- The needs of people with poor financial health
- The 'poverty premium' (the additional costs that people on low incomes pay for essential goods and services); and
- Financial regulation

Again, Fellows were asked to rank their knowledge in these areas on a scale of one to five: with one being 'excellent knowledge' and five being 'very limited'. The results, illustrated in figure 2, below, indicate that Fellows improved their knowledge in all relevant areas by an average of at least one point with the exception of 'the wider financial system', which increased by an average of just less than this (0.8). However, it should be noted that the starting level of knowledge of this area was already relatively high (3.5).

Figure 2: Average scores, pre and post programme, relevant knowledge

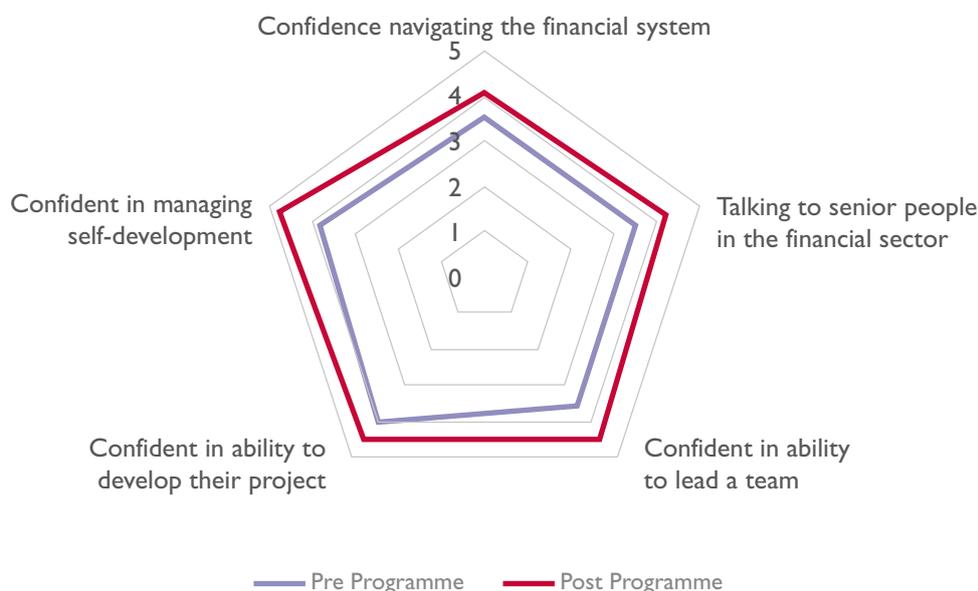


The largest improvements in knowledge related to the 'poverty premium' and the needs of people in poor financial health (1.6 point and 1.4 point improvements respectively).

As well as capturing improvement in skills and knowledge, the surveys were also used to capture improvements in confidence. Questions in this respect asked Fellows to self-assess their confidence to navigate the wider financial system; talk to senior people in the financial sector; and – specifically as a result of their participation in the Leadership Retreats – their confidence to lead a team; develop their projects; and manage their future self-development.

The results, illustrated in figure 3, below, indicate that average confidence levels were improved in all of these areas, with the average scores at the end of the programme all improving to at least four points.

Figure 3: Average scores, pre and post programme, confidence levels



Confidence levels were particularly improved by the Leadership Retreats in respect of team leadership and future self-development.

## ADDITIONAL BENEFITS OF THE FELLOWSHIP PROGRAMME

Finally, the surveys also asked the Fellows to rank how far they felt themselves to be connected to the financial system as a whole, and to other financial innovators in particular:

Average initial scores concerning connection to the financial system as a whole ranged from as low as two to as high as four, with the average standing at 2.8. In the post programme survey this increased to 3.5.

A greater improvement still was indicated in respect of whether Fellows felt connected to other financial innovators. The average pre-programme survey score in this respect was also 2.8, but by the end of the programme this had risen significantly to 4.2.

## QUALITATIVE INTERVIEWS

The improvements in skills, knowledge, confidence and levels of connection reported in the pre and post programme surveys were corroborated by our qualitative interviews with Fellows. In overall terms, these considered the programme to have been an outstanding success, with many providing high praise for both the content and the manner in which the programme was delivered:

“For me the Fellowship has been a game-changer. It’s had a huge impact on the way I work, and how I feel about what I’m doing. It was so timely for me to take part, and has been hugely beneficial.”

“This was a brilliant experience in lots of ways - professionally and personally. It was a really supportive group, but I was also pushed out of my comfort zone and my confidence and skills have grown as a result. I also now feel more connected to the bigger picture, having accessed a whole other realm of knowledge about the financial system.”

“There was so much wisdom in this programme and the way it was delivered. I want my own business to do that, to take as much care for the customer as the Fellowship team did for us. They made it look easy, but there was such a lot of thought behind it. You see a lot of accelerator programmes in this space, but this had real oomph!”

“The culture of the programme was great. I was apprehensive at first, but it engendered a real community with a relaxed learning environment and as the programme developed there were opportunities for collaboration between the Fellows and we’ve developed some really strong relationships.”

To further understand how this overwhelmingly positive impact was achieved, we asked Fellows a series of questions about their experience of the different elements contained in the curriculum. These were designed to obtain both positive feedback and identify areas for improvement, with Fellows assured that any critical comments would not be directly attributable to individuals when these were fed back to the Lab.

## MONTHLY SESSIONS

A total of six business strategy sessions were held over the course of the programme, with each one themed on a specific aspect of business development. Although the Fellows were at different points in the development of their projects, the overall feedback was that the content of the monthly meetings was always relevant and thought provoking.

Fellows particularly appreciated the structure of the meetings, which comprised external speakers introducing the topic and providing a framework for Fellows to use and apply to their own situation, followed by time and space to discuss the initial results of this with the Fellowship Team and other participants in the programme.

When asked which of the sessions had most impact on their personal and business development, the answers of Fellows varied considerably. For example, one Fellow highlighted the value of the session on building a strong business model, whilst another found the session on investment, which offered the opportunity to engage directly with Big Society Capital and a group of its intermediaries, most useful.

However, and reflecting the improvement in the pre and post programme surveys in these areas, most of the Fellows highlighted the value of the sessions concerning business purpose and organisational culture:

“The session about social purpose and values was seismic for me. It gave me a really good framework to think about what I wanted to do and why, and I had the space away from the day job to work through the guidance and concepts provided.”

