

BUSINESS BANKING RESOLUTION SERVICE

Holyrood parliamentary briefing event

held on

FRIDAY 19 MARCH 2021

JON McLEOD: Good morning and welcome to the Business Banking Resolution Service Holyrood Parliamentary launch and briefing event. I am Jon McLeod of the BBRS team, and I am going to be steering us through the next 45 minutes.

We have put together this package for MSPs and their offices to help them get up to speed with the service and how they can access it on behalf of their constituents. A full recording and transcript of the proceedings will be posted on our website, as I know many Members have said they would like to follow up with the event later on today and in the coming weeks. We have an exciting cross-party panel for you today, with representatives also from Scottish business and the banks, as well as the heads of the BBRS.

The BBRS was launched last month with a brief to resolve outstanding complaints between larger SMEs and their banks. The free and independent service deals with historical complaints dating back to 2001, as well as the contemporary issues Scottish businesses may be experiencing with their banks. With the pandemic crisis upon us and the economic after effects of that, clearly, this is an important time for the service.

I am pleased to say that first up today is Maurice Golden MSP, the Scottish Conservative's economic spokesperson who is going to talk to us about why support for small businesses is essential to economic recovery in Scotland. Maurice, welcome, and we look forward to hearing you have to say.

MAURICE GOLDEN: Thank you for that. That was a very welcome opening address. First of all, small businesses are the backbone of our economy. Around 1 million Scottish jobs depend on small business and the self-employed sector. Small businesses, whether it be cafes, corner shops, taxi drivers, have been at the forefront of helping the vulnerable in their communities during the pandemic. But the pandemic has hit SMEs hard, and, particularly, the retail, hospitality and tourism sectors, which is especially devastating given the large number of young people employed. I was pleased that we were able to secure an extension to rates relief for that sector. There now needs to be consideration of how to extend existing support payments in line with the rates extension.

However, government cannot do it alone. SMEs need access to private finance to help them through the crisis. I welcome the flexible approach that many banks have taken to this during the crisis. Looking ahead, the finance will also need to look at recapitalisation, and I hope they are equally as flexible with new and innovative financial products.

Against that backdrop, the launch of BBRS comes at an opportune moment, able to build confidence in SMEs to borrow to invest and help to maintain that flexibility from financial institutions. BBRS will be a reassuring point of contact for Scottish SMEs which find themselves in dispute with their bank, and an equally important resource for MSPs to direct constituents to. Investing points to the need for serious long-term recovery; a recovery that helps transition to a net zero economy. SMEs can thrive in that environment if the right decisions are taken now, such as using public procurement to favour local firms to retain wealth in communities; funding and policy levers put in place to expand online commerce, and consideration given early in the next Parliament to the FSB's call for a small business recovery Act. There will be much else needing done but the key is to ensure that Scotland is fully focused on the recovery to give SMEs the very best possible chance to get through this crisis. I believe that BBRS can also help in doing that.

JON McLEOD: Maurice, thank you very much indeed for those words. I wonder whether I could ask a quick supplementary question. It relates to recent remarks you have made about the need, in particular, to support the hospitality sector. What role do you feel the BBRS could play in giving that sector in Scotland particular confidence to invest with confidence to grow out of the pandemic crisis? Do you have a particular message with regard to that sector?

MAURICE GOLDEN: I think the sector is under massive strain. We have seen SMEs as well as all businesses taking on more loans, many of them government-backed loans. In fact, 60% of those SMEs in receipt of CBILS and BBLs are those which never had any experience of debt before. They had never needed to take out loans. I think particularly with hospitality going forward there is going to be an appetite to look at new banking products, new loan facilities, and indeed with that, you may well get far more disputes. That is where BBRS comes in, to help resolve that, to act as an honest broker between banks and SMEs to ensure that we as much as we can allow the sector to survive and thrive.

JON McLEOD: Maurice, thank you very much for your contribution this morning. It is warmly appreciated.

