

BBRS.TM

Business Banking
Resolution Service

BBRS Live Pilot end report summary

Business Banking Resolution Service

London, October 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](#). It flagged up the need for an independent service to resolve eligible historical and current complaints for small and medium sized businesses that have not previously had access to independent review.

The service has recently completed its [Live Pilot](#) phase and will be fully launched later this year. 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), Natwest Group (including Royal Bank of Scotland, NatWest and Ulster Bank Northern Ireland), Santander UK plc, Virgin Money (including Clydesdale Bank and Yorkshire Bank).

Introduction

Following the commitments made by the banking and finance industry in response to the Simon Walker Review, an Independent Steering Group (ISG) was set up in January 2019 to oversee the creation of a new alternative dispute resolution service, the Business Banking Resolution Service (BBRS).

Since that time, the BBRS has been developed to review and resolve eligible historical and contemporary complaints for small and medium sized businesses (SMEs) that have not previously had access to independent review.

In preparation for full-service launch of the BBRS and in order to confirm an approach that is both effective and delivers appropriate customer treatment, the ISG decided that a 'live pilot' should be run to test the viability of proposed policies, processes, technology proposition and customer journey.

At the end of January 2020, the BBRS initiated the Live Pilot and took its first critical steps in starting to serve SME customers. This is a public summary of the full report to the ISG, which has had confidential or sensitive data removed.

Purpose

The Live Pilot was designed with the objective of reviewing actual customer cases to assess draft policies, the proposed operating model and customer journey as well as informing associated capability and technical infrastructure requirements. Draft case determinations established through the Live Pilot were required to support the finalisation of Scheme Rules and confirm the pathway for full-service delivery. Draft determinations were based on draft policies, and will be reviewed in line with finalised policies and the Scheme Rules before they are shared with the parties as 'provisional' determinations soon after the BBRS' service is launched.

Scope

The scope of the Live Pilot comprised four principle elements:

1. Testing draft policies and identifying revisions as a basis for developing Scheme Rules
2. Validating the proposed operating model and confirming associated capability requirements
3. Informing the specifications for the technical infrastructure
4. Testing the appropriateness of the customer interaction model

The Live Pilot involved consideration of 48 selected cases, which supplemented the anonymised 'test and learn' cases provided by certain banks as a basis for initial validation of draft policies. Cases were selected on the basis of those that appeared to be non-complex, across a range of complaint types and spread between the banks participating in the BBRS.

| The policies and methodologies tested in the Live Pilot were | Those not tested in the Live Pilot were |
|--|---|
| Case Determination | Insolvency |
| Identification and Verification | Consequential Loss |
| Vulnerability | Appeals |
| Outcomes Methodology | Eligibility (complex cases) |
| Distress and Inconvenience Methodology | Any other policy not listed |
| Direct Loss Methodology | |
| Eligibility* | |

(*Not all aspects of the Eligibility Policy were relevant to the delivery of the Live Pilot)

The Live Pilot did not include:

1. Complete testing of the Eligibility Policy because not all aspects of the Eligibility Policy were relevant to delivery of the Live Pilot, nor was the draft Eligibility Policy itself yet complete
2. Testing the Insolvency, Consequential Loss and Appeals Policies, or any other policies not listed in this report
3. Delivery of case determinations and associated award payment arrangements
4. Use of the proposed case management system (CMS)
5. Deployment of alternative dispute resolution techniques: the only approach tested in Live Pilot was that of Investigative Adjudication

Further arrangements are in hand to validate 1, 2 & 4. As stated above, delivery of provisional determinations and associated recommended award payments (where appropriate) are subject to the finalisation of the Scheme Rules.

The Live Pilot environment

By the date of the Live Pilot Report, the BBRS had received a total of 295 unique registrations of interest in the BBRS' service, with the majority of customers electing to be considered for the Live Pilot. The BBRS selected, on the basis of agreed criteria, a total of 48 cases to take into the Live Pilot. However, not all of these 48 were reviewed – some because they were found to be too complex to conclude during the limited timescale of the Live Pilot, and others because they were (according to the draft policies applicable at the time) likely to be ineligible for the BBRS' service. All these cases will be looked at once the BBRS' policies have been finalised for the full service launch.

However, during the Live Pilot, some draft determinations were reached after review in line with the draft policies. These draft determinations will be re-assessed in line with the policies and Scheme Rules once these have been finalised, and then issued to the parties as provisional determinations. In addition, two of the selected cases settled to the parties' mutual satisfaction during the course of the BBRS' investigation of the complaint so there was no need for those cases to proceed to adjudication.

To facilitate the Live Pilot, the BBRS operated two delivery mechanisms referred to as:

- **Paper pilot** – where evidence could be provided by both customers and banks in a physical (paper) format, capable of being held and processed in a secure office.
- **Technology pilot** – where evidence could be provided by both customers and banks electronically, with each party uploading their documents via a secure online platform. Documents provided in this way could then be reviewed and processed within the technology environment.

Due to the impact of covid-19, the secure office location approved for the paper pilot delivery was closed in March 2020. In response to this disruption, a hybrid technology pilot was developed

In addition to achieving draft determinations in line with proposed policies, the Live Pilot has been a significant opportunity to test, learn and enhance the BBRS' operating model, customer interaction model and technology proposition for full-service launch. These outputs have enhanced and will continue to inform the way the BBRS operates.

Operating model overview

The operating model was designed for the Live Pilot in the knowledge that it would likely require further development and refinement prior to full-service launch. For example, the build of the strategic case management system (CMS) was still outstanding, and the resources utilised for the Live Pilot were always a subset of the true scale required for the full-service.