“It was really important for me to become self-aware about the values that my business is being built upon, and the sessions on purpose and culture gave me the chance to rethink the foundations of what I’m trying to do and have the tools to build the business I want.”

“The session on culture had a real impact on our business. It gave me the confidence to know that I didn’t have to have all the answers myself and to give the team a greater role in finding solutions to the problems we faced.”

## ACTION LEARNING AND COLLABORATION

Fostering effective collaboration was a central thread running through the Fellowship programme, and was facilitated by including action learning elements in each of the monthly sessions. These enabled Fellows to check in with each other regularly; provide updates on their progress, and the challenges they faced; and to ask each other for support.

The results of this cannot be overstated as there is considerable evidence that this made a real difference to the progress that the Fellows have made. Examples include Fellows participating on each other's Boards; offering each other access to discounted prices for software products that they had purchased for their own businesses, to their wider contacts and networks, including funding and employment opportunities, and providing direct assistance to each other in their business planning, branding, and research activities.

Again, reflecting the results of the pre and post programme surveys, there was a real sense that the Fellowship had successfully created a 'community of financial innovators'. At the end of the programme, a number of Fellows are continuing to collaborate on an ongoing and formal basis on product and service development, having identified specific cross-overs of expertise.

"I've never experienced this level of collaboration on any other accelerator programme before."

## BUSINESS MENTORS

The programme included pairing Fellows with Lab contacts to act as business mentors. The pairing process involved an individual assessment of the main challenges that Fellows needed help with, and identification of specific expertise in the Lab network that was willing to devote time on a pro bono basis to share experience and provide guidance to overcome these.

In general, Fellows spoke very highly of the help that they received from their mentors:

"My mentor was great. Really helped me think through how to communicate my values and aims within my organisation, and was just the right person for me at the right time."

"My mentor was super-helpful. She was really pro-active, providing a lot of guidance"

However, a number of Fellows felt there was a lack of structure around the business mentoring element of the programme. Some were unable to meet with their mentors as often as they would have liked, and felt unable to insist on meetings because the mentors were offering their time free of charge. Conversely, others were not able to meet with their mentors as often as

they would like because they were time pressured themselves. Finally, for some Fellows the focus of their projects changed and although their business mentor had been right for them at the start, they needed different expertise later on in the programme.

Many of these issues appear to be related to the fact that the business mentors were acting pro bono, and it was therefore difficult for the Lab to place too much structure around this element of the programme. In future, it would perhaps be preferable for business mentoring to be funded, and for expectations on both sides to be made more explicit. There may also be some benefits in creating a more flexible pool of Business Mentors which can be accessed to provide innovators with the expert guidance that they require on specific issues as these arise.

## MONEY MENTORS

The engagement with Toynbee Hall's Money Mentors was highly valued by the majority of the Fellows, as these provided a 'reality check' for them and they gained real insights into the financial difficulties faced by people on low incomes.

"Talking through the products we have been developing with the Money Mentors was really great for us. We honed a number of features in direct response to their input."

"It's not easy to get honest feedback on your business proposition from your target customer group, and talking to the Money Mentors really helped with that. I got some very useful insights about how to make my product look and feel more positive for them."

We report further on this process of engagement with the Money Mentors and other target groups in the following chapter, as this required careful handling by the Lab and Toynbee Hall, and would appear to be an area which could be greatly expanded moving forwards. Indeed, as one Fellow told us:

"I think I'd have really benefitted from more on this element of the programme. I needed to do a structured piece of work to really understand my target customers earlier on, and could have done with some more help with how to go about that."

The opportunity to expand this element of support for financial innovators was also evidenced by the response of other Fellows on the programme, who were already providing direct services to low income groups. Recognising the importance for social entrepreneurs to hear from the 'front-line', these Fellows have offered to provide a link between future support programmes and their service users moving forwards.

## LEADERSHIP RETREATS

The Fellowship programme included two weekend long leadership retreats, held at the University of Cumbria in July and September. These focused on collaborative leadership and communication, and provided an opportunity for the Fellows to develop trust and bond together as a network, as well as providing a safe and supportive space for people to develop new skills, including pitching for funding.

All of the Fellows we spoke to were hugely appreciative of the role that the leadership retreats played in these respects: and the fact that Fellows came from different backgrounds and were able to draw on each other's experience was a real positive for them as was the expertise of the external speakers who joined the Fellows for specific sessions over the course of the weekends:

"The first leadership retreat was the most effective I have ever attended... It's had more impact on me and my business than I would care to admit."

"The retreats, especially the second one, were the single most effective element of the programme for me. I was really pushed to do things that I wouldn't have the confidence to tackle normally, like public speaking, and I felt like I'd really grown as a result."

"Being outdoors and separated from London was great for me. I really liked the format, working on things in small groups and it was less prescribed. I got to develop some really good personal relationships and have gone on to form close collaborations with the other Fellows as a result."

Although the Leadership retreats formed part of a wider programme of activities within the Fellowship, the high impact that they made on participants suggests that it may be possible to run focussed leadership retreats on a 'standalone' basis moving forwards.

## BOX 2: FIONN TRAVERS-SMITH, FINANCIAL HEALTH FELLOW, GREATER LONDON MUTUAL

Fionn-Travers Smith joined the 2017 Financial Health Fellowship and brought with him considerable experience from his previous roles as a consultant, campaigner, and researcher working with the New Economics Foundation, Positive Money, and the RSA on local banking and financial reform in the UK. He had also managed the Move Your Money campaign, where he was a leading voice in the movement for a more democratic, sustainable, and just financial system.

He joined the Fellowship programme to build on this by developing his collaboration and leadership skills, which he felt would be essential in his new role developing Greater London Mutual: London's first Community Benefit Bank for businesses, individuals, and the financially underserved.

Fionn was particularly impressed by sessions that focused on the development of organisational culture, and found the leadership retreats and the Lab's focus on collaborative leadership to be very effective and empowering. He also reports that the programme has helped him to develop his communication and influencing skills.

Fionn is now transferring his learning to his current role by convening broad stakeholder engagement processes; consulting beneficiary focus groups, and by designing innovative and market leading social impact strategies to deliver the bank's mission.

This has helped Greater London Mutual to attract significant investment, as well as deepen their commitment to social impact, strengthen their methods for achieving this, and improved their processes and ways of working as an organisation.