I am now going to turn to Samantha Barrass, who is the Chief Executive of the BBRS, who is going to give a quick introduction to the service, and how it is getting up and running just one month after it was launched. Samantha, over to you.

SAMANTHA BARRASS: The BBRS is a new, free and independent service set up to resolve disputes between eligible small and medium-sized businesses and participating banks. In particular, we are filling a very important gap in the provision of dispute resolution services for larger SMEs. Some of these disputes go back years and, until recently, the situation has been that businesses who have made one or two complaints to their bank and are unhappy with the outcome, and for whom resolution through litigation in the courts is not affordable, have had nowhere else to go. That has all changed. Now the vast majority of SMEs have access to independent dispute resolution through BBRS or the Financial Ombudsman Service. That is really good news for people running SMEs, their banks and the economy. In Scotland, we are talking about nearly 14,000 businesses across construction, production, wholesale, retail and health, to name but a few, which now have access to independent dispute resolution. Moreover, as Maurice has just said, in the wake of the Covid crisis there is a key role for the BBRS to play in supporting economic growth.

This is because the presence of the BBRS will give SMEs added confidence to take out loans and other business banking products, knowing that if something goes wrong, they have a route to independent resolution. This obviously supports creating and maintaining a climate for the much needed investment for economic recovery. Consequently, we are delighted that the BBRS has received widespread support from stakeholders. SME groups, Treasury, BEIS Ministers, MPs and Members of the devolved Administrations have all endorsed the service, and institutions such as the Federation of Small Business, the Institute of Directors and the British Chambers of Commerce have also played a role in the design of the service through our stakeholder consultations. The participating banks have been massively supportive, along with all of the groups involved in the formation of the BBRS.

However, it is important to note the BBRS is independent of the banks. Now that we are fully launched, we are hoping that other lenders will be inspired to join the BBRS too, enabling us

to extend this offer of this crucial service to small SMEs and banks across the UK.

JON McLEOD: Samantha, thank you very much indeed for that. You have put your finger on one of the key challenges that some SMEs have raised about the BBRS, which is how can they be absolutely certain that it is an independent organisation. If trust is going to be rebuilt, they need to feel they have an independent entity listening to their dispute. How does that guarantee of independence work in practice?

SAMANTHA BARRASS: We very much understand the question from SMEs. It is commonplace for industry-focused dispute resolution services to be funded by relevant participants from that industry, and we are no different. I would like to underline that all of those involved - the banks, the SME representatives and we in the BBRS - are absolutely clear about the importance of independence to those who will use and trust the service. Therefore, whilst the funding banks are paying for the scheme, which is free for customers, a series of measures have been put in place to make sure that our Chief Adjudicator, Alexandra Marks, is able to make determinations entirely independently of any participating banks.

There are three safeguards I would draw particular attention to. The first is that the BBRS is structurally separate from the banks and is managed and governed independently of them. The second is that Alexandra's independence is safeguarded directly not just by the scheme rules but also by the BBRS's articles of association. Finally, the financing of the scheme is secured in a way that is completely separate from particular cases and any and all of the Chief Adjudicator's decisions.

JON McLEOD: Thank you, Samantha Barrass, CEO of the BBRS.

Small business representatives were, as we have heard, involved in the design of the service, and I am pleased to say that we have a video message from Tracy Black, the Director-General of CBI Scotland, who is going to talk about why the BBRS is essential for SMEs. Through the wonders of technology, we are going to see and hear her now.

TRACY BLACK: The CBI welcomes the launch of the Business Banking Resolution Service, having been involved in its development. We are all familiar with the tough stories of the experiences of the past, with disputes between lenders and small businesses taking years to resolve, and having a chilling effect on our business culture and attitudes to finance.

SME banking disputes are an important issue for businesses and the new Business Banking Resolution Service will play a vital role in rebuilding trust between thousands of Scottish firms and the banks which serve them.

