



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Kevin Hollinrake MP  
House of Commons  
London  
SW1A 0AA

21 March 2022

Dear Kevin,

Thank you for your letter of 9 February to the Minister for Small Business, Consumers and Labour Markets regarding business bank accounts. Your letter has been passed to HM Treasury and I am replying as the minister responsible for this policy area.

I am sorry to hear of the challenges that certain businesses are facing when trying to open business bank accounts, and I understand the hardship this caused them when applying for COVID-19 business loans.

In line with international standards, banks are expected to apply risk-sensitive customer due diligence measures when considering the services they provide to current or potential customers. Banks should then make a decision on whether and how to provide banking services on the basis of an assessment of each customer's circumstances. The decision of whether to provide banking services may, of course, be informed by more than just the bank's risk appetite and may include an assessment of profitability or other commercial factors. I hope you will recognise that decisions concerning the availability of banking services are commercial decisions and the Government does not seek to intervene in these decisions. Although the Treasury sets the legal framework for the regulation of financial services it does not have investigative or prosecuting powers of its own and is not able to intervene in individual cases.

I also note your comment that businesses within these industries could not access funding from the Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BBLs) due to them not owning business bank accounts. It should be noted that the Lender Manual details the eligibility criteria for CBILS and BBLs facilities, and that in the case of BBLs, it was not a required condition that borrowers had access to a business banking account to apply for a loan. However, the schemes were delegated and all final lending decisions were made at the discretion of the accredited lenders.

Thank you for taking the trouble to make me aware of these concerns.

Yours sincerely,

A handwritten signature in black ink that reads 'John P. Glen' with a stylized flourish below the name.

JOHN GLEN