

July/August/September Newsletter Update

Coming up in October

Treasury to take a position on our proposals for a Financial Services Tribunal

In October, the Treasury is set to take a position on our proposals for an independent Financial Services Tribunal once they have also received reports from UK Finance, the Treasury Select Committee and the FCA. The other reports should not be taken as being in competition with our own, but instead our proposals should be seen as a central policy objective as part of wider reforms to the dispute resolution landscape for businesses in the UK. The APPG has made a formal submission to the Treasury which can be read [here](#).

Westminster Hall debate: The Investigation of Business Banking Fraud—9 October 2018

The APPG has secured a Westminster Hall debate on Tuesday 9 October 2018 at 16:30 until 18:00. The debate will be led by William Wragg MP and will focus on the investigation of business banking fraud. The APPG is concerned that business banking fraud investigations are inadequately resourced, causing an unwillingness of authorities to investigate. The debate will enable MPs to put their constituent cases on the record and put pressure on the authorities to investigate these business banking frauds, many of which have led to the destruction of viable businesses in the UK and have therefore damaged economic growth. For more info please contact ventressj@parliament.uk. A briefing for the debate can be read [here](#).

Calls for a public inquiry

In October, the APPG will continue to call for a full public inquiry into the treatment of businesses in turnaround units and the insolvency system. A public inquiry will be the most effective way of investigating the complex and cross departmental/cross regulatory ecosystem of commercial lending. In September, the Australian Senator Barry O'Sullivan visited Parliament to give a talk on the Australian Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The Australian Royal Commission has been instrumental in giving the victims of serious misconduct the opportunity to have their voices heard and the APPG hopes to establish a similar inquiry in the UK. You can read the APPG's briefing on the Royal Commission [here](#).

Progress in July/August/September

'Fair Business Banking for All' Report Launch—11 July 2018

On 11 July, our Co-Chair, Kevin Hollinrake MP launched our report, [Fair Business Banking for All](#), published by the Centre for Policy Studies, which offers a series of recommendations to level the playing field between businesses and their financial service providers in disputes. Specifically, the report calls for an extension to the regulatory protections of SMEs so that they have the same protections as 'private persons' under section 138D of the Financial Services and Markets Act (FSMA). The report also establishes our proposals for an independent Financial Services Tribunal that offers businesses quick, efficient and cheap redress in disputes with their banks. Media highlights include:

['Small firms wronged by banks need a tribunal process, say MPs'](#) – The Daily Telegraph, 12th July 2018

['Small companies need a tribunal to take on the banks'](#) – The Times, 17th July 2018

['Dyson backs parliamentary group's plea for a new financial services tribunal'](#) – The Law Gazette, 12th July 2018

Westminster Hall Debate: 'Failures in the Banking Sector' - 12 July 2018

On Thursday the 12 July 2018, the APPG secured a Westminster Hall debate entitled 'Failures in the banking sector'. The debate was held by Martin Whitfield MP (Vice-Chair, APPG) and was attended by Kevin Hollinrake MP (Co-Chair, APPG), Stephen Kerr MP (Vice-Chair, APPG), Bob Stewart MP, Drew Hendry MP, Peter Dowd MP (Shadow Chief Secretary to the Treasury) and John Glen MP (Economic Secretary to the Treasury). The 3-hour debate enabled the MPs in attendance to put on the record their constituents stories of misconduct and mistreatment by financial organisations. It is clear from the many cases aired by MPs that a full public inquiry is required to properly investigate and rectify the failures in the banking sector and to create a more efficient, fair and functional financial sector for the benefit of consumers and banks alike. The Hansard of the debate can be read [here](#).

