BOARD READ · CREATIVE-LED · ILLUSTRATIVE SAMPLE

# A UK Challenger Bank

The evidence supports a bigger description of this business than the one it is using.

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| Prepared for | **Board and Executive Leadership** |
| Read type | **Creative-Led Board Read** |
| Date | **September 2026** |

A creative-led Board Read takes the same evidence as a risk-led one and offers a second accurate description of the business - and the strategic alternatives that description makes available. It does not dispute the current description. It adds a second one, and the options that come with it.

*Illustrative sample. The organisation is anonymised and figures are rounded or given as ranges, but the evidence in Section 03 is real: drawn from a UK challenger bank's published results, company announcements and independent trade press. A governance input, drawing entirely on publicly available information, intended to sit alongside board evaluations, strategy reviews and investment committee work.*

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## 01 CORE READ

### This bank may have built a new way to scale judgement in banking before it has found the language to describe it.

Its own description - a digital bank for established SMEs - is accurate. It is also the smaller of two accurate descriptions available on this evidence, and the business is currently being run on the smaller one.

What the lending mix, the hiring pattern and the AI deployment describe together is a business that has taken a form of commercial judgement which historically could not scale - senior underwriting expertise applied to complex, non-standard SME borrowing - and built the machinery to scale it. The technology is real. So is the growth. The description is what has fallen behind.

> **This is not a technology bank with good judgement, or a relationship bank with good technology. It may be a category that does not yet have a name - and "digital bank" is not it.**

That is not a presentational problem. A description determines which strategic options appear on the agenda at all, which investments look obvious, and which questions are never raised because the frame does not generate them. The four alternatives in Section 05 are invisible under the current one.

***The question this Read puts to the board is not whether the organisation is right. It is whether it is thinking at the size of what it has built.***

## 02 THE FRAME

### To be the defining digital bank for established SMEs.

This is the organisation's own frame, held sincerely and funded properly: proprietary technology, clean data architecture, AI agents deployed across the lending stack, a structural advantage described as technological. It matters that this is not a straw man. A frame nobody holds is not worth reframing.

What a frame does is set the boundary of which options look sensible. Inside this one, the strategic questions are questions of degree: how fast the platform scales, how much of underwriting AI can absorb, how many geographies the technology deploys into, how the digital-bank category gets won. Competently asked - and the only questions this frame can produce.

## 03 SIGNALS

The signals below are observable and drawn from published results, company announcements and independent trade press. Fact and interpretation are kept separate. None is unusual on its own.

| SIGNAL AREA | EVIDENCE | READING |
|---|---|---|
| **Lending Mix** | Total lending up by more than a fifth in the year, to several billion pounds. Growth concentrated in the most judgement-intensive lines: growth finance more than doubled, with bridging and commercial mortgages also well ahead of the book - against slower growth in the more standardised asset finance book. | The fastest growth sits where underwriting complexity, not platform throughput, does the work. |
| **Distribution & Capability** | The relationship-manager network is being expanded substantially, into regions the organisation describes as poorly served by the largest banks. Stated rationale, repeated publicly: technology exists to support relationship managers rather than replace them. | Human capability is being scaled alongside the platform, not quietly run down behind it. |
| **Technology Investment** | Tens of millions of pounds of strategic technology and product investment funded, among other things, the deployment of AI agents across the lending stack - presented by the CEO as a new approach to complex SME lending. | AI is aimed at the complex end of the book, not the transactional end where automation is easiest. |
| **Decision Automation** | Independent trade press reports live testing of agentic AI credit decisions on complex SME applications, including some fully automated, end-to-end decisions. | The boundary between machine and human judgement is already moving in practice, ahead of a stated position on where it should sit. |
| **Public Language** | The organisation positions itself as a category-leading digital bank with a structural advantage from proprietary technology, while separately stating that the full story behind an application can only be surfaced through human judgement and relationships. | Two registers, both genuine and current, not yet resolved into a single description. |
| **External Coverage** | Funding and valuation coverage frames the business as a fintech and technology story. Specialist lending and broker press covers the lending mix, customer and broker advocacy and relationship-manager expansion in detail. | The most distinctive evidence is currently reaching the narrower, more specialist audience. |

*Every one of these signals is consistent with the organisation's own frame. All of them are also consistent with a larger one.*

## 04 THE ALT FRAME

### What if this is not a digital bank that uses people well - but a judgement business that has found a way to make judgement scale?

Under the current frame, technology and relationship managers are two investments competing for the same capital, and the strategic task is to balance them well. Under this one they are not two things at all. The platform, the proprietary data, the AI agents, the underwriters and the broker relationships are components of a single instrument: a system for producing sound commercial credit judgement at a speed and volume that judgement has never previously reached.

The constraint in complex SME lending has not usually been capital or distribution. It has been the supply of experienced credit judgement: it sits in people, takes years to build and does not duplicate cleanly. The market's own history is consistent with that reading - challengers and specialist lenders now hold the majority of UK gross SME lending because the largest institutions withdrew from the complex end rather than industrialise it. A business that has genuinely made that judgement scalable has not built a better digital bank. It has removed the constraint the category was organised around.

