



HOUSE OF COMMONS

LONDON SW1A 0AA

Lewis Shand Smith

20th March 2019

Dear Lewis,

Further to your letter dated 15th March 2019, the APPG is pleased to accept your invitation to join the Steering Group. We are delighted that SME Alliance has been offered a place, and we are sure that the Committee will benefit immensely from their contributions. Their assurances that they are being consulted on the legal firm gives us great comfort.

As per our previous correspondence, I will be a voting member and Heather will be a participating observer. In case I am unable to make a meeting, another parliamentary officer of the APPG will assume my role as a voting member. Should we find ourselves in a position where Parliament goes into purdah, Heather will remain on the Committee as a voting member until Parliament and the APPG re-constitutes. For day-to-day interaction with the Steering Committee, please ensure that both Heather and I are included in all correspondence. Heather will be the day-to-day contact, as my parliamentary duties may mean I am unable to respond in a timely fashion.

For the avoidance of doubt, we have the following outstanding concerns, but we are satisfied that these can be addressed in collaboration with the ISG:

1. Turnover thresholds that decide the eligibility for the historic scheme. We maintain the position that it is illogical that the forward-looking scheme would have a threshold of £10m but a backward-looking scheme has a turnover limit of £6.5m.
2. Definition of 'event' and event date. We propose that the event date is 1st January 2000, but we are aware of a small number of claims dating pre-2000 that should be assessed on an individual basis.
3. We believe that cases considered by ad hoc redress schemes (IRHP/Griggs/Blackburn/CYBG/appeals from FOS) should be included.
4. The legal firm is not conflicted and is not a firm that significantly features in disputes raised to us by MPs and their constituents. The APPG and SME Alliance must be consulted before the appointment is made. I understand that progress has been made with regard to this.
5. There must be a mechanism to track awards above the binding award limit to ensure that the banks are adhering to the Chancellor's direction for the banks' default position to be to pay the full amount awarded.
6. Disputes should be resolved by means of arbitration.
7. We also suggest that observer status invitations should be extended to Ian Lightbody (NAB Customer Support Group) and Brian Little (adviser to the DUP).

We will also be calling for:

- a) A moratorium on legal action being taken against businesses, directors, guarantors that will have the right to issue a complaint under the new DRS scheme. We are concerned that losses and distress will only be exacerbated in the coming months whilst the scheme is being designed.
- b) Action to encourage banks the opportunity to deal with complaints whilst the scheme is being developed. In the light of the establishment of the DRS, banks may find that many complaints can now be dealt with by the firms themselves.

We very much look forward to being productive members of the Committee.

Kind regards,



Kevin Hollinrake MP
Co-Chair of the All-Party Parliamentary Group on Fair Business Banking