RBS to Close its GRG Unit Compensation Scheme—20 July 2018

On Friday 20 July 2018, RBS announced its intention to close its controversial GRG compensation scheme that is led by Sir William Blackburn on 22 October 2018. The APPG expressed its concerns over the announcement. It demonstrates the inadequacy of internal redress mechanisms that rely on the 'goodwill of the banks'. The scheme is closing too early, leaving many without compensation and has only started to consider consequential losses since May and therefore needs more time to consider these important losses. The APPG is also deeply concerned at the unwillingness of Insolvency Practitioners to pursue claims where they should be, to the detriment of business owners and entrepreneurs. Our statement on the announcement can be read [here](#). Media highlights include:

['RBS draws fire with plans to close complaints process for controversial GRG unit'](#) – The Daily Telegraph, 20th July 2018

['RBS may want closure but it should not slam door on small businesses'](#) – The Times, 22nd July 2018

['RBS censured by MPs for winding down compensation process'](#) – The Times, 23rd July 2018

Letters to Lord Blackwell and Andrew Bailey—30 July 2018

On Monday 30 July 2018, Kevin Hollinrake MP wrote to the Chairman of Lloyds Banking Group, Lord Blackwell, and the Chief Executive of the FCA, Andrew Bailey, to express the APPG's concerns over Lloyds' handling and methodology of its compensation scheme for the victims of the HBOS Reading fraud. The APPG has clear evidence that the offers being made are not consistent with the losses experienced by the victims and do not reflect the damages incurred by those whose life's work has been torn from them. The letter to Lord Blackwell can be read [here](#) and the Letter to Andrew Bailey can be read [here](#). The formal response can be read [here](#). The following are highlights of the media coverage:

['Lawmakers criticise Lloyds compensation scheme for HBOS fraud victims'](#) - Reuters, 30th July 2018

['MPs accuse Lloyds of treating HBOS Reading fraud victims 'with contempt'](#) - City AM, 30th July 2018

['Lloyds slammed after failing to compensate victims of the HBOS Reading Scandal'](#) – This is Money, 30th July 2018

FCA Announcement on RBS GRG Investigation—31 July 2018

After bringing phase 2 of the s166 review into RBS GRG in-house, the FCA announced that it does not have the regulatory powers required to take disciplinary action against RBS or the individuals responsible for the GRG scandal by imposing either financial penalties or further disciplinary actions. The APPG is extremely disappointed with this announcement as we believe it is simply not good enough from a regulatory perspective to say that the powers to hold individuals to account simply do not exist. We called on the FCA to release all their findings to that untouchable senior managers can be held to account by the public, press and parliamentarians. Our full statement can be read [here](#). Media highlights include:

[‘City watchdog criticised for not sanctioning untouchable RBS bosses’](#) – The Telegraph, 31 July 2018

[‘Inadequacy of regulatory regime must not create untouchables says Yorkshire MP Kevin Hollinrake’](#) – Yorkshire Post, 31 July 2018

[‘Change the Law after GRG scandal, demand MPs’](#) – The Times, 1 August 2018

Letter to Andrew Bailey—9 August 2018

On the 9 August, Kevin Hollinrake MP wrote an extensive and comprehensive public letter to Andrew Bailey to convey the APPG’s dismay at the FCA’s decision to take Phase 2 of the s166 report into RBS GRG in-house and for subsequently deciding that no actions would be taken against RBS for their controversial GRG unit or the senior managers responsible. We call on the FCA to clarify what powers they have to prevent this misconduct occurring in the future, whether they would ask for more power and whether they would support our calls for a full public inquiry. We also request that they release all their findings into RBS GRG into the public domain. The letter can be read [here](#). Highlights of the media coverage include:

[‘Lawmakers disappoint over regulators inaction on RBS’](#) – Reuters, 12 August 2018

[‘MPs call for public inquiry into banks mistreatment of small business customers’](#) – The Mail on Sunday, 11 August 2018

[‘Investigate RBS small business scandal says MP Kevin Hollinrake’](#) – The Times, 12 August 2018.

