

Financial Regulation Innovation Lab (FRIL)

Responsible Innovation Case Study:
Inicio AI

Summary

FRIL: Supercharging Growth, Serving Society

At first glance, financial technology might seem like it’s all about algorithms, compliance, and data. But for [Inicio AI](#), it’s about something far more human – empathy.

When FRIL launched its **Optimising Consumer Outcomes Innovation Call**, the goal was simple but ambitious: to put people, not processes, at the heart of financial innovation. The programme invited fintech startups, financial institutions, regulators, and academics to collaborate on solutions that would help customers make better, fairer financial decisions.

For **Inicio AI**, a company founded on inclusion and compassion, FRIL became the perfect catalyst. Through the programme, Inicio gained new commercial opportunities, accelerated product development, and deepened relationships with industry partners. But more importantly it did this while staying true to its mission of helping vulnerable customers in the most difficult of circumstances navigating financial systems with dignity, helping some to become debt-free more quickly and many more to find a way forward and out of their debt issues.

The Challenge: Smart and Kind Finance

The UK’s **Financial Conduct Authority (FCA)** introduced the **Consumer Duty** regulation to ensure financial firms act in the best interests of their customers. It raises expectations around transparency, fairness, and care – aiming to make financial services accessible and understandable for everyone, regardless of literacy or numeracy.

For many firms, meeting these standards is complex. Outdated systems and manual processes make it difficult to prove compliance and deliver consistently positive outcomes for customers. That’s where innovation and empathy come in.

Why addressing this challenge matters:

For Industry	For Consumers
Consumer Duty means building trust, reducing risk, and designing services that genuinely support customers.	It means fair treatment, clear communication, and better support when it matters most – especially for those facing financial vulnerability.

The Approach: Smarter Data, Smarter Solutions

FRIL's **Optimising Consumer Outcomes Innovation Call** set out seven specific challenges exploring how technology, data, and analytics could help firms better understand their customers and improve outcomes.

By bringing together pioneering fintechs, leading financial institutions, regulators, and academics, FRIL created an environment for **rapid experimentation and collaboration**. Successful innovators like Inicio received **early-stage funding** and **direct access to senior decision-makers** inside major financial organisations – helping them test, refine, and accelerate their ideas for market.

For Inicio AI, this meant moving faster, learning more, and making a bigger impact than ever before.

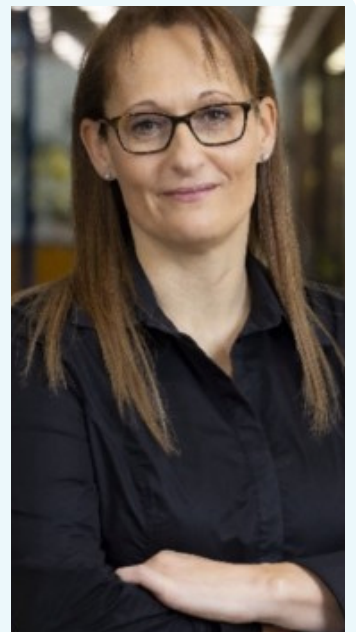
The Case Study: Inicio AI's Story - Empathy in Action

Inicio AI was founded with a powerful human story at its heart.

“ *The company was originally founded because of a story involving a pregnant woman who was, sadly, trying to take her own life. She was in debt and struggling to fill in a financial form to confirm her affordability. She'd been sent paper and digital forms to complete on her own but found it intimidating. She'd also tried a phone call, but that was embarrassing. She abandoned it and became stuck.*

— explains Rachel Curtis, CEO of Inicio AI

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That experience inspired **Budgie** – a gentle, virtual agent that helps people complete affordability forms any time of day or night, offering the reassurance and support they need to get it done.

Budgie turns what can be an intimidating process into a supportive experience. It listens, guides, and reassures – empowering users to take back control of their finances.

Originally focused on debt management in the UK, Budgie's reach has since expanded into new lending, mortgage applications, and financial advice nationally and in future will expand internationally.

And the impact has been profound.

