

KEVIN HOLLINRAKE MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Lewis Shand Smith
Chair, Business Banking Resolution Service
Implementation Steering Group

4th October 2019

Dear Lewis,

Re: Business Banking Resolution Service (BBRS)

First and foremost, we are pleased with the progress that has been made in the establishment of the BBRS. It was always going to be a challenge to deliver a scheme of such importance that involves the input of a diverse group of stakeholders in such a sensitive and important area.

It is a testament to the work of the secretariat, EY, your vital input and that of the business and bank representatives on the BBRS Implementation Steering Group that we are confident that the BBRS can be a groundbreaking scheme that offers robust and fair dispute resolution for larger SMEs in the future and unresolved historic complaints since 2001.

Our principle remaining concerns arise from our analysis of the cases that have been brought to the APPG that shows that 85% of the cases will be excluded from accessing the BBRS. I have attached a summary of the exclusions below.

We therefore reiterate our calls for a fair, impartial and independent process to be built into the BBRS to allow complainants to access the backward-looking scheme regardless of whether they are formally ineligible if the BBRS believes they may have a justifiable reason for having their case re-examined.

For the avoidance of doubt, we are not calling for a wholesale re-opening of cases that have already been through past reviews. This is not a reasonable proposition, nor is it practically possible, but it is vital that we establish a team within the BBRS whose responsibility it is to determine whether these complainants have a reasonable and justified reason for having their complaints looked at again by the BBRS, such as evidence that was not considered or an unreasonable exclusion. Neither the banks or the APPG can be the arbiters of the merits of a case.

It would be a fundamental error to exclude complainants that have clear grounds to believe that they have been the victim of a terrible injustice. Indeed, it would risk undermining a principle premise of the scheme, the restoration of trust between SMEs and banks.

Kind regards,

A handwritten signature in black ink that reads "Kevin Hollinrake".

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

Cc. John Glen MP, Economic Secretary to the Treasury
Andrew Bailey, CEO, Financial Conduct Authority
Stephen Jones, CEO, UK Finance

Historic Cases:

Based on the current terms of reference, the backward-looking scheme will be accessible for businesses that meet all the criteria below:

- complaints registered by a business with its provider between 2001 and April 2019 relating to an event during this period;
- complaints brought by a business that has not had settlement offered by the provider and accepted by it;
- complaints raised by a business where that complaint was not subject to an independent review process (for example IRHP Skilled Persons Reviews, GRG, Griggs HBOS Reading or another skilled-persons review);
- complaints raised by a business that was previously ineligible for the FOS but would be under the expanded scope from 1 April 2019.
- Guarantors that would have been eligible under post-April 2019 rules will also be eligible for this scheme (subject to other criteria).

The following categories of complainants are specifically excluded:

- IRHP Review: All cases excluded
- GRG Review: All cases excluded
- FOS: All cases excluded
- Businesses with a turnover above £6.5m are excluded for the backward looking but included for forward looking scheme.
- Griggs Review: Currently excluded but could be included if recommended by the Cranston Review.
- EFG Review: Unknown but should be included as was only an internal review
- All cases that are in the process of live litigation or have been through a court process.
- All cases with non-participating organisations such as Dunbar and Cerberus

Future Cases:

The forward-looking scheme will be accessible for businesses with a turnover up to £10m and a balance sheet of less than £7.5m at the time of the complaint. These businesses must have a complaint from April 2019 onwards.