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## **Recognise becomes one of the first SME-focused banks to launch since Covid-19 pandemic began**

- **Follows successful fundraise of £27m in October 2020**
- **Lending activity (unregulated) to commence immediately**
- **Retail and business savings products also planned for H1 2021**

Recognise Financial Services Ltd, a new SME bank for the UK, announced today that it had been granted regulatory approval ('Authorisation with Restriction') to become Recognise Bank. It is one of the first SME-focused banks to receive authorisation since the Covid-19 pandemic began and will now begin selective lending, on an unregulated basis, before gearing up to full operational activity in H1 2021.

A subsidiary of AIM-listed City of London Group plc, Recognise's founding ethos – and the reason for the bank's name – is to focus on the SME community that has been so overlooked and neglected by mainstream banking. It combines the latest cloud-based technology with a relationship-led approach to give clients the speed and quality of service needed to help grow their businesses. This is vital to the recovery and future prospects of the UK economy. These businesses need, and deserve, better recognition and support to help them prosper.

The experienced management team have spent almost three years planning to enter the market. With no legacy book and a distinctive 'human touch' approach to their proposition, they are confident that Recognise is well placed to build a presence in the market, which is still struggling from the impacts of the pandemic but nevertheless demonstrating resilience and optimism for the future.

**Jason Oakley, Founder & CEO of Recognise said:** "We know that 2020 has been overwhelmingly tough for SMEs. The pandemic has caused them (SMEs) numerous setbacks and could add further stress to the already existing funding gap.

"At Recognise, we bring a genuine relationship-led approach to SME banking, providing speed and flexibility and helping SMEs through these unpredictable times and beyond. Personal relationships are what set us apart; we build them on deep understanding of the SME, being readily accessible to them and building their trust. We want to be the 'private bank' for SMEs and build a reputation where customer advocacy is exceptional.

Pre-Covid, SMEs faced a funding gap of at least £22bn<sup>1</sup>. There is a danger that the funding gap may widen as the virus continues; and as the larger banks deal with their own lending portfolios they are going to be less attracted to serving new businesses or supporting existing customers with new propositions."

**Philip Jenks, Chairman of Recognise, added:** "The SME community contributes 52% of GDP [or £2.2tn] and employs 16.6m people – that's 60% of the workforce<sup>2</sup>. It is vital to the UK economy that these

businesses thrive and equally vital that UK banks regain their lending confidence and rally behind our incredible entrepreneurs.

“Many businesses with great potential have seen their growth inhibited by a lack of funding. The closure of bank branches has seen many areas lose experienced bankers who understand local businesses, the community, and the economy. Old-fashioned personal relationships, expertise and continuity of service have become victims of the shrinking branch network. We believe that SMEs deserve better. A different type of bank is needed that understands what SMEs really want, focusses on helping them with their challenges and prioritises their requirements.”

Recognise Bank will offer a relationship-led proposition which will be delivered through dedicated Relationship Managers (RMs) based in London, Midlands, Manchester, and Leeds. The Relationship Managers will meet each client and provide a responsive and personalised service. Each RM will have deep knowledge of industry sectors and a genuine appreciation for SME challenges.

RMs will initially focus on businesses within a 40-minute drive from the regional locations, meeting clients in person and building relationships from the beginning. Each new prospect will be contacted by an RM, online or in person, within 48 hours of their enquiry. They are usually members of the local community themselves, so they understand the concerns and pressures specific to the SMEs in their respective locations.

**Jason Oakley added:** “As a new entrant with no legacy book and the latest technology installed, Recognise is strongly placed to deliver on its relationship-based model. For all of us at Recognise Bank, supporting SMEs is paramount. Our model incorporates true relationship management enabled by technology and allows us to recognise our customers and support them appropriately, not through a call centre.”

Recognise Bank will initially launch Working Capital Loans, Bridging Loans and Commercial Property Loans for SMEs, commercial property owners and Professional Practices. Competitive savings products will be available to personal customers from the first quarter of next year and to businesses from the second quarter.

**-Ends-**

**Notes to editors:**

<sup>1</sup>[Bank of England, March 2020](#)

<sup>2</sup>[FSB](#)

**Jason Oakley, Chief Executive Officer**

Jason is a Lombard MBA Banker, having also won the Centenary Prize for his post graduate Financial Studies Diploma in 1991 from the Institute of Bankers. He has spent his entire 35-year career in banking and has considerable SME and commercial banking experience. At Metro Bank Plc he was Managing Director of Commercial Banking and Mortgages. Prior to this, he was Infrastructure Director for Close Premium Finance, responsible for IT, operations, and credit control functions for c.1 million loans per annum. Previously, he was Head of SME Banking at RBS and NatWest, serving over 1 million customers, supporting over 3,500 relationship managers and CEO of Hanco ATM Systems Ltd, the UK's

largest independent ATM deployer, when it was a subsidiary of RBSG. He is also the founder of Acorn to Oaks Financial Services Ltd, a ‘whole of market’ advisory business based in the West Midlands.

### **Philip Jenks, Chairman**

Philip has had a long and successful career in banking. Prior to joining Recognise in 2019, he was first an independent Non-Executive Director and then Chairman at Chartercourt FS Group and was closely involved in a successful banking licence application. After obtaining banking permissions in 2015, Phillip was involved in the launch of Charter Savings followed by a successful IPO in October 2017. Phillip’s experience also includes being a non-executive director of Leeds Building Society between 2011 and 2020, and in 2020 he became Chair of Auden Group Ltd, a ‘for profit’ Social Enterprise intent on changing the face of UK consumer finance.

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### **About Recognise Financial Services**

Recognise Financial Services Limited is currently seeking approval to change its name to Recognise Bank following successful authorisation from the Prudential Regulatory Authority

Recognise Financial Services was formed to provide financial services to the UK SME sector and the retail and business deposits market. Its purpose is to serve an SME market that has been starved of a personalised and relationship focused banking service for some time now.

Recognise has partnered with leading fintech platforms to create a market leading SME service using best in class technology that will enable it to deliver on its relationship banking model. Recognise has a strong independent Board to support an ambitious executive team that has had over 250 years’ experience of building SME banking portfolios. By 2024 Recognise aims to have 44,000 depositors and 4,500 borrowers on its books. Recognise is a subsidiary of the City of London Group.

### **About City of London Group**

City of London Group is a forward-thinking organisation focused on serving the UK SME market. It is primed for the future, is grounded with traditional values and a strength and depth of expertise.

The Group's expertise covers finance for the business sector, equity release and secured lending such as commercial, SME, bridging and asset finance as well as lending to professional firms.

The Group ensures its services are always delivered with a personal touch, so clients know that they are more than a customer and have a partner that will work with them as they look towards the future.