"The leadership, communication and business development skills learnt in the Lab's Financial Health Fellowship have not only been instrumental to the development of our business, but they've also made a huge impact on me as a professional and a person. I cannot sing the praises of the Lab high enough. We wouldn't be where we are today without the Finance Innovation Lab, and nor would I!"

Looking forwards, Fionn is maintaining contact with the other Financial Health Fellows and with the Lab, and he continues to collaborate with them to help design products and services that better meet the needs of low income groups.

## PITCH PRACTICE AND THE DEMO DAY

The second leadership retreat continued an ongoing process of pitch practice running throughout the programme. This was supported by a specialist external speaker on the retreat whose input was very highly rated by the Fellows. This was then further built upon by a specialist workshop held in October, to which an external audience of 'critical friends' was invited to provide feedback to Fellows in a supportive manner. This enabled the Fellows to further hone their presentations before the Demo Day held on 16<sup>th</sup> November:

"We really kicked it into gear after the pitch practice. We had really brilliant feedback and a couple of weeks to get it sorted."

The Demo Day itself was attended by around 100 people, drawn from a wide range of stakeholder organisations including banks and other potential investors, regulators and policy makers, and civil society organisations that offered opportunities to help bring products and services to market.

The organisation of the Demo Day was highly praised, as this included the facilitation of a 'game' designed to obtain specific commitments from those attending in response to the calls for action contained in the Fellows' pitches.

"The event was really well planned and was great to work towards, it was a really special opportunity"

As a consequence, the Demo Day elicited a total of 150 specific pledges from the audience to help the Fellows. These pledges included offers of advice about how to reach target audiences; make the business propositions more attractive to potential investors and link Fellows to possible funding sources; and showcase Fellows' projects in reports and other communications to specific stakeholder groups or to directly introduce the Fellows to relevant business contacts.

## MORE THAN THE SUM OF ITS PARTS: BUILDING A COMMUNITY FOR CHANGE

Although each individual element of the programme was highly praised by the Fellows, its real impact can only be fully appreciated by looking at it in the round. The way in which the programme was designed and delivered has resulted not only in the Fellows having formed a strong, mutually supporting network in their own right, but also in connecting these to the wider financial health policy community. The impacts of the programme are therefore likely to be ongoing, and considerable.

For example, the Fellows themselves are maintaining close collaboration in a number of important respects:

“We are now in active discussions with several of the other Fellows about possible co-working arrangements. I've gone back to them since the Demo Day and we have really strong ongoing relationships.”

“We have similar issues getting to market to those faced by [another Fellow] and we are talking together about how we can overcome those. We hit a milestone with the Demo Day and are now really motoring ahead to work out who else we need to pitch to in order to make it happen.”

Whilst this collaboration is likely to be sustained without further support from the Lab, many of the Fellows also indicated that they would appreciate some structured Alumni involvement – for example bi-annual meetings and regular newsletters - and saw this as a means for them to not only keep up to date with other Fellows but also to contribute to the building of a broader community of change-makers.

“There is such a huge amount of trust between us, and we are continuing to support each other and to work together to share contacts and resources. The biggest resource is the collective, and we really want to build on the momentum that we now have. We need to grow the collaboration, and I want to give back to the Lab and to future Fellows.”

This continued support is critical if the project ideas being developed by the Fellows are to be realised moving forwards. Although the Demo Day resulted in a great many pledges of support, the process of obtaining the investment required to bring new innovations to market is extremely lengthy and difficult. Even those Fellows who had made most progress in the development of their projects by the time of the Demo Day, have yet to obtain the level of investment needed to bring their products and services to market. In subsequent interviews with two of these Fellows, the delays in this respect have been attributed to two main factors:

- Many new innovators are unlikely to have the resources to focus on their project ideas on a full-time basis, and have to develop their business propositions whilst simultaneously holding down other employment; and
- There is a lack of funding to meet the initial development costs of projects: including legal fees and other work to obtain regulatory permissions; run detailed customer trials, and provide robust evaluations of new products and services which would make the case for larger investment.

We return to these two issues when considering how to build on the lessons from the Financial Health Fellowship for future support programmes in the final chapter of this report.

## BOX 3: BUILDING THE 'BLOX' VISION

Ali Blackwell, Sam Grainge and Peter Sach enrolled on the Financial Health Fellowship to help develop their business idea to create a social networking platform which would enable tenants and local communities to share resources and access financial services on fairer terms.

Using the collective bargaining power of groups, they are creating 'Blox' which aims to deliver substantial savings to individual tenants whilst enhancing their participation in strengthened local communities.

Although all three members of the Blox team brought expert knowledge to the project from previous roles, participation in the Financial Health Fellowship strengthened their collaborative skills, and enabled them to hone their core values and overarching vision. It also helped them develop a greater understanding of how Blox could positively impact society beyond their core target group, and enabled them to learn from others around them in a reciprocal manner.

As a result, the Fellowship has helped Blox develop to the point where it could launch its first community pilot later this year.

“The dedicated support and mentoring we received as part of the fellowship has enabled Blox to become an early stage enterprise ready to empower tenants across London and beyond with the means to negotiate with third parties collectively, whilst attending to their own civic and community needs through our communications platform.

We are excited to be at the stage where we will facilitate our first community pilot this Spring; engaging tenants in a collective energy purchasing scheme and working with them to identify their needs going forward as a community.”

### 3. CREATING A WIDER 'COMMUNITY OF PRACTICE'

In addition to achieving direct positive impacts for the Fellows and their projects, the Financial Health Fellowship programme has also constructively engaged well in excess of 200 individuals drawn from a wide range of organisations: These have played a number of different roles:

- ▣ Funding the programme;
- ▣ Advising on the wider landscape of support available to the Fellows, and offering opportunities for this to be accessed;
- ▣ Sharing their expertise by speaking at the monthly sessions and at the Leadership Retreats or by acting as Business Mentors; and
- ▣ Influencing the Fellows' projects by providing feedback on their propositions from the perspective of people with 'lived experience' of financial health problems.

Taken together, these stakeholders constitute a considerable 'Community of Practice' on financial health issues. The remainder of this chapter now looks at how this was achieved, with specific reference to the pro bono expertise that has supported the Financial Health Fellowship, and the role played by, and experience of, the Toynbee Hall's Money Mentors.

It also looks at recent work conducted by the Lab to leverage the financial health network's influence over the future direction of financial services policy-making and practice. In particular, the Lab has run two recent roundtable events focused on issues that the Financial Health Fellowship has identified as having profound implications for the future of financial services provision. These include the introduction of Open Banking and the rapid deployment of Artificial Intelligence technologies.

