



BANK OF ENGLAND

# News release

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## **Bank of England FinTech Accelerator: latest proofs of concept announced; and results so far reviewed**

In remarks made to Fintech firms in Cambridge today, Andrew Hauser, Executive Director for Banking, Payments and Financial Resilience, reflected on the work of the Bank of England's (the Bank) FinTech Accelerator (the Accelerator) since its launch in June 2016.

Andrew also announced the firms the Accelerator would be working with in the latest cohort of proofs of concept (PoCs):

- **Chain:** This is the latest in a sequence of distributed ledger technology (DLT) PoCs, and is focused on a key tradeoff in DLT design: ie the extent to which DLT based systems can be configured to enable privacy amongst participants, whilst keeping data on a shared ledger.
- **NTT DATA and Reportix:** This PoC will explore ways of storing, organising and combining the Bank's regulatory and analytical data in a more flexible or 'multi-dimensional' way based on the XBRL standard, rather than the current 'form-centric' (or tabular) format. Adjusting the storage of data in this way would allow the Bank to make broader connections between the data sets used in its economic and financial stability analysis, help analyse and visualise trends in new and innovative ways, and make it faster and easier to implement new XBRL-based taxonomies in the future, without having to reformat all of the Bank's databases.
- **MindBridge™ Analytics Inc:** This firm was part of a previous PoC cohort, using data science and machine learning techniques to detect anomalies in anonymised regulatory data. This second phase aims to expand those findings to larger and more diverse data, including on market transactions, and a broader range of classification and machine learning algorithms.
- **Digital Reasoning:** This PoC will examine the extent to which analysis of large quantities of weakly-structured textual data on regulated firms available from multiple public data sources can yield insights on intent and sentiment. The PoC will look at whether those insights are capable of

complementing analysis of more formal data reporting to assist the Bank's regulatory and supervisory teams in their work.

Commenting on the work of the Accelerator since its launch in June 2016, Andrew said:

"The work undertaken by the Accelerator has been of significant value, both for the Bank and, we believe, for the broader FinTech community.

We had two objectives in mind when we began. First, to improve our familiarity with FinTech products, concepts and firms: their strengths and weaknesses, their implications for financial markets, and their potential applications in central bank operations. And, second, to give FinTech firms some insight into the emerging questions and needs central banks might have, as policymakers, regulators and operators.'

Since its launch in 2016 200 firms have applied to work with the Accelerator, and with the latest projects announced today, 13 PoCs will have been completed in a year and a half. Those PoCs have focused on four main technologies particularly relevant to central banks: (DLT), large-scale data storage and analysis, machine learning and cyber security.

Andrew reflected on what the Bank has learned through these PoCs:

"Our work on DLT has helped us start to think through how the financial networks of the future may be able to operate in safer and more efficient ways ... Our work on data analysis has thrown light on how we can manage ever larger data sets to monitor the economy and the financial system in real time and draw out patterns that might help us set better policy or spot the next crisis coming before it happens. And our work on machine learning has helped us take the first baby steps towards engaging with that data in a more interactive way, putting computers alongside our staff to help them form the judgments on which monetary and financial stability depend."

Andrew concluded by summarising the benefits of the work of the Accelerator to both the Bank and the firms it has worked with:

"Through the Accelerator and the Bank's broader Fintech work, we have made valuable connections with important parts of the financial and technology sector beyond the regulatory perimeter – relationships that could matter greatly in the years to come.

And those engagements with FinTech firms have also exposed central bankers to some very different ways of working and thinking: more agile, more willing to experiment, less bound by convention.

The firms we have worked with have also valued the experience, giving them insights on the wider application of their technologies, and the needs and thought patterns of regulators and policymakers...and our work has in turn been part of the broader effort by the UK authorities to support and guide the sector. It is great to be able to continue that conversation here today in Cambridge, one of the centres of FinTech outside London.”

ENDS

#### **Notes to editors**

1. A full copy of Andrew Hauser’s speech can be found on the Bank’s [website](#).
2. The Bank’s FinTech Accelerator works in partnership with firms working with new technology to explore how FinTech innovations could be used in central banking. This helps to improve the Bank’s understanding of FinTech trends, and also allows the Bank to support development of the sector. In return, firms are offered a chance to demonstrate their solutions for real issues, gain knowledge from Bank experts and a valuable client reference.
3. More information about the Bank’s FinTech Accelerator can be found on the [Bank’s website](#).