Throughout the pandemic, coronavirus loans have provided a critical lifeline to businesses, with figures suggesting many of them had never borrowed before. The BBRS is a solution which will help deal with the legacy of the past, but is also capable of facing the challenges of tomorrow, providing swift, fair and reasonable adjudications to deal with complex disputes.

Whilst there remains much to be done, this service is building a platform for the future, and the CBI looks forward to playing its part in this important area, including through the BBRS's Liaison Panel. Thank you.

JON McLEOD: That was Tracy Black, CBI Scotland's Director-General.

Alongside the SMEs were the banks, seven in total, who worked hard to help set up the service. On the line we have Stephen Pegge, who is the Managing Director for Commercial Finance at UK Finance, and who is also a non-executive director of BBRs's independent board. Stephen is going to talk to us about how the banks see the role of the BBRs in rebuilding trust and confidence in the banking sector. Welcome, Stephen, and over to you.

STEPHEN PEGGE: Thank you very much, Jon. I am delighted to be here today. Banks were determined to make sure that we put something in place that would really fill a gap which I think had been evident for disputes for slightly larger businesses that qualify for support from the Financial Ombudsman Service. The only way to do that credibly was in collaboration. In order to do that, we have worked very hard with all the business groups.

When it comes to trust and confidence, I can do no better really than think of what David Hume used to say about that. "Your corn is ripe today. Mine will be ripe tomorrow. It is profitable for us both to labour together, me helping you today so that you should aid me tomorrow. We need mutual confidence and security that we can work together otherwise we will both lose our harvests." I think that is just a fantastic summation of the importance of trust and confidence. Of course, David Hume put the emphasis very much on the social contract as opposed to the legal contract. I think we have a bit of both with the Business Banking Resolution Service. This is a voluntary scheme on the part of the banks, but it is enshrined in confidence, and I think that underpinning really will help us.

Where are we now? The latest research on this group of SMEs from the *SME Finance Monitor* suggests that about 69% of businesses have a high level trust in their main bank, but 28% only have a medium level of trust. Some 73% of these businesses are confident they will get support from their bank, but we know approval rates, especially with the support of the lending schemes - and £3.5 billion has been lent to businesses in Scotland through the CBILS and bounce-back loan funds - is actually 96%. Whichever way you look at it, there is a 20% gap. This could make a real contribution to that, in restoring relationships that banks have with SMEs, and in improving banks' performance, because the feedback is strong, in making sure that lenders can improve where things are not working, and in building reputation. Jon, that is my take on trust and confidence.

JON McLEOD: Stephen, thank you very much indeed for that. If I may just come back with one quick supplementary question, which is this: what would your message be to other banks who might consider joining the scheme? We have the coverage of seven banks, a very high proportion of the market, some would say about 90%, but what about the remainder: what would your message to them be?

STEPHEN PEGGE: As you say, there is more than 90% coverage, and that certainly applies in Scotland as well with the contributors who are part of this. In due course, I think we would welcome more members to join. There is some interest in doing so. I would say it is good for your clients, because, clearly, if there are unresolved contractual disputes, this is an option for you to restore your relationship. It is good for your firm. You can learn from the experience of dispute resolution that can put things right for the business. It is also good for your reputation. In collective terms, the more that are involved, the more that benefit for the industry is reinforced.

JON McLEOD: Stephen, thank you very much. That was Stephen Pegge from UK Finance.

I am going to turn to a person now who is at the heart of the BBRS and its service, and that person is Alexandra Marks. She is the Chief Adjudicator within the service and she is going to talk to us about how the BBRS will deliver fair and reasonable outcomes. Welcome, Alexandra, and over to you.

ALEXANDRA MARKS: Thank you very much, Jon. As you say, we are focused on achieving fair and reasonable outcomes for every case, but it is not just outcomes, it is also our overall approach to be fair and reasonable. It is built into our service and runs as a golden thread through everything we do. As we have heard, our service has been designed by the seven participating banks and SME group stakeholders, and it is designed deliberately to be easy to access, empathetic and flexible in its approach. An example of the access and empathy is provided by the fact that each business using the BBRS will be assigned a customer champion, who will act as their guide to our service and how to use it, from the moment we start work on their case until their case is closed.