#### FUNDING AND PRO BONO SUPPORT

Funding for the Financial Health Fellowship was provided from Friends Provident Foundation (which provides core funding for the Lab) and also from Barrow Cadbury Trust; NatWest; the Chartered Bankers Institute and Cash Services UK.

Whilst the contributions made by these funders were sufficient to enable the Fellowship programme to proceed, the budget was nevertheless extremely tight. Indeed, the Lab proceeded with the programme at considerable risk, with an initial 'funding gap' of £65,000.

However, the Lab was able to draw on its network to source a considerable amount of pro bono support from a wide range of stakeholders. The support provided included free expert input as session speakers and as business mentors, and we estimate that this was worth at least £25,000 and possibly considerably more<sup>10</sup>.

Whilst sourcing this pro bono support inevitably increased the complexity of designing and delivering the programme, it also had a number of other advantages:

- ▣ Speakers and business mentors contributing to the programme had a high level of commitment to the Fellowship, and they reported that they themselves gained from their direct interaction with the Fellows;
- ▣ A number of contacts made by the Lab and Toynbee Hall have acted as 'advisers' to the team, providing them with further information about the wider landscape of support – both within their own organisations and externally – that is available to Fellows; and
- ▣ The involvement of many of the stakeholders in the programme also enabled them to build their own networks, because the Lab invested time and resources to strengthen their engagement and links to each other.

For example, several speakers commented on how enthused they had become by interacting with the Fellows, and how interested they were in the specific innovations that were being developed:

"I just wanted to say a huge thank for the opportunity to speak with this year's cohort of Financial Health Fellows. I truly came away inspired by the enthusiasm and entrepreneurial spirit in the room yesterday. What an amazing group of people."

"As an investor with a desire to invest in social businesses that aim to tackle financial exclusion, it was fascinating to hear of a number of innovative approaches being taken by the fellows to devise business models to tackle the financial health challenges many people currently face."

---

<sup>10</sup> Around 50 days of free time was provided to the project in pro bono support. At a conservative estimate of £500 per day, this equates to £25,000.

And in some cases, speakers were able to learn from the Fellows about issues which they were directly working on in their own organisations. For example, a speaker from the Financial Conduct Authority told us:

It was great to engage with the Fellows. I thought they were really well informed. We're working hard to make it easier for new, responsible, innovation to take place... I'm sure we will be able to provide some of the Fellows with more support where appropriate.

Finally, the funding commitment given to the programme by NatWest ensured that:

- ▣ Fellows were given credibility within the mainstream banking sector and could access other support opportunities generously provided by NatWest, and
- ▣ NatWest themselves gained insights of relevance for their own support programmes.

For example, following the Demo Day, NatWest organised an additional pitch event for selected Fellows to meet with its own colleagues working in Fintech scouting and innovation. Acting in an advisory capacity to the programme. It was also able to identify where some Fellows would be eligible for other forms of business support provided by the bank such as through its Entrepreneurial Spark programme<sup>11</sup>.

## PARTNERSHIP WITH TOYNBEE HALL AND 'CO-DESIGN' WITH TARGET COMMUNITIES

A key feature of the Financial Health Fellowship for 2017 was the delivery of this in partnership with Toynbee Hall. This not only gave the Lab access to Toynbee Hall's existing networks of contacts working on financial health issues, but also provided an opportunity to engage individuals from Toynbee Hall's Community Money Mentors programme in the design of the Fellowship. This enabled Fellows to obtain direct feedback from people with the lived experience of financial difficulties associated with living on a low income on their project ideas, and also provided the Money Mentors themselves with an opportunity to influence the design of future products and services targeted to their communities.

---

<sup>11</sup> <https://www.entrepreneurial-spark.com/>

## BOX 4: TOYNBEE HALL'S COMMUNITY MONEY MENTORS PROGRAMME

Toynbee Hall's Community Money Mentors is a financial education and peer support programme that has been running in Tower Hamlets for over five years. The programme comprises of a 60 hour nationally recognised training course designed to help them identify and take very practical steps to reduce the 'poverty premium' to which many of them are subject by virtue of their low incomes.

People who take part in the programme have typically experienced being charged high prices for credit in the past and the course supports them to budget more effectively, tackle their debts, and start to build up savings.

Once they have graduated from the programme, the Community Money Mentors are then supported to use their knowledge and skills to help others in their local communities.

The Community Money Mentors, therefore, have a combination of lived experience of financial problems; have recently improved their own financial knowledge, skills and confidence, and also have insights into the likely pros and cons of new products and services, which made them ideal partners for the Financial Health Fellowship.

The Community Money Mentors were involved throughout the delivery of the Financial Health Fellowship, and considerable efforts were made to support them through this process.

During the scoping phase of the Fellowship programme for 2017, nine Mentors attended a Community Focus Group to discuss the types of innovations that they would like to see developed by the Financial Health Fellowship. The outcomes from this discussion subsequently informed the design principles for the Fellowship, and several of the Mentors expressed a desire to remain involved in this as it progressed over the year:

They were particularly keen to be involved the Fellowship programme because this offered them the opportunity to:

-  Build knowledge, for themselves and people in their community;
-  Further their learning, in a way that built on their previous training and work experience; and
-  Better understand how new technologies were being used in the delivery of financial products and services, and what this means for themselves and their communities.

Money Mentors were subsequently recruited to act as 'Community Advisers' to the Financial Health Fellowship. This involved their participation in two of the monthly sessions, where they were able to find out about the Fellows' innovations and offer their feedback, insights, and advice, based on their lived experience of financial health. The project met the expenses of the Community Advisers to attend these sessions.

As well as providing an opportunity for the Fellows and the Community Advisers to discuss project ideas in a structured, but friendly and non-intimidating group setting, the Community Advisers were engaged in a supported activity to co-create short video recordings with the Fellows, which described their project ideas. This session challenged Fellows to communicate the potential benefits of their ideas in ways that could easily be understood and which were relevant to peoples' lives. The draft video scripts were shared with the Community Advisers in advance, and they were able to comment on both the project ideas themselves and the way in which these were being communicated to them.

The videos that were co-created by the Fellows and Community Advisers were also shared with members of Rainbow Credit Union Savers and with customers of Moneyline, with each of these groups engaged in a two-hour long focus group. These were used to elicit further feedback which was then fed back to the Fellows on a one to one basis by the programme Delivery Team. This process enabled the target users to comment freely about the ideas contained in the videos, and also meant that Fellows were able to consider whether or not their project ideas needed to be presented more carefully or whether more fundamental issues needed to be considered in the project design stage.

