

SME lending campaigner joins UK compensation scheme committee

Appointment of Nikki Turner provides boost to victims' groups fighting bank abuses Nikki Turner fought Lloyds Banking Group for compensation for almost a decade over losses she and her husband Paul sustained in the HBOS fraud case

One of Britain's leading campaigners against abuses by banks in small business lending has joined the steering committee of a new industry-backed voluntary compensation scheme that aims to review 60,000 historic cases. Nikki Turner fought Lloyds Banking Group for compensation for almost a decade over losses she and her husband Paul sustained in the HBOS Reading fraud.

Her decision to join the Dispute Resolution Scheme (DRS), established by the banking trade body UK Finance, will be seen as a vote of confidence from victims' groups. The DRS was created in response to last year's Walker Report on SME banking disputes, which recommended that the banks revisit and settle legacy cases. It has the backing of seven banks as well as endorsement from the Treasury.

However, it has been criticised for seeking to cap victims' compensation at £350,000 and also to limit eligibility to those who have not been through one of the other voluntary bank compensation schemes, such as RBS's scheme for victims of the Global Restructuring Group scandal or the Griggs review of HBOS Reading claimants.

Mrs Turner's SME Alliance pressure group and the All Party Parliamentary Group on Fair Business Banking said that progress had been made towards removing the concerns, though the APPG has yet to confirm its involvement.

Many SME victims, such as those sold certain so-called "tailored business loans" (TBLs) by Clydesdale Bank have not been through any compensation process. The news about DRS comes as James McGrory, a hotelier from St Andrews in Scotland, settled a high-profile £1m TBL claim with Clydesdale for an undisclosed amount.

"Many SME owners are unable to fight the banks through the courts for reasons including time barring and the expense of litigation, so this represents a real opportunity for them to secure a semblance of justice," Nikki Turner said.