

## REGULATORY INTELLIGENCE

**Business Banking Resolution Scheme on track for UK launch by end of year**

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A redress scheme for small and medium sized businesses (SMEs) mis-sold, or mis-treated, by UK banks is on track to begin accepting cases by the end of the year, the man tasked with establishing it said yesterday.

"The development of the [Business Banking Resolution Scheme] is well underway with participants working hard to deliver a trusted, transparent and fair dispute resolution service. It is our intention that the BBRS will be able to accept eligible businesses with unresolved complaints by the end of the year," Lewis Shand-Smith said in an emailed statement.

The independent steering group formed to establish the BBRS meets today.

Shand-Smith was responding to a question about the status of the planning for the BBRS after Nikki Turner, a director of the SME Alliance, and one of eight business representatives on the steering group announced she was stepping back from involvement.

Turner wrote to Sajid Javid, Chancellor of the Exchequer, earlier this month asking him to intervene to prevent the scheme from collapsing over concerns that its eligibility criteria would exclude too many SME businesses. Shand-Smith was unavailable to comment about Turner's withdrawal.

Seamus Nevin, chief economist of Make UK, one of the other SME representatives on the steering group, said he had withdrawn in April. In an update about the BBRS, written by Shand-Smith July 24, he lists Make UK as still being a member.

A spokesman for the BBRS said Shand-Smith "has received no resignation from Seamus Nevin, and as such Make UK are still considered to be full members of the ISG". However, he could not explain why Nevin's absence from steering group meetings for the past four months had not been followed up if he remained a member. He was unable to say how many meetings Nevin had failed to attend.

The other business representatives on the steering group are the Confederation of British Industry (CBI) SME Council; The Alchemists; Paul Uppal, the Small Business Commissioner; the Federation of Small Business (FSB); the Independent SME Advisory Group of UK Finance (the bank lobby); and the All-Party Parliamentary Group for Fair Business Banking (APPGFFB).

The APPGFFB, like the SME Alliance, believes the eligibility for the BBRS needs to be broadened for the scheme be acceptable to businesses.

"Given a widening of the eligibility criteria and a clearer understanding that banks will pay whatever level of claim the BBRS deems appropriate, we do believe that this scheme could finally help to provide a fair and just mechanism for SMEs who were mistreated by their banks and to start to rebuild confidence between banks and business," Kevin Hollinrake, co-chair of the APPGFFB and a member of the independent steering group said in an emailed statement yesterday.

Discussions about broadening the eligibility, along the lines of those set out by the SME Alliance and APPGFFB, are taking place between interested parties outside the independent steering group ahead of a key meeting of SME Alliance members scheduled for mid-September.

The FSB declined to comment. Uppal declined to comment.

The CBI said SME banking disputes remained a critical issue but was hopeful a deal can be reached.

"All parties hope this voluntary redress scheme will be a mechanism that can provide swift, fair and reasonable adjudications to deal with complex disputes, building on the welcome extension of the remit of the FOS. Whilst there remains much to be done, it is important that all concerned work together to see this through," said Flora Hamilton, director of finance at the CBI in an emailed statement.

The UK Treasury did not respond to a request to know if Javid had replied to Turner's letter.

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