Fellows recognised the value of this work, and several of them also told us that they had ongoing needs to maintain contact with target customer groups in order to develop trials of their products and services (see previous chapter).

There was also some further ongoing involvement from the Community Advisers in the Financial Health Fellowship programme – with three of them following the programme through to the presentations at the Demo Day in November 2017. This ongoing involvement was particularly appreciated by the Community Advisers. As one of them told us:

"I really liked the journey. How it was done in different stages, and see how the products were developing. It was great to see that."

Reflecting on this element of the programme, the Lab and Toynbee Hall are now in the process of writing a 'Practice Guide' to aid future co-design of financial innovation with lower income communities. This Guide, which has been informed by Mentors' feedback to Toynbee Hall concerning their involvement in the Financial Health Fellowship, has identified that:

- ❑ Co-design needs to start early. The sessions involving the Community Advisers happened after some of the Fellow's thinking was already well-developed, and it significantly challenged many of their ideas. An earlier start in the engagement would have been welcomed by Fellows. However, Money Mentors also needed to something to work from, rather to be presented with a 'blank page'.
- ❑ Considerable preparation and support is required for both the Community Advisers and the Innovators to engage effectively. Clarity of roles and expectations on both sides need to be managed;
- ❑ The initial engagement needs to be enjoyable, and even fun. Using creative processes can help with this, but individuals need to be prepared for them in advance and to have sufficient confidence to participate effectively;
- ❑ The environment also needs to be 'familiar', and there needs to be a removal of any financial stress (for example by covering expenses, including in respect of childcare if necessary) to make it possible for people to attend; and time-stress (by ensuring engagement takes place at convenient hours, and starts and finishes on time);
- ❑ Users that are successfully engaged can develop a real, ongoing, stake in the projects and services that innovators are developed, and they sometimes want to make a longer term contribution to specific projects. When utilising their expertise on this basis, the contribution that they make to the design of new innovations needs to be formally recognised and rewarded.

In respect of this last point, rewards do not necessarily have to be financial (although the importance of this for people on low incomes shouldn't be overlooked). For example, future co-design programmes could provide people with clear descriptions of the roles that they have played (focusing on the skills that they have used and developed, and the knowledge that they have gained), and help them to communicate these on their CVs, or provide references for future job applications. Providing people with early access to the products and services that are finally developed on a free or discounted basis would also be appreciated.

## INFLUENCING WIDER FINANCIAL SERVICES POLICY AND PRACTICE

In February of this year the Lab convened two policy roundtables which started to bring the expertise present throughout its network to bear on recent 'big issue' developments in finance and financial health.

The two roundtables each brought together around thirty professionals from a diverse range of backgrounds including banks; FinTechs; policy making bodies and regulators; community organisations working with financially excluded groups, and funders.

The roundtables were focused on issues concerning Open Banking and the use of Artificial Intelligence in the financial services system, and how these developments presented both opportunities and risks for groups who have not traditionally been well served by the financial services system.

The ability of the Lab to convene these roundtables demonstrate that it has built up a significant reputation across a wide range of stakeholders with an interest in improving financial health outcomes. Feedback gathered from participants show that the roundtable discussions were well received, and that the Lab is able to bring together a wide range of viewpoints and yet develop a common understanding of the challenges that need to be addressed:

"Just wanted to say that I really enjoyed the last two roundtables - I thought they were promoted a really good debate. I definitely came away with new insights and connections. Thanks so much for organising!"

"Thanks for a very interesting event this morning. I was impressed by the diversity of views in the room, but also the consensus around the actions needed to get the most out of open banking and reduce risk to those on the lowest incomes."

The participative approach that the Lab has placed at the core of its support for Fellows was also evident in the manner in which the roundtables were conducted. The considerable facilitation skills that the Lab has in this respect ensured that the discussions resulted in a set of concrete recommendations and a desire to act collectively:

"Many thanks for putting on the event and inviting me to take part. A fascinating morning: loads of great ideas; much food for thought; and a great chance to make connections. I've already put some feelers out [to see what we can do here about a piece of work to raise consumer expectations around fintech and personal data]. It was also great to meet [some of the Financial Health Fellows] and we are getting involved in their projects."

“I am really keen to create some coherent action that delivers benefits for financial health and reduces all the risks [for lower income consumers]... The output from the roundtable has helped shape some of the representations that I and others are making... But we need to strengthen the consumer voice around Open Banking and we are really keen to work with you to refine the thinking and define some potential actions.”

The subsequent briefing papers<sup>12</sup> that the Lab has produced highlight how recent technological developments have created a 'pivotal' moment in the development of financial services in the UK, and make a compelling case for the further support of purpose-led innovation as a means – alongside other regulatory interventions – of improving the financial health of lower income communities moving forwards.

Building quickly on the consensus of opinion achieved amongst consumer agencies following the first roundtable event, the Lab has been at the forefront of developing a Consumer Manifesto for Open Banking, which was launched at the Open Banking Convention – co-hosted by the Lab and the Open Banking Implementation Entity on 1<sup>st</sup> May<sup>13</sup>.

---

<sup>12</sup> See <http://financeinnovationlab.org/briefing-open-banking-and-financial-health/> and <http://financeinnovationlab.org/brefing-ethical-use-of-ai-in-finance/>

<sup>13</sup> Lab Briefing (2018). Open Banking and Financial Health, available at <https://financeinnovationlab.org/briefing-open-banking-and-financial-health/>

Lab Briefing (2018). Ethical Use of AI in Finance, available at <https://financeinnovationlab.org/brefing-ethical-use-of-ai-in-finance/>

## 4. CONCLUSIONS AND RECOMMENDATIONS

The Financial Health Fellowship for 2017 has delivered a highly successful programme of activities, and has fulfilled its main aim of supporting financial health innovators on their journey from developing their initial concepts through to becoming investment ready. It has improved the skills, knowledge, and confidence of participants in a number of key respects and the Fellows have provided considerable praise for the way in which the programme has been delivered. The inclusive, and participative, approaches including the 'action learning' sessions, adopted by the Delivery Team have particularly benefitted the Fellows by creating a strong peer group network. This is providing ongoing mutual support, and the Lab continues to provide its Alumni with access to further networking and business development opportunities.

