

BBRS.TM

Business Banking
Resolution Service

Live Pilot: Interim findings

Business Banking Resolution Service

London, May 2020



About the BBRS

The BBRS is a non-profit organisation set up to resolve disputes between eligible small and medium-sized businesses and participating banks.

It has been established to deliver an accessible and transparent service, giving eligible businesses the opportunity to have their complaint heard and independently reviewed. It will make decisions based on what is fair and reasonable in the circumstances and seek to inspire confidence through consistency of approach. It was established in response to the commitments made by the banking and finance industry following the Simon Walker Review, in which the need for an independent service was identified to resolve eligible historical and current complaints for small and medium sized businesses that have not previously had access to independent review.

There are currently seven participating banks for which the BBRS is able to accept complaints: Barclays, Danske Bank, HSBC, Lloyds Banking Group (including Lloyds Bank and Bank of Scotland), RBS Group (including Royal Bank of Scotland, NatWest and Ulster Bank Northern Ireland), Santander UK plc, Virgin Money (including Clydesdale Bank and Yorkshire Bank).



Introduction by Lewis Shand Smith

Dear friends and colleagues,

It has never been more important for British businesses to get fair treatment from their banks. Doing so will, in turn, safeguard the reputation of the sector. The BBRS will play a vital role in making sure this happens.

That is why we are pleased to share some of the interim findings from the work we have been doing as part of a Live Pilot to help design a service which is as bold and innovative as it is much-needed, be that for past or future complaints.

In establishing our service we have recognised the need for a deep rethink of the way disputes between SMEs and their banks are handled. The Live Pilot is adopting a human and flexible approach, as an alternative to the stress and cost of seeking to resolve complaints through the courts.

The Live Pilot is a significant milestone on the journey to getting the BBRS fully operational for the benefit of all of its stakeholders. We will continue to learn from the Live Pilot as we move towards implementation later this year.

I'd like to extend my personal thanks and appreciation to the SME bank customers who have worked with us on the Live Pilot. The experiences they have contributed will go a long way to helping them and many others benefit from our important public interest mission in the future.

I'd also like to congratulate the participating banks for their foresight and painstaking commitment in helping us create this unique new service which will give added protection to their SME clients.



Lewis Shand Smith
Chairman of the BBRS

About the BBRS and the Live Pilot

The BBRS was established in response to the 2018 Simon Walker Review by seven of the major lending banks to deal with unresolved disputes with their small and medium-sized enterprise (SME) customers.

The Live Pilot is an important mechanism for ensuring we create an approach that works for the businesses who use our service. Therefore, confirming our processes and ways of working are effective is a priority during this period. It also means we can adapt the service to the rapidly changing climate for business in the wake of the pandemic crisis, and how this is affecting and will affect complaints and how they are handled. This is to ensure that what we have developed achieves our objective: to consistently deliver fair and reasonable outcomes of the highest quality.

The Simon Walker Review :

- Called for new routes for SMEs to resolve disputes with their financial institutions without going to court, and for this assessment to be on the basis of what is “fair and reasonable” (as the Financial Ombudsman Service, ‘FOS’, does for complaints in its scope) rather than contractual legal obligation
- Proposed a voluntary ombudsman scheme for larger SMEs with a turnover of between £6.5m and £10m and a balance sheet up to £7.5m. There is a gap in access for these larger SMEs, which are outside of FOS’ jurisdiction, but have insufficient resources to pursue resolution through the courts
- Recommended a voluntary scheme to deal also with eligible legacy complaints, although the Review did not propose a specific mechanism for this
- Proposed an SME Advisory Council be set up to identify emerging issues regarding SMEs’ access to finance and the treatment of SME customers by financial services providers

The 2018 response to the Simon Walker Review was led by UK Finance and in collaboration with the seven major UK banks currently operating in the market, namely Barclays, CYBG, Danske Bank, HSBC, Lloyds, RBS and Santander, it proposed:

