



DIGIMASS Limited is a limited liability company limited by guarantee.
Registered at 22 Crest Close, Stretton, Burton upon Trent, DE13 0GW.
The company is registered in England and Wales, Registration Number 12073514

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Introduction

Digital Money Advice Services and Solutions – DIGIMASS is a membership group founded to progress further new and emerging technologies that enable consumers to manage their money through digital applications, and which are accessed through a consumer's smart phone or laptop.

This is supported by the evolving 'open banking' technology initially initiated and introduced through Open Banking Ltd. Open Banking Limited is the operational name of the Open Banking Implementation Entity, which was created under the supervision and direction of the UK's Competition and Markets Authority as part of the delivery of the technological remedies to improve competition in Banking, following the introduction of the Retail Banking Market Investigation Order 2017 published on the 2nd of February 2017.

The ultimate goal of open banking is to transfer ownership and management of consumer's account information from the banks to the customer. It lets people securely share their own transaction data with other banks and permitted third party providers (TPPs). These TPPs can then offer consumers access to new products and services, which as part of the consumer-product suitability matching, has used the consumers bank transaction data.

The primary objective of DIGIMASS is to support the free money advice sector in both its understanding of open banking and how this can be further developed to support the financially challenged and vulnerable consumer population across the UK.

It is certain that digital applications will be used by a certain profile of consumers and will add an efficient and effective "tool" that can further support the free money advice sector. It cannot be applied to the entire population of consumers who require help; however, it is now accepted that larger numbers of people are turning to both the web and technology applications to support their lifestyle.

The founders of DIGIMASS are aware of developments within different elements of the debt sector but these are 'silo' developments with no single co-ordinating body cross referencing for the benefit of the consumer or the free advice sector. The Founders intend to use their extensive knowledge of open banking, debt management and debt advice to address this issue.

A cornerstone for assisting consumers with their debt has always been to gather information to assess income and expenditure. In years gone by, the consumer would provide detailed evidence of their bank accounts together with evidenced costs of expenditure. As we have evolved into a faster paced environment focusing on telephony and web-based applications, the consumer has moved to estimating and rounding of figures, which brings in many cases levels of inaccuracy in relation to their financial position. This brings the risk that the wrong assessment and wrong solutions may be presented to the consumer, which may in turn cause consumer detriment and mismanagement of their situation.

Some digital solutions are already being made available but are not well known to advisers, in some cases have not been appropriately tested or have yet to be developed to meet the specific needs of consumers who struggle to manage their finances or who are already facing serious levels of indebtedness.

The time and cost savings that can be made through transition to digital methodologies are dramatic. For example, there are already apps that provide virtually instant income and expenditure analysis, allow pre-set budgets to be created and monitored by category, collate credit and debit balances across all a customer's accounts and data can be downloaded if needed as well as updated in real time.

To support the free sector, DIGIMASS will develop and deliver a co-ordinated approach across the sector, resulting in the establishment of a fully inclusive digital application tool that will incorporate every aspect of an individual's financial circumstances and interface with all those businesses / institutions / government bodies that both draw upon and contribute to that individuals particular circumstances. For this to be feasible DIGIMASS will not only have to undertake training and development for advisers but also bring about the development of appropriate APIs and Standards for non-financial contributors.

In parallel DIGIMASS intends to help bring about the production and adoption of appropriate debt management applications that will enhance the education of all consumers from secondary school age upwards in respect of budgeting, cashflow management, financial decision making and consumer credit. This particular objective has been a cornerstone of government policy that pre-dates the consumer credit boom, but which has always been a predominantly unfulfilled aspiration. The Founders are advocates of progressing from debt management to debt prevention and education is a cornerstone of that progression.

Critical issue that DIGIMASS will address

Since the 1971 Crowther report the UK has faced an ever-increasing social challenge in dealing with indebtedness. The report, which provided the blueprint for the Consumer Credit Act 1974 believed that consumer credit would work in tandem with a supportive welfare state and thus minimise the impact of high cost credit on poorer individuals. It recommended education and counselling for those sections of society who decided to borrow.

Concurrently, millions of working individuals were moved towards cashless pay, current bank accounts and electronic payments.

Whilst borrowing became the norm, education and counselling fell by the wayside and, despite the best efforts of government, regulators and, latterly, lenders little has changed in the last 45 years when it comes to empowering consumers to better understand or manage their finances.

The impact of the credit booms of the eighties and the noughties is well documented. Whilst numbers may go up and down month by month over-indebtedness in UK households is once again a growing problem. Following the financial crisis of 2008, households started repaying their unsecured debt, reducing their borrowing by circa 25%, between 2008 and 2012 [excluding student borrowing].

However, since then, household debt and problem debt has steadily grown back to levels close to pre-crisis. The deficit in UK households was equivalent to 1.2% of GDP in 2017 contrasted with a surplus in France equivalent to 2.7% of the GDP and a surplus equivalent to 5.1% of the GDP in Germany.

Debt composition is shifting towards priority expenditure as evidenced by the increase in percentage of people with priority arrears [housing costs, Council Tax and utilities]. Arrears are up and incomes are not keeping pace with rising prices.