The decision to theme the 2017 Fellowship programme around the concept of improving financial health has been particularly beneficial. There is a clear need for focus in this area, with both regulatory interventions in previous years and investment in credit unions and other traditional social business models having proved inadequate to address long standing issues of financial exclusion and poor outcomes for people on low incomes. The Lab's intervention in this field was therefore very welcome.

The theming of the 2017 Fellowship ensured that the Fellows recruited to the programme all shared similar convictions and ambitions. This enabled the Lab – supported by its partnership with Toynbee Hall - to develop a considerable Community of Practice. This has been effectively involved in the delivery of the programme and, most recently, has started to leverage its influence over financial health policy and practice."

The building of the Community of Practice, which now numbers in excess of 200 individuals from a wide range of stakeholder organisations, was particularly impressive given the limited resources that the Lab had at its disposal. Considerable time was spent to identify relevant expertise; foster effective working relationships, and translate this into deliverables for the Fellows. This was only possible, because the Lab also took active steps to ensure that the experience of engaging with the Fellowship also delivered positive outcomes for; the many external speakers, business mentors, and advisors that it turned to for assistance.

In this respect, the partnership with NatWest was also a very positive new development for the Lab, bringing benefits for both the Fellows and NatWest itself.

The engagement with Toynbee Hall's Money Mentors – which saw several of these brought into the project to act as 'Community Advisers' – also brought end user perspectives into the Lab's Fellowship programme for the first time. This had a considerable impact on the

development of several Fellows' projects, and our conversations with Fellows indicate that this aspect of future support for innovators – whether led by the Lab or others – needs to be expanded. The detailed lessons from this engagement are now being drawn together by the Lab and Toynbee Hall which will shortly publish a joint Practice Guide of relevance to a wide range of stakeholder agencies interested in pursuing co-design approaches.

Finally, the Lab is also now beginning to leverage its Community of Practice to influence financial services policy and practice. In the short-term the Lab has already been able to bring agencies together and create a Consumer Manifesto for Open Banking, and we have confidence that in the longer term the influence of its network is likely to grow further.

## KEY LEARNING AND RECOMMENDATIONS

Despite these successes, we do not propose that the Fellowship programme simply be repeated or scaled up in its current form – i.e. a time-limited, fixed curriculum, format for relatively small groups of innovators to participate in on a rolling basis. Instead, we consider that the 2017 programme can be considerably built upon to create an even more dynamic learning and supportive environment for new purpose-led innovations, and this section sets out our key learning and recommendations to help achieve this.

We have no doubt that the Lab has the skills, knowledge, and commitment to achieve this, and many of the following key learning points and recommendations are already being actioned.

## MOVING TO A MORE MODULAR SYSTEM OF SUPPORT

From the perspective of the Fellows, the fact that they were all working on projects related to financial health built trust and encouraged cross-collaboration. However, they varied considerably in respect of their existing business skills as well as the stages of development they had reached for their projects. This meant that there was still a considerable diversity in respect of the needs of participants on the programme for business support.

Due to a wide range of other barriers facing innovators, including the need for many of them to pursue their ideas alongside existing employment, projects are highly unlikely to develop at the same speed, and some will need longer in the earlier stages than others. To address this we recommend that the Lab consider providing a more modular structure to future support, which would allow Fellows to progress at their own speed.

Whilst the curriculum developed for the Financial Health programme provides a good overall structure, and the Lab drew in significant external expertise in the delivery of monthly sessions focused on the different elements of this, each of the elements contained within the curriculum could be significantly expanded, and modules developed for people with different levels of

knowledge and skills, from beginners to experts. This would ensure that sessions<sup>14</sup> were of specific interest, and at the right level or 'grade', for participants.

Adopting a modular structure to future support programmes may also help the Lab engage a wider layer of potential innovators. Whilst recruitment to a specific theme has the advantages noted above, ongoing engagement and recruitment activities based on its overall ambitions, rather than on a specific theme, would enable it to create a larger pool of innovators and to build further Communities of Practice around common themes or challenges that both they and the Lab are interested in addressing.

In taking forwards these recommendations, the Lab will need to consider which modules to provide itself as well as what is available, or could be leveraged, from other sources. The delivery of the Financial Health Fellowship— which drew upon considerable external expertise on a pro bono basis – demonstrates that it is in an excellent position to do this, although it is also undoubtedly the case that additional funding will be required to develop a larger, modular, and graded, programme moving forwards.

The qualitative interviews with Fellows indicate that the Lab's radicalism, commitment, and expertise in helping them to embed social purpose into their business ideas and organisational cultures had in many cases made a profound difference to the development of projects. We consider that the Lab should continue to directly provide this input into future programmes as a result.

In relation to other aspects (for example, developing branding and marketing strategies; product testing and evaluation methods; meeting regulatory requirements, and obtaining investment) the Lab needs to continue its approach of leveraging external expertise, and should adopt a greater co-ordination and potentially a commissioning role in this respect. This would require it to assess what is currently available, and whether or not the provision can be accessed by innovators; review content, and work with relevant partners to commission events of relevance to its growing pool of Fellows, or, where appropriate, refer innovators onto other support programmes which can take them to the next stage of their development.

## FROM BUSINESS MENTORING TO COACHING

A more flexible, modular approach, to support would also involve a move from business mentoring to coaching. Due to the changing nature of some of the projects over the course of the programme the initial pairing with business mentors no longer matched the priorities that some of the Fellows had, and the source of expertise needed to change to reflect this.

As a result, we recommend that instead of pairing innovators to a particular mentor over the lifetime of a programme, a more flexible approach should be adopted whereby coaching

---

<sup>14</sup> Whether delivered in person or in the form of Webinars or other formats.

expertise on specific issues and priorities is bought in from members of the Lab's network at the time that is right for the innovators. A clear, time-limited, remit for the coaching on a specific project or skills development issue could then be agreed and, subject to funding being available for this purpose, purchased by the Lab on behalf of innovators with the outcomes from these arrangements monitored and assessed from both sides. Whilst the move to this model would need additional funding, it should be possible for the Lab to develop a strong business case for this based on the greater clarity of outcomes that it would provide.

## SUSTAINING MUTUAL SUPPORT WITHIN MORE FLEXIBLE AND MODULAR SUPPORT

Whilst we believe that a move to a modular, and graded, approach to the delivery of support, combined with the provision of structured business coaching opportunities within themed Communities of Learning would build on the Lab's current offer of support and expertise, it is important that this does not result in the loss of mutual support and collaboration that both the 2016 and 2017 Fellowship programmes have engendered.

