

# BBRS.™

Business Banking  
Resolution Service



## **Annual Report**

Year Ended 31 December 2022



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## Company Information



Company registration number	<b>12096333</b>
Directors	<p><b>Lewis Shand Smith</b> (Non-Executive Chair)  <b>Mark Grimshaw</b> (Chief Executive Officer)  <b>Alexandra Marks</b> (Chief Adjudicator) (resigned 30 April 2022)  <b>John Spence</b> (Non-Executive Director)  <b>Dame Janet Gaymer</b> (Non-Executive Director)  <b>Lucy Armstrong</b> (Non-Executive Director)  <b>Caroline Barr</b> (Non-Executive Director)  <b>Stephen Pegge</b> (Non-Executive Director)  <b>Sally Berlin</b> (Chief Adjudicator) (appointed 24 May 2022)</p>
Registered office	<p><b>Eastcastle House</b>  <b>27-28 Eastcastle Street</b>  <b>London</b>  <b>W1W 8DH</b></p>
Auditor	<p><b>MHA</b>  <b>2 London Wall Place</b>  <b>London</b>  <b>EC2Y 5AU</b></p>
Bankers	<p><b>HSBC</b>  <b>Canary Wharf</b>  <b>London</b>  <b>E14 5AH</b></p>

## Chair's Report

2022 marked the second full year of operation for the Business Banking Resolution Service (BBRS) after it opened for registrations on 14 February 2021.

By the end of 2022, the BBRS had been open to registrations for just under two years, and it is gratifying to have seen the organisation deliver against its purpose – to help eligible customers resolve their banking complaints. From a settlement to a non-financial award, each case represents a significant outcome for customers, many of whom have waited years for their case to be satisfactorily resolved.

Case volumes are still lower than we anticipated when the scheme was launched but criteria for success of the BBRS should not be the total numbers of cases through the system. Rather, success should be assessed based on whether customers who used the system are satisfied and whether we have found those cases that are eligible according to the rules that were signed off by the Implementation Steering Group (ISG).

Having looked at this as a Board, we are content that we have left no stone unturned to find cases. Our customer satisfaction figures demonstrate that eligible customers are satisfied with the processes we have in place.

The BBRS is bound by the scheme rules that were unanimously agreed by small and medium sized

business enterprises (SMEs) and banks prior to launch by the ISG.

We acknowledge that some are frustrated by the eligibility rules. For example, some stakeholders would like the BBRS to be an appeals body for Financial Ombudsman Service (FOS) judgements, court settlements, or contractual settlements with the banks that were arrived at following independent review. But the BBRS does not have the powers to overrule these decisions.

The criteria were set out in the Simon Walker Review and endorsed by the then Chancellor, Philip Hammond, in his oft quoted letter to Stephen Jones: "It is right that the scheme does not seek to re-open complaints that have already been settled under a previous independent redress scheme, but offers an opportunity for resolution to SMEs who have not had anywhere independent to take their complaint."

The BBRS eligibility rules were set out to ensure the BBRS dovetails with the FOS, and fills a vital gap for SMEs in need of dispute resolution that were deemed too small to use the courts. This is what was set out in the Simon Walker Review and accepted by the ISG.

The BBRS has an important year ahead. The scheme is currently funded to run until the end of 2023. The Board is involved in conversations around what will

happen next for the BBRS and its customers, and will communicate any changes to the service to ensure continuity in business banking resolution support for those that need it.

**Lewis Shand Smith**  
Chair

## Chief Executive Officer's Report

As the BBRS marks its second full year of operation, I am pleased to reflect on another year in which we have continued to resolve business banking complaints.

As a result of the hard work of our dedicated casework team, we are continuing to see the BBRS functioning according to the rules under which we were set up.

The BBRS opened for case registrations in February 2021, and as of 31 December 2022, 56 settlements had been made between banks and businesses. More than £1 million of financial awards have been made to customers as a result of using the BBRS, however when a dispute is resolved directly between the SME and bank the BBRS is not normally informed of the settlement figure, so the true amount of financial awards is likely to be greater. This figure includes financial settlements made following BBRS involvement but handled outside of our adjudicative scheme.

