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Migration Advisory Committee
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7th April 2021

Dear MAC

Re: FinTech Visa

I provide this submission further to the announcement that March 2022 will see a new UK visa for Fintech professionals. If we are lucky, this will mean Red carpet treatment without the need for employer sponsorship (Skilled worker / Tier 2 visa) , or the stellar track record needed for the Global Talent visa. If we get it wrong, it could share the fate of the 'Startup' and 'Innovator' visas, launched with great fanfare, but so complex & restrictive that the numbers involved are far too small to boost the UK economy (hardly 200 people a year get the Innovator visa).

Sunak's 2021 budget is the first for 21 years to include a major immigration announcement. The last one was Gordon Brown's 2000 budget which designated IT jobs 'shortage occupations' with faster & easier work permit eligibility. Gordon Brown was responding to 3 years of lobbying by the Computing & Software Services Association, whose Director, Tony Lewis saw his recommendations cut and pasted into the Work Permit policy released on budget day. Within weeks, the dot com bubble had burst, and the tech sector entered a downturn (in those days 7% growth counted as a downturn, as we had become used to growth nearer 20%pa). In 2001 UK contractors started lobbying to have IT removed from the 'shortage occupation' list. Three years later, in 2004, just as IT growth was getting back into its stride, and IT skills were actually back in shortage, they were removed from the 'shortage occupation' list. This cycle is etched on my memory, as I was working with Tony Lewis, and co-wrote some of the policy that Gordon Brown kindly cut and pasted into the rules.

When Chancellors get involved in immigration policy, they are usually well intentioned. Yes, they want headlines. But, unlike the tightrope walked by Home Secretaries who often feel the need to balance economic benefits (and humanitarian obligations) with a perceived need to be seen as 'tough' on immigration, the Treasury has a simpler remit: find what works for the economy (GDP per capita). With the economy in general as the priority, and a thriving FinTech sector as a means to that end, what can, and what should, the Chancellor do when designing his FinTech visa?

I begin with the ancient wisdom of the medical profession: 'first do no harm'. The main potential for harm with a new visa, likely comes in one (or more) of three guises:

EITHER: Putting off the talent we need & making the UK a less attractive destination (attraction being subjective and capable of being driven by perceptions and anecdote as well as objective facts)

OR: Bringing in people who damage the UK

OR: Undermining confidence in the system. This undermining may be well founded (if the good done by those we rightly want to attract is outweighed by the harm done by others (likely a small minority) of those brought in), or may be driven by misperception (fake news, or unrepresentative anecdotes), or may be due to real instances of problems having greater impact on perception than the far more numerous unglamorous, unreported, positive actions and overall economic impact.

Instances of people who damage the UK are usually independent of the design of their visa type. Any predictability (and, as with domestic murderers etc, in some cases there will be none) is an issue for background screening rather than the qualifications / experience they have in FinTech. Such cases tend to be very rare among skilled migrants and I will not explore this issue further, unless the Migration Advisory Committee launches a specific call for evidence on this front.

As for undermining confidence in the system, some will argue that large numbers by themselves do this. I am unconvinced. Doctors and Nurses coming from overseas are not seen as a threat, but as a valuable addition to the UK, such that we would want even more but for concerns about denuding their home countries of medics. An almost exclusively graduate-level (masters level in many cases) cohort of FinTech professionals, earning more than the average wage, often considerably more, is a prospect that even the Daily Mail would find it difficult to see as threatening (which is not to say that a hack, short of any sensational real news, and facing a deadline / the pressure for clickbait, will never resort to an inflammatory headline). My assumption is that if we attracted tens of thousands of bright expat STEM graduates working in FinTech, it would be good for the UK and would be perceived as positive (or at least not negative). But that confidence in the system could be undermined if the bar was seen as being set unreasonably low: a third class degree and a 2 week internship in FinTech does not warrant red carpet treatment

The other area of risk is Putting off the talent we need & making the UK a less attractive destination. The USA has an 'Aliens of Exceptional Ability' visa whose guidance lists having won an Oscar, or a Nobel prize, as examples of the achievements that would qualify. The practical effect is not to make Nobel prize winners line up to go to the USA, but rather to tell everyone else "mere mortals need not apply". If the FinTech visa does not set the bar noticeably lower than the existing UK Global Talent visa, it could discourage, rather than encourage, the applicants we seek and need.

A successful FinTech visa has to fit into the band between ‘So junior that the visa is discredited’, and ‘So senior that it is counterproductive / irrelevant’.

As FinTech is a relatively new sector & growing fast, we don't have the option of requiring eg 5 years industry experience. PayPal is 20 years old, but much of the FinTech sector is new, and a talent pool of those who have been in FinTech since 2016 is too small for our needs. We need a way to denote ability without relying on seniority. The over-used term ‘points based system’ is probably the right one in this case. There need to be various routes to qualifying, with strengths/points in one area being able to offset lack in other areas [unlike the faux points based system that existed with Tier 2, which was a tick box system without any trade-ability between points scoring areas].

Areas that could be awarded points include

- Work experience in a qualifying role in a FinTech business (or on a FinTech project for a consultancy or within an established business starting FinTech operations)
- Work experience in a relevant field (Crypto, security, etc) gained in a non FinTech business
- Undergraduate Degree in a STEM subject (possibly giving points linked to the class of degree, and/or giving more points for degrees from the World's top 10/20/50 universities)
- Masters Degree in a relevant subject
- PhD / DPhil in any subject (these people are not numerous, and likely to be bright, even if their thesis is not directly about FinTech).
- Job offer to join a UK fintech business in a qualifying role (this would not be a formal sponsorship in which the business had an ongoing responsibility for the migrant, but, as with the old, Highly Skilled Migrant Programme, it would be just confirmation of the offer).

One approach could be

Qualifications

	From any other UK university or NARIC certified equivalent			From one of the top 20 Universities in the world (by Times Higher Education rankings)		
	3 rd Class	2 nd Class	1 st Class	3 rd Class	2 nd Class	1 st Class
STEM Undergraduate degree	10 points	20 points	30 points	15 points	30 points	45 points
Masters Degree (points in addition to undergraduate degree)	10 points			15 points		
PhD / DPhil (points in addition to undergraduate & masters degree)	20 points			30 points		

Work Experience in a qualifying role

	In a FinTech business	On a FinTech project for a consultancy or within an established business starting FinTech operations	In a relevant field (Crypto, security, etc) in a non FinTech business
	1 point per month	0.5 points per month	0.5 points per month

With the above, and a Pass Mark of 60, we would be admitting:

Non-Graduates with 5yrs FinTech experience

STEM Graduates with 15-50 months FinTech experience.

Masters degree holders 0-40 months FinTech experience

PhD holders with 0-10 Months FinTech experience (the only PhDs who would need work experience to be admitted, would be those who had received only 3rd class honours in their undergraduate degree. It is very rare indeed for someone who gets a thirds to go on to get a doctorate)

There is a lot of room to refine, and improve on, the proposal above, but I believe the overall structure is sound. Such a FinTech visa would command the confidence of UK residents, and could attract meaningful numbers of highly skilled people that would benefit the economy.

Yours sincerely

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