- Supporting the proposed extension of the Financial Ombudsman Service to provide more SMEs with access to a simple and independent complaints review and redress mechanism
- Providing a voluntary ombudsman scheme offering support to larger SMEs that are not eligible to complain to the FOS or captured under the extended scope of the FOS coming into effect in April 2019
- Backing a historic review of unresolved SME complaint cases since 2008
- Establishing an independent SME Advisory Council
- Creating and funding a Steering Group to work on the scope, operation, delivery and funding of the ombudsman scheme

About the BBRS and the Live Pilot

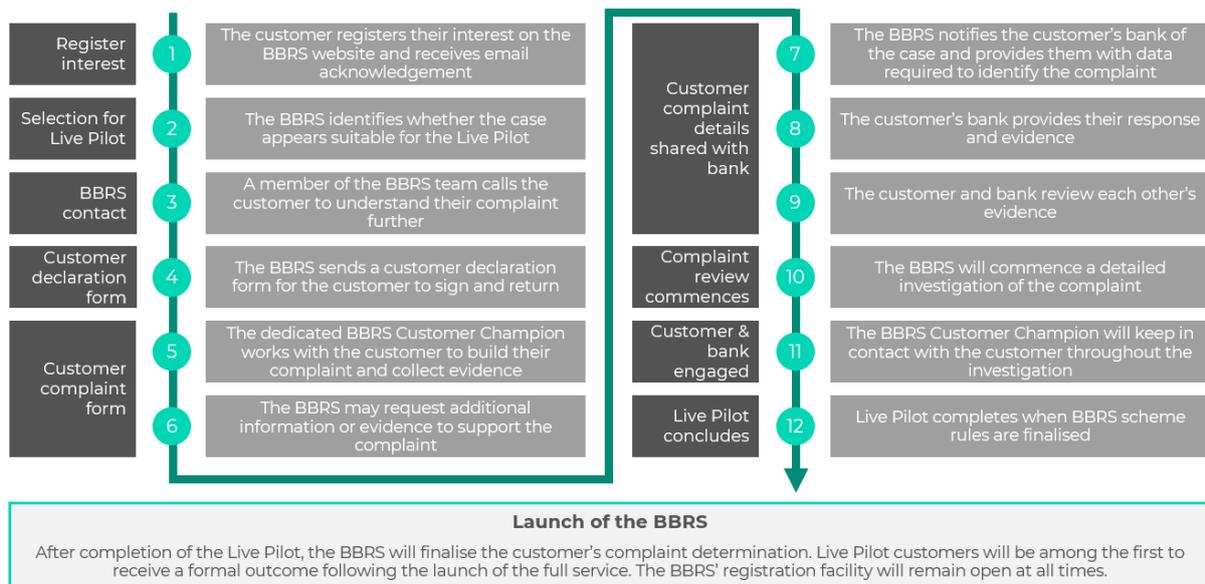
We have been selecting cases from a cross-section of businesses which provide us with the right mix of information about how a very different system would work in practice. This will inform the final shape of the full service when it goes live.

We are very grateful to those who have agreed to participate in the Live Pilot and we value their contribution to shaping our service.

It is important to note that we will contact all other customers who have registered their interest on a rolling basis when we have launched our full service following the conclusion of the Live Pilot later this year.

BBRS Live Pilot: Customer Journey

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Interim findings from the Live Pilot

The Live Pilot is there to inform and fine tune the set-up of the BBRS so that it launches as smoothly as possible later this year.

Since the Live Pilot has been running, the BBRS team has been systematically collecting observations and findings and sharing them with the many stakeholders that it is working with on the project.

These observations and findings are starting to tell a story of the customers who are registering with the BBRS

These observations and findings, which are explored on the pages ahead, are based on Stages 1 to 6 of the Live Pilot customer journey and are starting to tell a story of the customers who are registering with the BBRS, the types of unresolved complaints they have with their banks, and the service that the BBRS has designed.