In the instances where the customer and the banks resolved the dispute privately, we are not able to report on the specifics of the settlement reached. However, it is crucial to note that customers have reported that the BBRS was instrumental in helping the parties restart conversations and enter negotiation, sometimes after years of deadlock. We include some examples of these resolutions in this Report.

Case registrations remain lower than anticipated at the launch of the scheme, but we are continuing to do all we can to encourage eligible customers to come forward and register their complaints. Building

a national brand from nothing in a very short timeframe is no small task. So this year we built on last year's targeted SME communications campaign which generated over 55 million 'opportunities to see'. In 2022 the BBRS continued our marketing investment to generate an additional 29 million 'opportunities to see' as a result of our Autumn campaign.

We accessed further customers through targeted articles placed in trade media publications. In addition we have made significant improvements to the website – re-writing it so that it is even more customer friendly, introducing chat bots to capture data and offering call backs to maximise registrations. We are continuing to ensure that no stone is left unturned in reaching customers who are eligible for our contemporary scheme, which addresses complaints dating from 2019 to the present day.

In 2022 we were assessed externally on our performance through two Post Implementation Reviews (PIR). The PIR reports were a stipulation of the Implementation Steering Group (ISG) made at the setup of the BBRS.

The purpose of PIR 1, published on the BBRS website in February 2022, was to consider how the organisation was established. This Report concluded that we were set up according to the rules that were agreed by the ISG. As this is a matter of interest for stakeholders we have clarified that process by issuing a statement on the website of what was agreed by the ISG.

In January 2023 we published the results of PIR 2 which focussed on

the operational effectiveness and impact of the BBRS, and whether it is delivering against the scheme rules and operational plans. Key findings of the second Report include that the BBRS is doing what it was set up to do and that cases are assessed competently. The review team also found that the BBRS' decisions on the eligibility of cases and financial awards are independent. The Report made 10 recommendations including to simplify the process and bring down costs. We are working with our partners to deliver against the Report's recommendations.

2023 is an important time for the BBRS, with the BBRS funded to continue until the end of the year. We are considering, along with our partners and stakeholders, what potential closure might mean for customers. We recognise the challenges facing the UK economy in the months to come, and we are engaged in conversations with our industry partners and stakeholders about what this will mean for SMEs and their access to dispute resolution in the future.



**Mark Grimshaw**  
Chief Executive Officer

## Chief Adjudicator's Report

During its second year of operation, the BBRS has continued to deliver resolutions to business banking disputes. I stepped into the role of interim Chief Adjudicator in May 2022, and formally took on the Chief Adjudicator role in July. I have been working with the BBRS since March 2021, previously as Deputy Chief Adjudicator. While undertaking this important work, I have sought to understand, through our casework, what lessons can be learned for the SME banking sector.

As of the 31 December 2022, the BBRS has seen 56 settlements made, of which 21 were the result of adjudications and 35 were settled directly between the parties following BBRS involvement. Of those resolved directly, eight cases were resolved via conciliation, and a further two were successfully mediated. 197 cases were registered with the BBRS in 2022, just over 16 per month on average.

Whilst progress has been made, the number of resolved cases remains lower than was forecast at the foundation of the scheme, due to a lower number of registrations than initially expected.

This year, the BBRS published a Case Insights Report looking at customer registrations up to July 2022 with a view to identifying what financial products and services generate the highest number of SME banking complaints. The Report identified that, from our case load so far, the main areas of complaint concerned loans, property valuations, personal guarantees, fraud, administration issues and account closures. An over-arching theme from this

research was that BBRS customers feel that communication could be improved by banks generally. This work has helped our understanding of the common areas of complaint and the operating realities for banks and SMEs.

Each of the settlements made represents a significant resolution for both parties. Aside from awarding compensation, we have also facilitated non-financial awards and, for some customers, these awards have had a bigger impact than a financial settlement. Non-financial awards have included changes to exit fee arrangements, changing customer loan terms, removing negative information from credit files and discharging individuals from personal guarantees. Away from the number of case resolutions, PIR 2 found some qualitative benefits in this regard, suggesting that the BBRS has encouraged banks to improve complaints procedures and resolve cases internally.

