

Boost for small businesses as free and independent service for unresolved bank complaints goes live

Business banks sign up to innovative scheme with a focus on historical cases alongside contemporary complaints

Small businesses will, from today, be able to use a new, free and independent service to help them resolve disputes with their banks, in a boost for SMEs struggling in the current crisis.

The Business Banking Resolution Service (BBRS) will use alternative dispute resolution techniques to settle unresolved complaints from larger SMEs with seven participating banks, who make up the majority of the business banking market.

It is hoped that the BBRS will give SMEs added confidence to take out loans and other business banking products and services knowing that, if something goes wrong, they have a route to independent resolution. An improved climate for investment will be much-needed as the economy seeks to recover.

The service has been two years in the making and has been set up on a voluntary basis with small business groups and banks working together. The setting up of the BBRS comes after a sustained campaign by SMEs, who have argued for a wider means of resolving disputes.

The BBRS will work to settle unresolved complaints from customers of the financial institutions who have signed up. The banks are: Barclays Bank plc and Barclays Bank UK plc; Danske Bank; HSBC UK Bank plc; Lloyds Banking Group (Lloyds Bank plc and Bank of Scotland plc); NatWest Group (including The Royal Bank of Scotland Plc, National Westminster Bank plc, Coutts & Company and Ulster Bank Limited (Northern Ireland)); Santander UK plc; and Virgin Money (including Clydesdale Bank plc and Yorkshire Bank). It is hoped that more banks will join in future.

The BBRS offers an alternative to litigation, removing the cost and stress of going to court. Its decision-making is led by Alexandra Marks CBE, Chief Adjudicator and a Deputy High Court Judge, who will be able to decide cases on the basis of what is fair and reasonable in the particular circumstances of each case.

The service has been designed to be easy to access, empathetic and flexible in its approach. Each business using the BBRS will have a 'Customer Champion', who will act as a guide to the service and how to use it.

From today, the BBRS will look at two types of unresolved complaint:

- The contemporary scheme covers cases for the period from 1 April 2019 onwards: it is for businesses with a turnover up to £10m per annum; and total assets up to £7.5m; and which are not eligible to take their complaint to the Financial Ombudsman Service.
- The historical scheme covers cases for the period from 1 December 2001 to 31 March 2019: it is for businesses with a turnover up to £6.5m per annum; and total assets up to £5m; and which were not eligible to take their complaint to the Financial Ombudsman Service and have not had access to an independent review.

Full details are available on the BBRS' website.

The service has already registered around 450 cases, 48 of which were taken into its 2020 Live Pilot. These cases have been through the initial stages of the BBRS process, and will be contacted by their Customer Champion with further information within the early weeks of the BBRS' operation.

The BBRS will also be able in certain circumstances to consider cases that are ineligible under its rules where the bank and customer collectively agree, meaning the service has a wider scope than originally anticipated.

Overall, there are 6 million SMEs in the UK of which approximately 200,000 are larger SMEs who will fall within the BBRS' turnover band. While uncertain economic circumstances make it difficult to predict how many contemporary complaints it might receive, the BBRS estimates that up to 5,000-6,000 cases will be registered over a three-year period for the historical scheme. The BBRS has engaged the Centre for Effective Dispute Resolution (CEDR) to provide flexible case-handling capacity to support the delivery of the service alongside the BBRS' own in-house team.

The BBRS' independent Chair, Lewis Shand Smith, commented:

"I am delighted the service is now fully operational. The BBRS will enhance SME and banking relationships by giving larger SMEs a free and easy to use dispute resolution service. By working with us voluntarily to develop this independent service, the participating banks and SME business groups have made an important contribution to supporting economic recovery among small businesses. By restoring trust, it will give businesses the confidence to borrow, leading to an improved climate for investment.

"The creation of this unique service has involved a rigorous process and a great deal of hard work by the BBRS team, SME representatives, the participating banks, and our broader stakeholders. The end result is a service that will make a real difference to businesses with unresolved banking complaints.

"When we were beginning to set up the BBRS we knew our service would be an important new development for SMEs across the country, but covid-19 has added additional impetus. As UK businesses continue to adapt to the current challenges, the BBRS is poised to play its part in supporting a recovering business community."

David Postings, Chief Executive of UK Finance, the banks' trade body which helped set up the BBRS, said:

"The launch of the BBRS today delivers a new resolution service that is trusted, transparent and fair and follows considerable positive engagement from all groups involved. The BBRS is a ground-breaking service for larger-sized SMEs, with an unparalleled scope, mandate and level of expertise. Now 99 per cent of small businesses will have access to this new resolution service or to the Financial Ombudsman Service."

John Glen MP, Economic Secretary to the Treasury, commented:

"We're committed to helping small businesses to bounce back from this pandemic, protecting and creating jobs as they do so. The Business Banking Resolution Service will give businesses confidence to seek the finance they need to grow and thrive."

Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, said:

“It has been a testing year for so many of Britain’s small businesses, and we have undertaken unprecedented measures to keep alive the creativity, dynamism and entrepreneurial spirit which they bring to every sector of the economy and every community across the country.

“Services like the BBRS will play a vital role in ensuring small business owners can access expert advice and have their voices heard, not only as we build back better from this pandemic but also well into the future.”

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Notes to Editors

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About the BBRS

The BBRS is a dispute resolution service set up to resolve disputes between eligible small and medium sized businesses and participating banks. The BBRS is being established in accordance with a [voluntary commitment](#) in response to the [Simon Walker Review](#) on the small business complaints landscape.

An Implementation Steering Group was established in January 2019, and it drove and oversaw the development of the service in line with the banking and finance industry’s commitment and agreed terms of reference. The seven participating banks are: Barclays, Danske Bank, HSBC UK, Lloyds Banking Group, NatWest Group, Santander UK, and Virgin Money. Alongside the participating banks, the Implementation Steering Group comprised many representative groups acting on behalf of small and medium sized businesses.

For more information visit the BBRS website <https://thebbrs.org/>.