I think another important feature of the fairness and reasonableness I have been talking about is our use of alternative resolution dispute techniques to settle unresolved complaints. These include conciliation, mediation, early settlement. If none of those is suitable for a particular case, or does not lead to an agreed outcome, we will use our default method of investigative adjudication. That means that we will investigate the complaint independently, using experts with specialist knowledge, if appropriate, and, crucially, we will listen to what the parties have to say. We will then reach our own decision on what would be a fair and reasonable outcome in all the circumstances. Where a customer accepts that decision of ours, the bank will be legally bound by it, but if the customer does not accept it, they will be free to pursue their complaint elsewhere, in the courts for example. Of course, we hope that parties will accept our decisions because the BBRS has been constructed not only as a mechanism for dispute resolution, but also for rebuilding trust between banks and businesses, which we heard Stephen talk about earlier.

Overall, our mission is to resolve a meaningful number of complaints dating back to 2001 as well as contemporary complaints. As we show what we are capable of, and as Stephen has mentioned too, we very much hope that more banks will join our service.

JON McLEOD: Thank you very much, Alexandra. If I may, I would like to come back with a couple of quick supplementary questions. Fair and reasonable sounds like a legal idea. The BBRS is a UK service, but how does fair and reasonable play in the environment of Scots law, which is of course different from the law of England and Wales, or the law in Northern Ireland?

ALEXANDRA MARKS: Indeed, Jon, that is right. In assessing what is fair and reasonable, we will consider not only all available evidence, but also take into account relevant law and regulations. Of course, in the case of Scottish complaints, that will include relevant law and regulations in Scotland. We will also consider guidance and standards, codes of practice, and, where appropriate, what we consider was good industry practice at the relevant time.

I think it is also important to say that our initial decisions will be provisional. Each party will have the opportunity to comment and provide additional information before the decision is

actually made. Then after that there is an appeals process available for either side if, for example, they have got new material that they believe should be considered..

JON McLEOD: All those processes are of course free and the customer is supported by a customer champion. May I ask you this final question? The scheme rules have rules about eligibility, but there is a procedure known as the Concessionary Cases Scheme which enables cases which are ineligible, potentially to be heard. Could you just describe briefly what that aspect of the scheme looks like?

ALEXANDRA MARKS: Absolutely, Jon. This is a truly unique feature of our service, and I think one of the tremendous virtues of having been devised as a voluntary scheme governed by contract, thanks to the principal stakeholders, our seven participating banks and the SME groups we heard about, which worked together to devise this service.

Unlike a statutory scheme, for example, which naturally has very rigid boundaries of eligibility to its service, we have what you might describe as a “fuzzy” boundary, which means that if a case which we think on the merits should be looked at falls outside the eligibility criteria by a small margin, we can ask the bank if they will allow us to look at it. We are confident that they will say yes, not least because they have promised to look at such requests acting in good faith, and to respond in a reasonable way.

We have even got category which is deliberately excluded from our service, namely those cases that have already had access to an independent review, whether it is through the Financial Ombudsman Service, whether it is through the courts, or whether, in some cases, it is through an independent review which has already been conducted by the bank. Even in those latter cases, we are able to look at cases where there is new evidence if the bank permits us to do so. Those cases, if they bring new evidence which would have a material impact on the outcome, we will refer them back to their bank in the first instance, and we very much hope the bank will be able to resolve it. If they cannot, will not, or do not feel that it is appropriate for them to look at, they can refer it to us instead.

JON McLEOD: Thank you, Alexandra, so there is a really great opportunity for customers who have struggled in the past to come to us for support and assistance?

ALEXANDRA MARKS: Absolutely.

JON McLEOD: That was Alexandra Marks, the BBRS’s Chief Adjudicator.