The 'action learning' elements of the Financial Health Fellowship programme were particularly successful, and it is notable that this mutual support has been sustained beyond the duration of the programme itself. The 2017 Fellowship continue to network regularly and provide support to each other – having created a social media group for this purpose – and Alumni have expressed a desire to offer support to newer Fellows. In our view the Lab should therefore continue to provide 'cross-cutting' events to facilitate contact between newer innovators and those with greater experience.

## DEVELOPING A 'CO-DESIGN' CENTRE OF EXCELLENCE

In our view, the Lab – together with a range of community based partners including Toynbee Hall - has an opportunity to radically impact the design of future financial products and services by bringing innovators together with target end user communities, and developing itself as a 'Centre of Excellence' in this respect.

A strategy for the development of this work, together with a clear business proposal for funders – including both public, private and third sector interests – needs to be developed.

The overarching elements of this need to include:

-  Bringing innovators together with their target user groups at as early a stage in the development of ideas as possible. The Lab could provide a matching service between innovators and target end user communities, and support this engagement in practice – ensuring that this is empowering for the end user communities that are involved.

- ▣ Supporting ongoing engagement, so that products and services have been thoroughly trialled and tested before pitches for larger-scale investment are made. Agencies working with target groups and communities, as well as the individuals within these, will often need additional resourcing and support to engage consistently over extended periods, and funders need to consider how this can be achieved. The Lab could facilitate both customer trials and research and evaluation of existing products, and make recommendations for funding to be directed to support these activities;
- ▣ Tracking and reporting on the lessons learned. The Lab could evaluate what works, and publish best practice guides for the future co-design of financial services innovation. The Lab and Toynbee Hall's forthcoming Practice Guide is a good starting point in this respect;

## SUPPORTING PURPOSE-LED INNOVATION REQUIRES FUNDING

In order to take act on these recommendations, the Lab will require considerable additional investment. The Lab currently only works with a small segment of the potential market, and despite the excellent support that it offers, the pace at which new innovations are being developed and brought to market remains frustratingly slow. There are a number of reasons for this:

- ▣ Many new innovators are unlikely to have the resources to focus on their project ideas on a full-time basis, and have to develop their business propositions whilst simultaneously holding down other employment. This reinforces inequalities in terms of the types of innovators able to realise their ambitions; and
- ▣ There is a lack of funding to meet the development costs of projects: including legal fees and other work to obtain regulatory permissions; customer trials, and robust evaluations of new products and services.

The capacity of the Lab to provide support to new innovators is itself extremely limited. Recruiting a larger pool of innovators; delivering modular, graded, support; building in coaching; and facilitating larger Communities of Practice with greater levels of end-user engagement, whilst also informing wider policy discussions would create a major challenge given its current level of resourcing.

Whilst some of the problems facing innovators can be mitigated through non-financial measures (such as by reducing regulatory barriers, including the minimum capital requirements

that are needed to obtain FCA authorisation) ultimately both more and better co-ordinated funding is needed to support the level of innovation that the Lab, and many stakeholders, wish to see.

To address this funders should consider developing a blended fund – part grant and part investment – to support future financial health innovation. This would ensure that potential innovators with lived experience of financial difficulties have an opportunity to participate in this area, and, if their business propositions are viable, can be assisted to get to scale.

Without this type of support there is a risk that the only innovations getting to scale are those developed by people with independent financial means and/or those who already have access to capital. To address this problem, the Lab should consider establishing an investor and funder Community of Practice and convening early discussions to map out what support is currently available and address any identified gaps.

# APPENDIX I: THE FELLOWS AND THEIR PROJECTS

## AELM – MAYSAM RIZVI

**Aelm** is a consultancy and technology hybrid that uses big data and AI to improve business processes, benefit people's lives and support the wider community. Its products include a data-driven tool to improve personal financial wellbeing (called Elifinity) and a new approach to regulatory reporting and analysis.

**Maysam** is Managing Director at Aelm. He has two decades' experience in banking, including at National Bank of Dubai and JP Morgan, and as Vice President at United Overseas Bank, where he saw first-hand the impact of the financial crisis on the citizens of Iceland.

## CHIP IN – AUDREY GIROUD

**Chip In** is a money app that makes saving engaging through the use of gamification, including collective goals and competitions, leveraging behavioural economics for improved financial habits. Now live as a beta, Chip In is looking to partner with financial institutions and financial health organisations to reach more users.

**Audrey** has worked in both large corporations and an early stage finance startup, which she helped grow to a very successful company. She has now taken on the challenge of helping low income households and young people build up their savings.

## CREATING LIFE CHANCES – AKILAH CORRIE AND MOESTAK HUSSEIN

**Creating Life Chances CIC**, based in Bristol, works to tackle social and economic inequalities. Through creative financial education workshops in schools, new literature and games, Akilah and Moestak aim to boost children's confidence with money and inspire an entrepreneurial spirit in marginalised communities.

**Akilah** has a BA (Hons) in Community Development with a Youth Work Specialism. She has worked within a variety of community settings, including managing a day care centre for the elderly and coordinating numerous summer schools.

**Moestak** has a passion for social justice, activism and working towards a safe and sustainable environment, locally and globally. She has extensive experience in grassroots community development and has worked as a researcher in collaboration with universities and diverse communities.

## STORKCARD – ANDRES KORIN

**StorkCard** is a low-interest, short-term credit card that helps parents manage the financial shock of having a new child. StorkCard gives families the flexibility to borrow what they need when they need it, but also offers them the certainty that their total borrowings will be capped at an amount they can afford.

**Andres** is a finance professional with nearly 14 years' experience in investment banking, risk management and international development, including more than two years working as a microfinance specialist in the Dominican Republic.

## GREATER LONDON MUTUAL – FIONN TRAVERS-SMITH

**Greater London Mutual** is a new community benefit bank for London businesses, individuals, and the financially underserved.

**Fionn** is a consultant, campaigner, and researcher working with the New Economics Foundation, Positive Money, and the RSA on local banking and financial reform in the UK. Previously Fionn managed the Move Your Money campaign, where he was a leading voice in the movement for a more democratic, sustainable, and just financial system.

## HARMONEY – NICK LEE

**Harmony** is a not-for-profit organisation working to help people find a balanced and healthy approach to their money. Initially offering debt advice to people struggling with unmanageable debt, Harmony will also develop a Money Management Account, making it easier to budget, manage bills and debts, and save.

