

Sandbox eligibility criteria

These are the criteria against which we will make decisions regarding applicants for testing in the sandbox.

Criteria	Key question	Positive indicators	Negative indicators
Is the firm in scope?	<ul style="list-style-type: none"> Is the firm looking to deliver innovation which is either regulated business or supports regulated business in the UK financial services market? 	<ul style="list-style-type: none"> Innovation appears to be intended for the UK market The firm's relevant activity is regulated by the FCA or is intended for firms regulated by the FCA 	<ul style="list-style-type: none"> Innovation does not appear to be intended for use in the UK The firm's relevant activity is not within the scope of the FCA's regulatory regime or intended for FCA regulated firms
Is it genuine innovation?	<ul style="list-style-type: none"> Is the innovation ground-breaking or constitutes a significantly different offering in the marketplace? 	<ul style="list-style-type: none"> Desk research produces few or no comparable offerings already established on the market Internal experts believe that it constitutes a genuinely innovative technology/ approach/ product or service Step-change in scale 	<ul style="list-style-type: none"> There are numerous examples of similar offerings already established on the market Internal expertise believes it is not particularly innovative It looks like artificial product differentiation
Is there a consumer benefit?	<ul style="list-style-type: none"> Does the innovation offer a good prospect of identifiable benefit to consumers (either directly or via heightened competition)? 	<ul style="list-style-type: none"> The innovation is likely to lead to a better deal for consumers directly or indirectly e.g. through higher quality services or lower price due to enhanced efficiency The business has identified any possible consumer risks and proposed mitigation The innovation will promote effective competition 	<ul style="list-style-type: none"> Likely detrimental impact on consumers, markets or the financial system It looks designed to circumvent regulatory or fiscal obligations
Is there a need for a sandbox?	<ul style="list-style-type: none"> Does the business have a genuine need to test the innovation on real customers and in the FCA sandbox? 	<ul style="list-style-type: none"> The innovation does not easily fit the existing regulatory framework, thus making it difficult or costly to get the innovation to market There is a clear need for a sandbox tool in order to test this product in a live environment The business has no alternative means of engaging with the FCA or achieving the testing objective The full authorisation process would be too costly/burdensome for the purposes of a short test of the viability of a particular innovation 	<ul style="list-style-type: none"> Live testing is not necessary to answer the question that the firm is seeking to answer (to achieve the testing objective) The firm is able to undertake the test easily without the support of the FCA A dedicated supervisor or the Innovation Hub could answer the query
Is the firm ready for testing?	<ul style="list-style-type: none"> Is the business ready to test their innovation in a live environment? 	<ul style="list-style-type: none"> Testing plans are well developed with clear objectives, parameters and success criteria Some testing has been conducted to date The firm has the tools and resources required to enable testing in the sandbox The firm has sufficient safeguards in place to protect customers and is able to provide appropriate redress if required 	<ul style="list-style-type: none"> Unclear objectives for testing and/or plans for testing are underdeveloped Little to no testing has been conducted on the innovation to date The firm does not have the required resources available to conduct the sandbox test The proposed customer safeguards are inadequate and/or appropriate redress cannot be provided by the firm