We are now coming to our final three speakers. I am pleased to say that we have two further contributions from Holyrood itself. First up is Daniel Johnson MSP, who is Scottish Labour’s spokesperson for finance. Daniel is going to talk to us about the importance of securing fair access to capital for Scottish SMEs after the pandemic crisis. Daniel, welcome, and over to you.

DANIEL JOHNSON: Thank you very much and thank you for inviting me. In some way I feel this event is almost tailor-made for me. I started my career as a consultant in the financial services industry and I then went on to run my own small business in retail. If that was not enough, as a philosophy graduate, hearing Stephen not just quote David Hume but invoke social contract theory was music to my ears.

This is a hugely important scheme coming at a really critical time. I think we almost become immune to the commentary about just how severe an economic shock Covid has been and, more importantly will continue to be, but I do not think we can emphasise that enough. I think Maurice already alluded to much of this.

If we look at the context within which this scheme is being launched, in my view, Covid presents three key enduring challenges to business. First of all, it is one of debt. Essentially, many businesses have survived to this point, but they have done so by accumulating a huge amount of debt. We have already heard about CBILS, but it goes far beyond that. I speak to businesses in my constituency where, essentially, personal savings accounts have been emptied and pensions have been cashed in. This comes against a historic legacy of small businesses essentially tending to have poor levels of investment.

If we are going to see our economy recover, and actually see our small businesses grow, it is critically important that they get access to finance and have confidence when they do, not least of which because they are going to be struggling with quite significant balance sheet issues going forward.

Secondly, we are going to see an ongoing impact from restrictions. What is becoming abundantly clear is that, even with the conclusion of the vaccination programme, we are going to have infection control and, importantly for consumer-facing businesses, ongoing social distancing requirements. As a retailer, I know if you cannot have as many people in your store that affects your bottom line. Maurice mentioned the tourism industry. Again, while it may be formally possible for the economy to open up, there will be various sectors where if there are no tourists or other activities or impact, they may be able to open but they are not going to have customers there. That is another key challenge.

Finally, there is the wider economic impact. If you are trying to trade at a time when economic activity is depressed that is hugely challenging. We know from the 2008 financial crisis, and I know personally, that the relationship that small businesses have with their banks and other financial service providers is critically important. During the 2008 crisis many small businesses really struggled to negotiate and gain understanding from their banks.

Hopefully, this scheme - and I think everything that we have been hearing this morning points in this direction - gives small businesses that straightforward level playing field within which they can make claims to their banks. I think that in and of itself should provide a great advantage to them.

Secondly, I think that point about the level playing field also puts them on an equal footing with those institutions. Essentially, you are often talking about businesses with maybe one, two, three or four employees against the big banks which are just faceless corporate megaliths. I think this scheme enables them to have that direct voice and that ability to get redress, and I think that is really important.

I would just make one final point. I think as we move forward we really must learn those broader lessons of 2008, and that is this: government, the financial institutions and business will need to work together. We need to have dialogue so that we are all clear about what the issues are so that we can act flexibly, and that we are very clear on outcomes and pursuing those things together. If government, finance and business can do that, we will recover. If we do not do that, we will continue to suffer the effects of Covid for some time to come. I will conclude my remarks there.

JON McLEOD: Daniel, thank you very much indeed for those comments. May I come back to you with a very quick supplementary question? One of the things BBRS is particularly keen to do is to reach out to what you might call hard-to-reach businesses. I am thinking about businesses in rural parts of Scotland, or, indeed, businesses with black and minority ethnic owners and directors. What is your advice and steer on how to get the attention of those businesses, who may not necessarily be following the policy debate very closely, or be members of representative organisations like the FSB and so on? How would you suggest we reach those businesses most effectively?

DANIEL JOHNSON: I think what will be critical is the communications and information which surround this. I think you are absolutely right. Many of those communities will not necessarily be tapped into the same channels of communication as the mainstream business community. I think one thing I would ask is you work with people like myself, Tom and Maurice. We will all have constituents who approach us with issues and who have struggled to get redress in the past, so coming through elected representatives. I think other community organisations will also play a key role, organisations such as Citizens Advice; all of these are places where people will tend to turn to for advice and help within their own communities. Those are the places that I think the BBRS will have to focus its attention on to ensure that its communications go to those organisations, those places of help, so that advice can be passed on the people who need it.