The BBRS continues to offer a free external service for eligible SMEs to resolve banking disputes that are currently too large to be handled by the Financial Ombudsman Service. In 2023 we will provide further insights from our work as dispute resolution specialists, and my team and I will continue to provide resolutions, including adjudications, based on what is fair and reasonable.



**Sally Berlin**  
Chief Adjudicator

# Strategic Report

## Introduction

The BBRS was established to help SMEs who have not previously had access to other forms of dispute resolution.

The BBRS allows eligible businesses the opportunity to have their complaints heard and independently reviewed.

The organisation's key goal remains to fairly resolve disputes between businesses and banks, and to promote trust in business banking relationships. The BBRS has been working towards this goal by adjudicating cases impartially, based on what is fair and reasonable, using alternative dispute resolution (ADR) practices and also facilitating non-adjudicated outcomes (i.e. settlements, mediation, conciliation).

Customers continue to be at the heart of what we do, and the BBRS is focused on delivering an excellent customer experience. Since September 2022, the BBRS ran an advertising campaign designed to reach as many eligible customers as possible prior to the closure of complaint registrations to our historical scheme at midnight on 14 February 2023.

## Case registrations

As of 31 December 2022, the BBRS had a total of 905 registered cases.

Of the 905 cases registered with the BBRS, 57% were historical cases (relating to complaints between 2001 and 2019), 21% were contemporary cases (relating to complaints since 2019), 21% had not been established as either historical or contemporary due to insufficient preliminary customer data, and 1% of cases had elements that related to both the historical and contemporary schemes.

Of the cases that could not be classed as either contemporary or historical, a portion will remain unestablished due to insufficient information being received before the case was withdrawn by the customer or was de-registered by the BBRS, due to prolonged customer inaction. For any open cases, the BBRS will continue to gather information so these cases can be categorised as either historical or contemporary.

When the BBRS launched in February 2021, the number of registered complaints was heavily weighted towards the historical scheme. This was due to the existing awareness of the BBRS among SME groups that were involved in the set-up of the BBRS. Since then, the number of historical case registrations has fallen slightly although historical cases still make up a high portion of all registered cases. The historical scheme closed, as planned, to new registrations on 14 February 2023.

	Total	Percentage
Historical	512	57%
Contemporary	193	21%
Unestablished date of complaint	186	21%
Dual scheme*	14	1%
<b>Total registered cases</b>	<b>905</b>	

\*cases that have components relating to both the historical and contemporary schemes

## Case status

As of 31 December 2022, the BBRS had 85 open cases and 820 closed cases.

Of the 905 cases that had come to the BBRS, 668 were closed for reasons not related to eligibility. This could have included, for example, the removal of duplicate cases, customers withdrawing their complaint from the process or the de-registration of cases by the BBRS due to prolonged customer inaction.

De-registered cases had not been the subject of a formal Eligibility Assessment, which means these customers could re-register their complaint in the

future if they wish to do so. Cases were only de-registered following sustained and unsuccessful efforts to reach and communicate with customers.

As of 31 December 2022, 14 cases were waiting to be allocated to a Customer Champion. These cases had either just registered with the BBRS or were in the very early case assembly stages with customers being helped by a Case Officer.

The BBRS continues to work with customers on progressing cases as quickly and efficiently as possible.

	Total	Percentage
Live	85	9%
Closed	820	91%
<b>Total</b>	<b>905</b>	

### Eligibility

The BBRs treats all cases as eligible until the facts of each case can be established. When a complaint is first assembled, relevant information is collected to check eligibility. Where there is a clear early challenge or lack of clarity about complaint eligibility, the customer is made aware as soon as possible.

Not all cases require or receive a formal Eligibility Assessment. All cases are continuously evaluated, during the case assembly stage, by the allocated Customer Champion and the Case Assessor, and only those cases where there is uncertainty regarding eligibility undergo a formal Eligibility Assessment by a Case Assessor.

If a case has received a formal Eligibility Assessment from a Case Assessor, the assessment may be subject to appeal by either party.

As of 31 December 2022, of the open cases, 76 were progressing as being eligible for the BBRs and 9 cases had been formally assessed as being ineligible, although this number could decrease, subject to appeal. Of the 820 closed cases, 141 had been formally found to be ineligible.