As part of the Live Pilot, the BBRS' delivery partner, CEDR (The Centre for Effective Dispute Resolution), were contracted for a stand-up period including delivery of the Live Pilot. The contract also required CEDR to demonstrate appropriate technology capability to monitor and manage case delivery across both historical and contemporary schemes. A longer term contract between the BBRS and CEDR is under development to establish the basis for full-service delivery support by CEDR.

Based on operational learnings throughout the Live Pilot, the operating model has been altered to better use the individual and combined strengths of the BBRS and CEDR for the launch of the full-service

Some of the key changes include;

- The BBRS recruiting a dedicated permanent cohort of dispute resolution employees who will take responsibility for some of the more complex cases as well as appeals
- A more hands-on approach to quality assurance, learning and development and case clinics

Whilst the implications for the operating model are still being worked through, a number of specific changes are being considered that will impact CEDR's longer term contract as follows:

- Transition to a BBRS-led service model, rather than pure outsourcing to CEDR, whereby the BBRS maintains operational leadership and control;
- Increased the BBRS' case assessment capability, involving the hiring and preferential use of its own full-time, in-house case assessors with augmentation through CEDR as volumes dictate.;
- Acknowledgement that the Live Pilot has demonstrated that CEDR provide the desired cultural approach and capability, particularly with respect to customer champion roles, telephony and other channel management as well as delivery of the core case management technology; and,
- Recognition of CEDR's capability to deliver alternative resolution approaches will be utilised in the full service.

The BBRS' culture and values

The BBRS intends to be an 'easy' and accessible organisation for customers to deal with, which will 'hear' customers and their complaints with transparency and empathy, and independently resolve these in a fair, timely and consistent way.

It was this cultural imperative that directed the appointment of CEDR as the primary outsource partner, recognising their established history in dealing with a wide variety of business and consumer complaints, including through the deployment of alternative dispute resolution techniques.

Easy and accessible

The principal differentiation the BBRS is hoping to achieve, in contrast to other available resolution approaches, in the creation of the 'customer champion' role

Whilst the title may still warrant further reflection (some customers assumed it meant they would acquire an active advocate as their 'champion'), the feedback from customers has resoundingly recognised the calm, constructive and supportive way in which their case and associated communication has been handled.

The importance of the customer champion role has also been recognised from a process perspective. The Live Pilot experience has shown that the number and length of conversations required and the extent to which customer champions need to provide further information and context to case assessors are all greater than expected.

As such there are three key conclusions arising from the Live Pilot in relation to the customer champion role:

1. The cultural difference sought by the BBRS is capable of being delivered, and the customer champion role is now better informed and understood as the key mechanism to do this.
2. The ratio of customer champions to case assessors will need to increase, recognising the broader extent and demand identified during Live Pilot.
3. The title 'champion' may be worthy of further reflection to ensure it does not give rise to misplaced expectations amongst customers.

Transparent

The case assessment process operated on the basis of full transparency. Customer champions listened to customers' grievances, and obtained their consent to share these with their bank. The bank had the opportunity to respond to that complaint along with any supporting documentation. Both parties then had the opportunity to see and comment on each other's documentation, unless good reason was given for keeping any such documentation confidential.

During the Live Pilot, there were no situations where a party sought to invoke the confidentiality provisions and request that certain documents not be shared with the other party. However, such circumstances may arise, and the policies and Scheme Rules provide for this.

Fair, timely and consistent

Whilst the Live Pilot has taken longer than desired to execute, it has been delivered as quickly as possible in the context of its objectives; the extent of work required; and to provide a strong basis to improve operational efficiency and thus the speed of case resolution. In order to address fairness and consistency requirements, the following key steps have been taken:

- Examination of key documentation by customer champions and case assessors to ensure it comprises a robust basis for decision making
- A rigorous review process (multiple reviews by CEDR followed by consideration by the Director of Case Assessment and the Chief Adjudicator to establish an appropriate outcome)
- A 'spotlight' session with ISG members and delegates to evaluate anonymised draft case determinations
- Thematic review and assessment for consistency where a number of cases were of a similar type, for example arising from authorised push payment fraud or fixed rate loans
- Technical guidance developed to support the consistent review of cases, including reference to relevant banking codes and standards

Key Findings

The Live Pilot process has successfully validated:

- The need for the BBRS' service. The BBRS in partnership with CEDR have been able to help customers resolve sometimes long-standing disputes with their banks. The BBRS has received positive comments from key stakeholder groups: Live Pilot customers have been particularly complimentary about customer champions; banks have engaged positively in the case assessment process and in two instances reached early settlements with Live Pilot customers. SME Groups have provided constructive input to the BBRS in terms of advice on tailored customer communications and providing valuable insight on the customer journey.
- The BBRS' dispute resolution systems have been rigorously tested and have withstood the exceptional challenges raised in the current covid-19 environment. By taking a small proportion of registered customers' cases through the Live Pilot, the BBRS has tested and refined the customer journey; interim technology used for the Live Pilot has helped inform the build of the BBRS' CMS; and the BBRS has been able flex and tailor its service to help those customers who, for example, struggled to use the technology or needed specific help to better articulate their complaints.
- The draft Policies/Scheme Rules even though incomplete at the start of the Live Pilot and in need of finalisation, have been tested and applied in a 'live casework environment'. This experience has not only informed revisions to the draft policies but also enabled the BBRS to reach some draft determinations.

How to find out more

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 though the case cannot enter the Live Pilot, it will be ready for early review by our team once we go live.

We also invite you to visit the '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. To keep up with our other news, please visit the news section of our website (<https://thebbrs.org/news-updates/>).

Contact Us

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

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

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