In the UK it is estimated that 11% of people with problem debt are due to lack of budgeting [lack of financial literacy?].

Over 8m people in the UK [that is, 1 in 6 individuals], have a problem of over-indebtedness and the proportion of people reporting debt problems related to public sector organisations doubled from 21% to 40% in the past five years.

No matter how the numbers are interpreted the conclusion is always the same. The Free Advice Sector is expected to carry the burden of support and is still the primary provider of support services across the UK.

All of the current providers face the same challenges: Increasing demand on resource, increasing levels of case complexity, increasing pressures on operational costs and substantive demands for better data collection/management coupled with the need to educate and promote behavioural change across a disparate and desperate consumer population.

Current and future innovations brought about through open banking can not only alleviate current pressures for the entire debt advice sector but also deliver better solutions. However, there is a limited understanding of what open banking can actually offer, a high level of concern over data security, a grass roots level of distrust with anything to do with 'banking' and a lack of co-ordinated resolve to deliver the benefits even currently available. Hence DIGIMASS.

Key elements of DIGIMASS

- ❖ Focusing on the role that open banking technology can play in facilitating genuinely holistic digital money advice solution services (DIGIMASS) throughout the UK.
- ❖ Quantifying and qualifying the opportunities that the provision of open banking ecosystem creates for developing centralised "community of interest" forums and orchestrating the critical facilitation and coordination role that DIGIMASS can play.
- ❖ Establishing and developing the alignment of open banking deliverables with DIGIMASS, including relevant aspects of Corporate social responsibility across the entire debt ecosystem and the urgent consequential need for providing free cost-effective support to consumers.
- ❖ Bring about the realisation of the concurrent opportunity for the technology infrastructure to be financially supported by voluntary contribution from all commercial and state 'contributors' to consumer indebtedness, thus providing an ecosystem that not only supports consumers by facilitating an open marketplace for financial services but also delivers consumers the opportunity for DIGIMASS to, in-turn subsequently facilitate both financial education and personal behavioural support.
- ❖ Facilitate and co-ordinate the production and implementation of appropriate API's for all participants required to fulfil a fully holistic digital money advice solution.
- ❖ Deliver, at cost or free of charge, supportive consultancy services as and when needed to any organisation involved or planning to be involved in the delivery of digital debt advice.
- ❖ Fulfil the existing and emerging societal needs by creating a single, centralised body (under the governance and management of DIGIMASS) that embraces all of the individual elements defined in this document with the open banking ecosystem, which will help provide the critical digital infrastructure across all elements including:
 - financial,
 - telecoms,
 - utilities,
 - mail order,
 - digital TV,
 - local and national government departments.

Our Target Audience

At this stage listing all potential members would be counter-productive. However, across the sector these will include:

- All Free Advice Sector organisations
- All relevant Government departments such as DWP and Inland Revenue
- All Utility operators across water, energy and telecoms and/or their Trade organisations
- All suppliers who may have card, credit or current account relationships with consumers and/or their Trade organisations
- Local councils
- Pension companies

DIGIMASS Goals

- ✓ Provide advice and guidance on digital applications that use open banking for delivery of debt resolution services.
- ✓ Develop, widen and enhance contributory organisational entities that interact with individual consumers.
- ✓ Provide development and training for professional debt advisers on the features, advantages and benefits of open banking and related digital applications across the Free money advice sector.
- ✓ Provide development and training for other professional debt advisers on the features, advantages and benefits of open banking and related digital applications
- ✓ Produce and deliver on-line educational materials for a wide range of digital users primarily aged between 15 to 75.

Mission Statement

The mission statement is defined and developed as follows:

To create a consumer-centric all-embracing free digital money advice service(s) and solution(s) to every consumer-in-need by 2023 – using open banking technology as the ecosystem backbone

In the process of fulfilling this mission, we will remain cognisant of:

- The state of UK Consumer Debt across all sectors
- The role of the Free Advice Sector
- The increasing challenges on all organisation of applying sound ethical decision-making, (including aspects of Corporate social responsibility in practice) across a wide range of customer servicing sectors.

The specific roles of Commercial and Government Entities experiencing and/or addressing consumer debt challenges including but not limited to:

- All Utility Suppliers (Water, Gas, Electric, Telecoms, Internet/Digital TV)
- All Lenders, Credit Cards Companies and any other credit provider
- Landlords
- Mail order companies
- Local/Central Government
- Debt Collectors, Debt Purchasers, Debt Managers/Advisers, IVA and Insolvency PR actioners
- Trade Associations and other representative bodies
- Existing Digital Advice Initiatives and related OB Innovation

In the process of fulfilling this mission, we will additionally:

- ✓ Deliver a high quality and augmented knowledge base which will be provided as a service to both members and non-members. Few (if any) firms will have the collective knowledge that the DIGIMASS team possess.
- ✓ Promote broader awareness and understanding of Ethical Decision Making and Corporate Social Responsibility.