*Nick* has extensive experience in money advice including leading two Citizens Advice Bureaux, has been director of three credit unions, and run a microfinance project. He has tutored in Professionalism, Ethics and Regulation at the Chartered Banker Institute, and has previously taught personal finance at the Open University.

## MY CITY MY POUND – KURTIS WRIGHT

**My City My Pound** is a payment initiation service provider and app that brings together the benefits of a local currency scheme with a digital platform. My City My Pound offers more affordable payment services to businesses and more engaging and responsible payment experiences for consumers.

**Kurtis** is a former banker with 14 years' experience in the banking and the financial services sector. My City My Pound is his first venture, following 12 months researching financial health challenges for business owners and the general public in Sheffield.

## ST LUKE'S HUB – SAM BEDFORD AND LAURA MCCULLAGH

Sam and Laura work at **St Luke's**, a community hub improving the financial resilience and wellbeing of local residents in Kennington, London. It is one of seven services run by West London Mission, a charity empowering people affected by homelessness, poverty and trauma.

Sam and Laura are developing a new model of affordable housing that tackles the housing crisis and provides sustainable funding for valued community services. They propose an aspirational community space providing genuinely affordable accommodation, a home to local enterprise and opportunities for learning and support. Everyone involved would play a valued role in helping to shape the space, improving their own situations and those of others.

**Sam** has been working in community development since 2010, in a mix of housing associations and charities, where his work has focussed on building partnerships that deliver services that meet the needs of local communities. He currently manages the residential accommodation and venue space at St Luke's Hub.

**Laura** has over ten years' experience working with people who are vulnerable or facing exclusion. She currently manages the WLM Money Champions project from St Luke's Hub in Kennington and has recently completed an MSc in Social Psychology.

## BLOX – ALI BLACKWELL, SAM GRAINGE AND PETE SACH

**Blox** – the social network for buildings – enables tenants to save and communities to flourish.

Using the collective bargaining power of groups, Blox enables substantial savings to the individual whilst enhancing their participation in strengthened local communities. Blox realises and captures the net worth of tenants, for tenants.

Blox envisages a future where communities know and value their neighbours, renters are valued equally to homeowners, and everyone can grow and profit together.

**Ali** cofounded Decoded and is former CTO of blockchain-startup Everledger. Ali sat on the London Fairness Commission and has worked extensively with Citizens UK, the UK's largest network of community organisers.

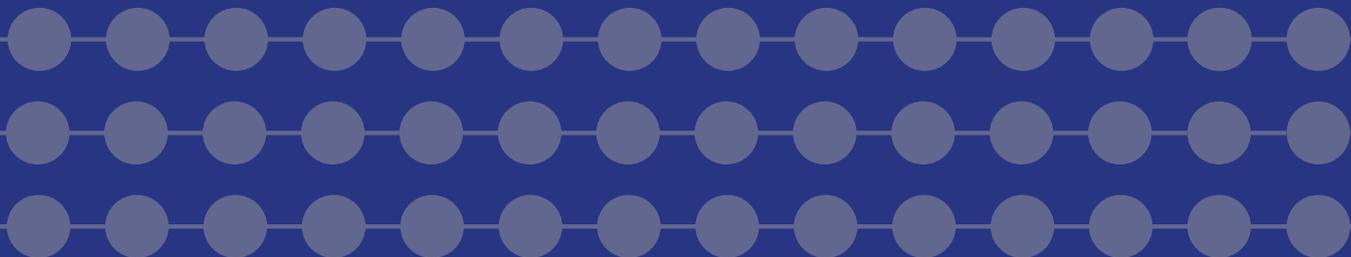
**Sam** is Lead Architect for the UK's biggest property startup, LocatED. Sam has professional and academic experience centred on the design and planning of affordable and mixed-tenure residential development.

**Pete** is an academic and thought-leader on the night-time economy. Pete is currently researching Urban Policy at University College London and has previously worked in social enterprise and community engagement in the UK and internationally.

# APPENDIX 2: STRUCTURE OF THE FINANCIAL HEALTH FELLOWSHIP PROGRAMME

<b>Session</b>
<p><b>4 May: Launch event</b> Formal event to launch the programme and introduce Fellows to a community of interest and support.</p>
<p><b>18-19 May: Diagnosis and Induction</b> In-depth discussions with Fellowship team to identify Fellows' key learning needs.</p>
<p><b>May-October: Business Strategy Sessions</b> (25 May, 15 June, 20 July, 17 August, 14 September, 12 October) Monthly, day-long sessions, each including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Business skills workshops with external speakers (the following topics were covered over the course of the programme: Purpose, Business Model, Culture, Brand, Collaboration, Investment)</li> <li><input type="checkbox"/> Peer coaching</li> <li><input type="checkbox"/> Community expertise (end-user feedback on the Fellows' products and business strategy)</li> <li><input type="checkbox"/> Specialist workshops with external speakers to build understanding of financial health and the wider social, economic, political and regulatory context</li> </ul>
<p><b>June-December: Business mentor</b> Advice and support from an experienced mentor; matched to Fellows' needs</p>
<p><b>22 June: Pitch practice #1</b> Informal business concept pitches to small groups of Lab friends and mentors, followed by feedback.</p>
<p><b>14-16 July: Leadership retreat #1</b> Residential retreat, with external speakers, to develop Fellows' Collaborative Leadership.</p>
<p><b>8-10 September: Leadership retreat #2</b> Residential retreat, with external speakers, focused on communications skills (including story telling and pitching).</p>
<p><b>16/18 October: Pitching Coaching</b> One-to-one pitching support with an external speaker.</p>
<p><b>26 October: Pitch practice #1</b> Pitching event with a select group of Lab friends and mentors, followed by feedback.</p>
<p><b>16 November: Demo day</b> Fellows had the opportunity to pitch for support needed – ranging from investment and clients, to board members and advice – to over 100 influentials working in banking and fintech, policy making and civil society.</p>
<p><b>Policy roundtables (2018)</b> Participative workshops with key policymakers and thought leaders to address key financial health policy issues (8 February: Open Banking and Financial Health &amp; 15 February: Ethical Use of AI in Finance)</p>





[www.responsible-credit.org.uk](http://www.responsible-credit.org.uk)

Design and layout: [origin8creative.co.uk](http://origin8creative.co.uk)