Both descriptions fit the same evidence. The difference is what each one makes available.

| | UNDER THE CURRENT FRAME | UNDER THE ALT FRAME |
|---|---|---|
| **The asset** | A technology platform for SME banking | A system for scaling commercial judgement |
| **Technology** | The source of advantage | The instrument that lets an older advantage scale |
| **Relationship managers** | A cost to be automated down over time | A component of the product itself |
| **AI** | How much underwriting can be replaced | Where machine judgement should sit by design |
| **International expansion** | A deployment problem | A question of whether the whole system travels |
| **Competitive set** | Digital banks and fintechs | Anyone who has to make complex credit decisions |
| **The category** | Contested, and already named | Unnamed, and currently unclaimed |

## 05 ALTERNATIVES CREATED

A reframe earns its place only if it produces choices the first frame could not. The four below are alternatives, not recommendations: each is available on the evidence, none has yet been chosen, and none requires the organisation to abandon what it is already building.

| ALTERNATIVE | WHAT IT WOULD MEAN | WHAT IT WOULD ASK OF THE BOARD |
|---|---|---|
| **Scale judgement** | Make the combination of machine intelligence and human commercial judgement the organising idea of the bank, rather than a balance struck between two departments. | Agreeing that the product is the decision, not the platform - and funding it on that basis. |
| **Define the category** | Stop competing for ownership of “digital SME bank” and name the more distinctive model the organisation has actually built, while no competitor is claiming it. | Accepting the cost and risk of naming something first, before the market has a slot ready for it. |
| **Export the capability, not the platform** | Treat international expansion as the question of how a complete judgement system travels - data, credit philosophy, technology, underwriters and local relationships - rather than as software deployment. | Re-pricing expansion on what genuinely has to be rebuilt in each market. |
| **Redesign the human/machine boundary** | Determine deliberately where machine judgement should dominate, where human judgement creates disproportionate value, and where the combination outperforms either. | Owning a position on automation as a design choice rather than a cost trajectory. |

*None of these four is visible inside the current frame. That is the test of whether a reframe is doing any work.*

## 06 QUESTIONS FOR THE ROOM

These are not assurance questions. They are the decisions the second description brings forward, in the order money reaches them.

**01** THE ASSET. The fastest-growing lines are the most judgement-intensive. The investment narrative is platform-led.

***If the asset is a judgement system rather than a platform, which items in the current investment plan are priced against the wrong asset?***

**02** THE ARCHITECTURE. Fully automated credit decisions are already in live testing while the relationship-manager network is being expanded. Both are moving at once.

***Where have we decided machine judgement should dominate, where does human judgement earn its cost, and who owns that boundary as it keeps moving?***

**03** EXPANSION. Expansion is framed publicly as deployment. Local brokers, credit expertise and relationships have to be rebuilt in each market.

***What is the real cost and time to rebuild the whole judgement system in the first new market - and does the expansion case still clear its hurdle at that number?***

**04** ADVANTAGE. The withdrawal of incumbents from complex SME lending is a structural tailwind. It is not guaranteed to persist.

***When the complex end of the market is contested again, which part of the advantage is ours and which part was the absence of competition?***

**05** THE DECISION. The alternatives in Section 05 are available now and unavailable under the current description.

***If this board accepted the second description tomorrow, what would we fund differently in the next twelve months - and what would we stop?***

> **The risk-led Read asks: *is the organisation becoming what it believes it is becoming?* This Read asks close to the opposite: *what if the organisation is becoming something more interesting than it currently believes?***
>
> **Same company. Same external evidence. One tests an assumption. The other offers an alternative frame - and with it, alternatives.**

## APPENDIX: EVIDENCE BASE

This Read draws entirely from publicly available information: the organisation's own disclosures, cross-checked against multiple separately published trade press sources. The organisation is not named in this sample, and figures are rounded or given as ranges. No confidential information was sought or used.

### LENDING AND GROWTH

- Total lending up by more than a fifth year on year, to several billion pounds
- Growth concentrated in judgement-intensive lines: growth finance more than doubled; bridging and commercial mortgages grew well ahead of the book; standardised asset finance grew more slowly
- Strongly positive net promoter scores across primary banking customers, accountant partners and brokers

### DISTRIBUTION AND CAPABILITY

- Relationship-manager network expanded substantially across the year, into regions described as underserved by the largest banks
- Relationship managers recruited from traditional banking with long-standing SME credit experience
- Stated rationale, repeated across multiple public statements: technology exists to support relationship managers rather than replace them

### TECHNOLOGY AND AI

- Tens of millions of pounds of strategic technology and product investment in the year
- AI agents deployed across the lending decision stack; the CEO presents AI as a generational shift for banking
- Live testing of agentic AI credit decisions on complex SME applications, including some fully automated end-to-end decisions, reported by independent trade press

### PUBLIC LANGUAGE AND COVERAGE

- Self-positioning as a category-leading digital bank for established SMEs, with a structural advantage from proprietary technology
- Parallel public position that the full story behind an application can only be surfaced through human judgement and relationships
- Funding and valuation coverage framed as a fintech story; lending-mix, advocacy and relationship-manager evidence carried mainly by specialist lending and broker press

*This Read is based on publicly available information. It does not constitute financial advice or a formal audit of the organisation's strategy.*

### ABOUT CHRIS BAILEY

Chris Bailey brings more than 25 years of strategic judgement from senior roles at Saatchi & Saatchi, JWT, BBDO, Digitas, Porter Novelli and Dentsu B2B - now available directly to agencies, boards and leadership teams. He reads businesses from the outside in, connecting external signals to identify the strategic questions beginning to emerge and the decisions they may require. His work spans External Reads, Strategic Projects and Ongoing Advisory.

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