“ *There was a young couple in their early 20s with about £1,200 of debt. They used Budgie, and through one of our partners – a benefits calculator – they discovered they were missing out on £340 a month in benefits. It meant they could be debt-free in four months. That customer outcome was fantastic.*

— says Rachel.

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The Impact of FRIL: Bigger, Better, Faster

At its heart, FRIL champions **finance for good**. This means supporting innovators who use technology to create positive social change. For Inicio, the programme offered access, insight, and momentum.

“ *It's the faster pace of insights, innovation and collaboration that you get from being part of FRIL. What we achieved was bigger, better and faster than trying to do it on our own.*

— says Rachel.

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Through FRIL, Inicio gained direct access to major financial institutions – not through cold calls, but through open, honest conversations where senior leaders shared real challenges and insights.

“ *It brought together the companies we were trying to approach and sell our product to, but in a very honest environment. They shared their challenges, and these were senior people in those companies. Outside of FRIL, when you're trying to make initial sales calls, it can be hard to get those conversations.*

— explains Rachel.

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That openness, combined with structured support, helped the team refine and shape Budgie to meet real-world needs.

“ *This challenge is a great opportunity to harness fintech innovation, and apply that in how we support customer outcomes at every stage of their financial lives.*

— Will Kerr, Head of Good Customer Outcomes, NatWest Group.

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“ It ticked all the boxes. It was an efficient, focused resource for my team to really understand what challenges existed in the regulatory space, so we could come back with a clear proposal on how to solve them.

— says Rachel.

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And the collaboration didn't end there. Inicio joined forces with fellow fintechs in the FRIL cohort, including **TellJO**, to combine their tools and tackle even bigger problems together.

“ We ended up working with other fintechs such as TellJO, plugging our solutions together to solve bigger problems in better ways. It was a really lovely, positive outcome we didn't expect.

— explains Rachel.

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Inicio stats

Sector	Fintech
Employees	15
Turnover	Early revenue, expanding into B2B and B2C markets
Location	England , Scotland

The Ambition - Redefining what is possible

For Rachel and her team, FRIL was never just about funding. It was about growing within a supportive, purpose-driven ecosystem.

“ It did fundamentally change our approach to partnerships. What FRIL helped us do was look at the broader problem the consumer was trying to solve, because we saw that very clearly through the eyes of the organisations. They were turning up and saying, 'Our consumers are struggling with this,' or 'From a regulatory perspective, we've got to meet these requirements - but we have to do it in a way that delivers good outcomes.

— adds Rachel.

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Inicio AI continues to expand Budgie's reach, forming new partnerships and exploring wider use cases - all grounded in the same mission that started it: making financial life easier, fairer, and more human.

The Outcomes - Impact

In just a few months, FRIL enabled Inicio AI to refine their product, deepen their market understanding, and build meaningful partnerships across industry and academia.

Impact summary

- 1 x product refinement sprint completed in 12 weeks.
- New partnerships established (industry and fintech)
- New clients secured
- Increased confidence, visibility, and collaboration in the fintech ecosystem.

“ *It wasn't just the organisations on the program that we managed to secure as clients. We've secured other clients because of what we learned from those organisations and partners.*

— concludes Rachel.

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Case Study Conclusion

Inicio's journey with FRIL shows what happens when innovation and empathy come together. Through collaboration, insight, and the courage to think differently, Inicio created technology that doesn't just tick boxes – it changes lives.

For FRIL, this is exactly what “finance for good” means: empowering innovators to build a financial system that is smarter, fairer, and above all, kinder. Through collaboration, insight, and compassion, FRIL is proving that when innovation meets regulation - and when both start from human need - everyone wins.



About FRIL

FRIL is part of the larger Glasgow City Region Innovation Accelerator programme with Glasgow, one of three pilot regions' - including West Midlands - sharing a £100m investment aimed at transforming R&D within the UK. Led by Innovate UK, and delivered by Fintech Scotland in partnership with the University of Strathclyde and the University of Glasgow, this programme supports the UK Government's levelling-up agenda by empowering local regions to drive economic growth through innovation. This approach not only supports regional development but also positions the UK as a leader in the global innovation landscape.