Taken together, they not only give an insight into what the BBRS has found so far, they also help to inform what customers can expect from the service.



1. Start with the customer



Customers who have registered their interest for using the BBRS service are all unique and so are their stories and experiences

The sectors they operate in are diverse and range from construction to hotel businesses to small retailers. The types of businesses vary from sole traders or those with only a small number of employees on their books to others that are much larger companies. Some complaints date back almost 20 years to as early as 2001, while other customers' complaints are much more recent. What all these customers do have in common is that they want to be heard and listened to, and for many, their priority is to have their complaint resolved.

The BBRS team initially focusses on conversations by phone to interact with customers and learn about the individual complaints, rather than burdening customers with filling in lengthy complaint forms at the very outset. The emphasis is on balancing the need for collecting enough vital information about the complaint as early as possible while not losing the human touch and treating customers with empathy.

2. Sometimes it takes time



Some customers need longer than others to respond to our team members and our requests for documentation.

Many customers have been through very difficult times and imposing harsh or arbitrary deadlines would be unrealistic and unhelpful. In some instances, it takes some time to arrange telephone calls with the customer. In other cases, customers may take longer to find a specific document amidst a large amount of paperwork and correspondence they have accumulated over the years.

In addition, covid-19 has had an impact on everyone's personal and professional life and has meant that our customers have all, understandably, had to focus on the business critical issues arising from the pandemic.

Many small and medium-sized businesses across the country are grappling with the immediate and long-term impact of the covid-19 crisis on their businesses, and the BBRS must factor in this new reality

3. Small adjustments can make the process simpler and smoother



A good example of this came in this current pilot phase of shaping the new service.

Privacy requirements and the GDPR framework initially required us to send out a Customer Declaration form (where the customer consents to enter into the pilot) and a Customer Complaint form one after the other.

Collapsing these two stages into one is a real benefit for our customers. We have moved to combine the Customer Declaration and Customer Complaint stages. This and other refinements to case-handling will not only make the process faster, it will also be a smoother experience for customers.

In addition, the way we gather information from customers will evolve as we move towards going live to reflect our learnings.

4. Understand and adapt to customers' needs and circumstances



The personal circumstances of some customers can make it difficult for them to easily access our service or they may simply have specific communication preferences.

For example, those customers who would rather not scan documents and communicate by email should not have to.

Another example is the need to address the challenge that customers for whom English is not their preferred language can face in dealing with our information requests and sharing their stories.

We are keen to adopt the approach that best fits each individual and are working closely with these customers to understand their accessibility needs so we can make any reasonable adjustments

5. Don't stop at the policy: train and develop our people



Unresolved disputes have far reaching impacts on customers. When we speak to them, many are agitated and emotionally drained. It is important to adapt working styles to support higher than anticipated incidences of customer vulnerabilities such as challenges to mental health or severe financial setbacks, especially for historical complaints that can date back to 2001. In such cases, customers tend naturally to be older, may be in retirement and are having to manage their own health carefully.

Once the customer has informed us of their circumstances, we are adapting the service to take account of that in working with them on their dispute.

In light of what we have learnt, we are taking a deeper look at the way we support those who are more vulnerable

Recruitment processes, staff training, and performance management will continue to develop the human skills needed to recognise vulnerability and to deal with all customers appropriately.

6. The important role of the Customer Champions



The BBRS allocates a Customer Champion to each case. They assist customers in identifying the most relevant evidence from the supporting evidence they have collated in relation to their complaint. This is designed not only to reduce the burden on the customer but will also accelerate the pace at which case review can commence.

For example, some customers have gathered large volumes of papers and documents, often spanning over several years to support their complaint. The Customer Champion will help the customer work through this to identify the most important documents for their case, removing the need for a third party or lawyer to do this for them.