JON McLEOD: Thank you very much indeed. That was Daniel Johnson MSP.

Next up is Tom Arthur MSP, who is the SNP Deputy Whip and member of the Finance and Constitution Committee at Holyrood. Tom, welcome. We look forward to hearing from you about the next steps in building trust between Scottish SMEs and the financial sector, and a little bit maybe about what the Scottish Government are doing to support that. Tom, welcome, and over to you.

TOM ARTHUR: Thank you, Jon. Good morning. I am grateful for the opportunity to share a few brief reflections upon what I have heard this morning on that key question of building trust, because that is clearly one of the most challenging issues. Trust, a bit like respect, is not something that can be pursued; it has to be earned. I think what we are seeing in getting to this point with the formal launch of BBRS last month is the fruit of a long period of reflection and learning, dating back to the wake of the events of 2008.

I think key to rebuilding trust is the fundamental values that underpin the BBRS. I think key to that is a recognition of the lack of fairness, or perceived lack of fairness, that follows from the unavoidable inequality of arms between any SME and finance providers. I think the task going forward is to take these values and to transform them into actions so we see the BBRS fully in operation and in practice. That will help to inspire confidence, and indeed, hopefully, help to inspire confidence in those remaining financial providers who are not yet participating in the scheme.

I would say there are two key areas we will see a real opportunity in terms of direct engagement with SMEs, to restore trust and build trust and confidence going forward, and that of course is in providing an opportunity to raise all existing disputes, and to provide closure in cases where there has been unfairness, or even a perception of unfairness, in some cases, cases going back as far as two decades. Crucially, and most importantly and this is a

point both Maurice and Daniel have touched on, is how we go forward in response to the pandemic.

I think there are two aspects of the pandemic in terms of how it will impact SMEs and the wider economy. We are hopefully moving towards the end of the acute phase, where many businesses have been facing severe distress, but we are also now moving into a recovery phase. While that is welcome, there is a degree of uncertainty, because for some businesses it will be a changed economic landscape that they will emerge into. There will inevitably be changes in consumer behaviour, but, as a consequence of, for example, the acceleration of pre-existing trends such as digitalisation, markets and ways of working will be different as well.

It is imperative and it is vital that there is confidence amongst SMEs to access finance, not just an interest in the acute phase they have been through, but in making those investments to go forward, and to be able to take advantage of some of the opportunities that will flow from this experience. Although it has been incredibly negative, the fact we are having this meeting right now on a virtual platform, which would have been not necessarily unthinkable but unlikely 12 months ago and is becoming quite commonplace, is one way in which our lives have been changed. That is very much the case for business as well.

In concluding, I would echo the points that other contributors have made. Of course, SMEs are the backbone of our economy. This is something the Scottish Government recognise. They recognise it through MDRs and the Business Framework Support Fund. I think it is incumbent upon all politicians to remember that, ultimately, the success of SMEs will determine the success of the wider economy and the success of society as a whole. I think BBRs is a scheme that can breed confidence, and that can only be a good thing.

I would echo the point that Daniel made that it is a job and duty for us as MSPs, and for Members elected in the upcoming election, to make sure we are promoting this scheme amongst relevant businesses within our own constituencies. There is a role for government in that as well. I look forward to doing so and to seeing the scheme now it is fully up and running and operational.

JON McLEOD: Tom, thank you very much indeed for those remarks. I just wonder whether I could come back to you with one quick supplementary question. The Scottish economy is configured differently from the economies of other parts of the UK. What sectors do you think it is particularly important the BBRs is cognisant of, and takes note of, in shaping and engaging with the SME community in the debate about how it can support and build stronger relationships with lenders and finance providers?