As an output of these activities, DIGIMASS will impact the marketplace in some or all of the following ways:

In respect of any members operating model, achieve:

- significant improved efficiencies in the management and assessment of customer and other relevant data a reduction in physical overheads
- a more focused monitoring and assurance framework(s)
- faster management information flows

In respect of customer servicing, provide

- significant improvements in the delivery of appropriate customer solutions (including fast reassessment when circumstances change)
- reduced time delays between customer assessment and the delivery of appropriate solutions
- improved automation capability to deal with complex cases where more “what if” scenarios may need to be considered and evaluated

In respect of reputational risk, demonstrate

- how leading-edge technology, supported by human touch where appropriate, improves customer experience and flexibility to deal with life changing events without fuss
- how improved quality of data ensures that clearly defined arrangements to facilitate the achievement of good customer outcomes are supported by robust records, all essential to deliver and demonstrate how high standards have been maintained both from a regulatory and ‘fair treatment’ perspective
- that the delivery of solutions that integrate seamlessly with the organisations operational and control environments, ensure that the right resources are in place to maintain high business standards

In respect of financial controls, demonstrate

- that improved oversight of key risks can be greatly enhanced
- that improved clarity of Policy content and documentation can be digitally enhanced
- how clearly mapped processes are aligned to Policies
- the potential for improved monitoring and quality assurance
- how improved communication capability to track assurance effectiveness and follow through on any remediation matters can positively benefit the organisation either in terms of cost reduction, greater contribution or financial reconciliation

Incorporation of DIGIMASS Limited

DIGIMASS: Company Number 12073514

DIGIMASS was incorporated on the 27th June 2019 under the Companies Act 2006 as a private company that is limited by guarantee, and the situation of its registered office is in England and Wales.

The company is made up of three members, which have a combined sector experience of over 60 at Senior, Executive and Board level.

DIGIMASS - Governance

The following table outlines the governance and management structure:

Member name	Director	PSC Over 25% up to (including) 50%	Title
Jan Mosiewicz	YES	YES	Chief Executive Officer
Sandra Parry	YES	YES	Chief Operating Officer
Donald Davies	YES	YES	Governance & Regulatory Affairs

DIGIMASS - As a not-for-profit organisation

DIGIMASS has been formed to help bring together communities of interest to help in developing the technological developments which may improve the lives of those dealing with the challenges of managing indebtedness.

DIGIMASS derives its income from a variety of participants collaborating in these developments:

- Direct patrons
- Donations
- Fee payments for DIGIMASS hosted events, e.g. community of interest sessions
- Business contributors, funding for direct technology developments and other artefacts that are under the control of DIGIMASS.

*None of the income sources will be by way of loans, either from individuals or organisations, other than initial funding by the founding members to cover **initial** administrative costs.*

DIGIMASS – “Community of interest” programmes

The range of programmes that will be considered and delivered will be managed by the company, working closely and collaboratively with key stakeholder organisations and other relevant external groups and communities.

The company's principal activity will be to facilitate and coordinate resources and expertise to help bring about, through community of interest forums, the delivery of technological change to meet relevant consumer needs of the digital money advice solution services required (to support consumers).

Key Bios of DIGIMASS Governing and Management team

Jan Mosiewicz

A successful business leader and consultant within the Finance sector with a 20+-year track record as an Executive Board Member. Has fulfilled roles as Business Development Director, HR Director, CEO, Chairman and NED, particularly within the debt management sector.

Areas of expertise include late collections/debt recovery for both secured and unsecured market sectors. Debt purchase. Regulation compliant methodologies for application across the Consumer Debt Recovery marketplace. Specialised communication methodologies to bring about better human interaction and behaviour modification. Open Banking end user applications.

Substantive experience of the Free Advice sector and a pioneer in fair debt collection practices, vulnerable customer consideration and collaborative working concepts.

Sandra Parry

A pro-active and dynamic self-starter with over 20 years' experience in business and organisational transformation within the Financial Services sector including Open Banking. Has successfully delivered multimillion £ programmes incorporating both business process and IT change and is experienced in understanding and interpreting Executive Vision.

Specialist areas include, arrears management incorporating collections, debt recovery and litigation practises, customer account remediation and customer vulnerability programmes.

Extensive experience of Business case evaluation, process re-engineering, business implementation of new system platforms. Personally instrumental in both driving and shaping some key areas in the Financial Services industry that have led to current industry groups being founded which include CIFAS, CCUA and the County Court Bulk Centre. In addition, supported the creation of CCCS which is now better known as the debt charity StepChange.

Donald Davies

A highly experienced and qualified Regulatory Consultant specialising in FCA Regulation, with over 25 years' experience at senior level within the Financial Services sector including Open Banking. Well versed in Regulator-agenda led change management as well as Corporate Governance and Organisational Control Systems.

Specific areas of expertise also include FCA Handbook/PRA rules, conduct and individual accountability, the Senior Managers and Certification Regime, Board-level Statutory Responsibilities and European regulatory directives.

A Chartered Fellow of the Chartered Management Institute with a PGDip in Business Administration. In addition, he holds Membership of numerous other professional bodies including The London Institute of Banking and Finance where in 2017 he successfully completed the Institute's 5PCE Professionalism, Conduct and Ethics qualification.