Kevin Hollinrake MP meets with the Chancellor—5 September 2018

On 5 September, the Co-Chair of the APPG on Fair Business Banking, Kevin Hollinrake MP, met with the Chancellor of the Exchequer to discuss in greater depth the proposals in our report, Fair Business Banking for All. The Chancellor confirmed that he is looking carefully at our detailed proposals to provide a more accessible dispute resolution mechanism for small businesses with an independent Financial Services Tribunal. The full statement on the meeting can be read [here](#).

[Letters to Police Scotland from Martin Whitfield MP—16 September 2018](#)

On 16 September 2018, the Vice-Chair of the APPG, Martin Whitfield MP, made official contact with Police Scotland to request they further investigate the HBOS fraud; a criminal fraud that the APPG believes extends to a higher level than those that have already been convicted, and which was centred in Edinburgh. The Turnbull Report, that was [made public](#) earlier this year, clearly demonstrates that the boards of both HBOS and then Lloyds Banking Group knew about the HBOS Reading fraud from an early stage. If dealt with appropriately at the time, years of suffering for hundreds of individuals could have been prevented. Instead, both institutions concealed the fraud and went after the victims for their remaining assets. The letter can be read [here](#) and the response can be read [here](#). Media highlights include:

[‘Police examining allegations that £1billion fraud carried out at HBOS’s Reading branch at the height of the financial crisis was covered up by bosses’](#) – This is Money, 16 September 2018

[‘MPs ask Police Scotland to examine HBOS Fraud’](#) – The National, 17 September 2018

[‘Parliamentary Group urges Police to further investigate HBOS Reading fraud’](#) – Financial Reporter, 17 September 2018

Other recent media:

[Our Co-Chair, Kevin Hollinrake MP, on Channel 4 News](#)—31 July 2018

[MPs hit out at watchdog over inaction on RBS banking scandals](#) – The National, 14 August 2018

[MPs say ‘toxic culture’ exists at RBS after it pays £3.9bn fine for mis-selling mortgages](#) – The Sunday Times, 19 August 2018

[Why is the regulator protecting RBS - instigator of the greatest banking scandal in Britain’s history](#) - Conservative Home, 10 September 2018

[Kevin Hollinrake: Banks victims deserve nothing less than justice 10 years after the financial crisis](#) – The Yorkshire Post, 16 September 2018

[MPs are urged to recall RBS boss ‘over deceit’](#) - The Times, 15 September 2018

Support our work

Our aim is not only to raise awareness of the issues that are facing businesses across the UK, but also to make ourselves available as a resource that MPs and their researchers can use when faced with difficult issues. We are very interested in hearing about constituency cases, and we have a very clear understanding of how the challenges that face constituents fit into the ‘bigger picture’ of reform. Any further support or interest is most appreciated, and please do get in touch with us if you feel that you have either constituent experience or particular expertise in this area that you would like to contribute.

If you would like to support the Group over the next few months or would like to raise a constituent case at our next debate then please ventressj@parliament.uk. For further information on the work of the Group, you can read our latest position statement in full [here](#).

An All Party Parliamentary Group (APPG) is an interest group that occupies a strategic and effective position within Parliament. It is cross-party, with a minimum number of parliamentarians from the Government and the official opposition, and cross-house, made up of both peers and MPs.

The APPG on Fair Business Banking is a platform through which businesses, professionals and trade bodies can discuss issues regarding commercial banking and its role in the life cycle of a business, and through which parliamentarians can access information on banking, finance and related issues, including business rescue and insolvency, on behalf of constituents.

As a cross-party group, the APPG is an effective vehicle to effect meaningful change via the Parliamentary system. The Groups status is that of an APPG bound by the rules set out by The Office of the Parliamentary Commissioner for Standards. It does not have charitable status, or official status in the House, nor is funded by Parliament. It relies wholly on the participation and contribution of parliamentarians, industry members and stakeholders committed to creating a strong platform for business in the UK to thrive.

The APPG is co-ordinated and administered via the APPG on Fair Business Banking Secretariat, the FBB Foundation.