TOM ARTHUR: I think, as has already been touched on, Scotland has very strong tourism and live events sectors. They are two areas where we would want to see continued engagement because, unfortunately, they are going to be the last to return to some degree of normality. I think we all recognise there is a real opportunity in the upcoming months to getting close to domestic normality, but the price of that will be, for example, reduced international travel, and that will have a disproportionate impact on Scotland compared to other parts of the UK given our circular reliance on those sectors. I would suggest that hospitality and other areas related to tourism as well as live events will be particular areas. Of course, with live events, Glasgow will be hosting COP 26 later this year, and it will be interesting to observe as well how the live events and conference markets develop as we

move, due to the normalisation of platforms such as we are using today, to host this event. These are things we will need to keep a close eye on, but these are the sectors which I think can benefit most in the immediate term.

JON McLEOD: Thank you very much indeed. That was Tom Arthur MSP. Our final speaker today joining us from Shetland is the Chair of the BBRS, Lewis Shand Smith. Good morning to you, Lewis. We are looking forward to hearing from you about your vision for the BBRS. Over to you up there in sunny Shetland.

LEWIS SHAND SMITH: It is actually misty Shetland, Jon. Good morning and thank you. My thanks to all the speakers and panellists for your contributions this morning. As Jon said, I am charged to share with you something of my vision for the BBRS. As I do so, I realise it is going to be not just a vision but a summary of what has been said already by all the speakers. I am really very heartened by what you have said this morning.

I have a background in dispute resolution as an ombudsman both in the public and private sectors and I am a qualified mediator. I chair the BBRS and I chaired the steering group that was charged with implementing this organisation and this service. I am driven by a determination to see justice done and wrongs put right.

The BBRS has two key roles. The primary one is to listen to claims of historical injustices, many of them going back a decade or more; to assist in finding resolution or to make decisions and determine appropriate redress. The second is to give reassurance to larger SMEs that now and in the future they have access to quick, free and independent redress when something has gone wrong in their interactions with their bank.

We are independent and we are impartial. Our decisions, as you know, are based on what is fair and reasonable in the circumstances of the case, and will take into account relevant law and regulation. We will also pay particular attention to the economic environment within which Scottish small businesses operate.

Of course, sitting between the banks on the one hand and SMEs on the other will not necessarily be comfortable for us. Some of our findings will not make easy reading for banks. Equally, it is inevitable that we will not find in favour of every business that has a complaint. But we will be accessible, free and straightforward to use, and we will be bespoke to the needs of each person using our service. We do not have a “computer says no” approach but, rather, a customer champion assigned to each case will guide and support bank customers throughout the process.

As Alexandra has said, it is important to remember that we are not just about adjudicating cases. Investigation and adjudication is our default. We are here to promote resolution using the full suite of resolution tools at our disposal. Our focus will be on seeking to resolve cases as early as possible, provided it is consistent with securing that fair and reasonable outcome.

I encourage all MSPs and your teams to use our service when approached by constituents who have a problem and who you think may be eligible.

We are also here to help and to give early advice and to respond quickly to approaches from your offices and from you when you are seeking guidance. We will be on hand to signpost and support you and your constituents.

The BBRS is the result of a remarkable co-operation between the seven banks and representatives of the SME community. I hope we will make a small contribution to improving the climate for investment in Scotland by increasing the confidence of SMEs to borrow in order to grow out of the crisis. I also hope we will go some way to promoting trust and confidence between banks and the SME sector.

Thank you all very much for joining. I am going to hand back to Jon McLeod to close our session. Thank you.

JON McLEOD: Thank you very much indeed, Lewis. It only remains for me to thank all our participants this morning for their contributions and for their time. Full information about the BBRS is on our website at bbrs.org. It includes a short animation and a downloadable poster for constituency offices which explains the service in very simple terms. I am hoping those tools will be very useful to SMEs and their offices and their constituency surgeries.

In the meantime I am delighted to close the session and to wish you all a very good morning. Goodbye.