The Customer Champion's priority is to guide customers through the process and make it as easy as possible for them

The involvement of Customer Champion continues throughout the customer's involvement with the BBRS. While they are not advocates, they support the customers at every step of the process including having regular dialogue and seeking additional documentation as and when required.

Customer Champions will be part of what makes us different as a service, ensuring a real degree of care and personalisation. It builds on our desire to listen to customers to get feedback and to build a flexible and agile service

7. Don't judge a book by its cover and proceed with vigilance and curiosity



The details of a complaint are sometimes different to how they first appear, and for an independent organisation that is committed to delivering fair and reasonable outcomes, it is important to be vigilant and inquisitive.

For example, where reference to court proceedings appears on the registration form or during the initial conversations with the customers, it is important to clarify what this means. We need to establish whether the subject matter of the customer's complaint was ruled on by the court or whether the proceedings related to something else entirely, such as summary enforcement of a debt.

There are other examples where the boundaries of what makes a complaint eligible or ineligible are even less clear, even at second glance. Details of the BBRS' eligibility criteria are still being finalised, and the Live Pilot has already contributed to shaping these criteria.

In addition, by being vigilant, inquisitive and curious, we can get to the heart of a complaint, understand what resulted in harm and seek to find the root cause of the problem.

We continue to work with the participating banks and customer representatives to design a service that will enable us to reach fair and reasonable outcomes

8. Be ready for the future when it comes



As we work through the Live Pilot process, the learnings are coming in at several levels, and the findings released today are designed to give a flavour of the considerations and insights that are helping to shape the service to customers. They arise from close work with both banks and customer representatives.

As a pilot, the work has been developmental in its nature, but at the same time, it has enabled all of those involved to take important steps to shape a very different type of service, designed with the public interest in mind. We have also been able materially to progress complaints. Two months of the pilot have been dominated by the covid-19 pandemic crisis. The BBRS is very mindful of the inevitable consequences that the economic shocks of these events will have on businesses large and small.

The new service will stand ready to help deal with the inevitable fall-out from covid-19 by sharing insights to avoid the mistakes of the past

Dealing with these customers with care and empathy will help resolve disputes and bring difficult matters to a close.

How to find out more

There is more work to be done during the remaining time of our Live Pilot. These brief findings are designed to give a flavour of what the Live Pilot is teaching us, and to make the widest possible cross-section of our stakeholders aware of the challenges ahead for bank customers. We need to make sure that all learnings – be they small or fundamental - are closely examined, fed back into the process and the way we design our service.

Transparency is one of the key principles that underpins the BBRS, but today's findings are limited by our strict confidentiality and data privacy policies. Customers, current and prospective, will continue to receive updates on the Live Pilot as we finalise the service to go live later this year.

Our next updates will focus on the likely impact of covid-19 on the volume of business banking complaints in the future, and the BBRS Board's wish to consult the widest possible audience about how the pandemic crisis is affecting them, their organisations and their members.

If you have an unresolved complaint against one of the participating banks, you can register your interest in the BBRS service here (<https://thebbrs.org/register-your-interest/>). Even if the case cannot enter the Live Pilot, it will be ready for early review by our team once we go live.

If you have not done so already, please sign up for one of our upcoming webinars. These will take place on 28 May, 4 June and 16 June (<https://thebbrs.org/webinars/>). You will have the opportunity to meet our senior team and ask questions. You can raise a question in advance when you sign up or ask one during the webinar itself. Please note that we are unable to answer any questions about individual cases. We will capture the webinar content for those who are unable to join.

We also invite you to visit the recently updated 'frequently asked questions' on our website (<https://thebbrs.org/faqs/>). Here you will find information in response to some of the more regular enquiries we receive. And we encourage you to read the statement from our Chair, Lewis Shand Smith, which was recently posted on our news page (<https://thebbrs.org/news-updates/>).

Contact Us

If you have any questions about our Live Pilot or service, you can contact us via phone by calling 0345 646 8825.

Alternatively, you can email us on hello@thebbrs.org.

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