The eligibility of every case is kept under review throughout the complaint journey – as a result most cases fall into the ‘open cases progressing as eligible’ category until they require an Eligibility Assessment or receive a Provisional Determination.

### Reasons for ineligibility

There are several reasons why a complaint may be ineligible for the BBRs. The full data on reasons for ineligibility is published on the BBRs website on a monthly basis.

The most common reason for ineligibility remains that a case is currently, or was previously, eligible for – or received an outcome from – the Financial Ombudsman Service. This was the case in 32% of cases.

The second most common reason was that at the time the case was referred to the bank, the business did not meet the required BBRs financial criteria. This was the case in 30% of cases.

The third most common reason was that the registered case had previously been subject to an independent review. This was the case in 10% of cases.

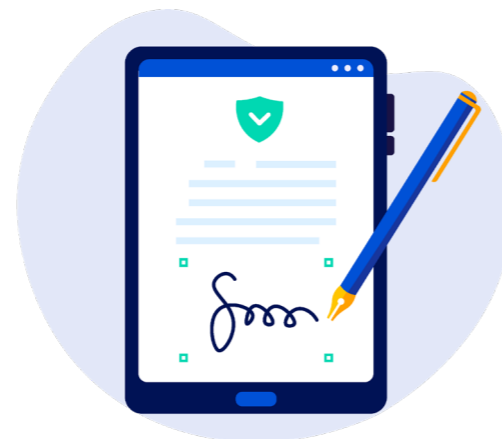
There can be one or more reasons affecting eligibility per case. As of 31 December 2022, 44% of the 141 ineligible cases had more than one reason which found them ineligible for consideration under the scheme rules.

### Concessionary cases

If a case falls outside the BBRs’ eligibility criteria, the BBRs may still be able to consider it provided the customer, the bank and the BBRs all agree. If we are asked to consider a complaint and we believe we should be able to do so (for example because there is a technical reason why it is ineligible or it has just fallen short of our eligibility criteria), we will write to the bank, explain why we think we should consider it, and we will ask for the bank’s agreement.

The BBRs considered the option of concessionary consideration in all cases which were found ineligible following an Eligibility Assessment.

As of 31 December 2022, the BBRs referred 37 cases to banks for concessionary consideration. Of these, eight cases were taken forward and 27 were not progressed with the BBRs, although some of these cases were taken back by the banks directly afterwards and settled following BBRs involvement. Two cases put forward for concessionary consideration were still awaiting a response from the bank.



### Eligibility appeals

The BBRs recognises that there may be some situations when either party feels there is more to be considered about the case and wish to appeal part of, or the whole, Eligibility Assessment, after it is issued.

Permissible grounds of appeal are:

- **Mistakes:** If there has been a clear error of fact or law in the decision being appealed.
- **New information:** If there is new evidence or information relating to the decision that has only become available since the decision was issued.
- **Non-compliance with scheme rules:** If the BBRs, in handling the case, has failed to comply with the scheme rules in a material way and this has had a material impact on the outcome.

As of 31 December 2022, the BBRs had received 69 appeal notices in relation to Eligibility Assessments. This is from a total of 182 Eligibility Assessments (both open and closed cases) which had been undertaken to this date.

This number is higher than the BBRs originally anticipated. A number of appeals were made on cases registered before the scheme rules were agreed and published.

Of the 69 appeal notices that have been received so far:

- We were considering whether one appeal notice had permissible grounds of appeal.
- 55 appeals had been unsuccessful as they did not meet the grounds required to go to the appeal panel.
- 13 appeals were accepted for consideration by the appeal panel.

### Determinations

Both parties to a complaint can respond to a Provisional Determination after it is issued. Any responses to the Provisional Determination are considered before the issuing of the Determination.

By the end of December 2022, there had been 44 Determinations with a range of outcomes. This is an increase from 34 Determinations issued by the end of September 2022.

The BBRs only reports on closed cases in terms of outcomes. A case is not considered closed until the period for any appeal has passed or there is no further action required. As of 31 December 2022, 35 determined cases had closed. Of these four complaints were upheld in full, 19 were partially upheld (some parts of the case were upheld, whilst other parts were not) and 12 were not upheld.

Of the 35 closed determined cases, 21 were awarded financial awards and 14 received non-financial awards. Non-financial awards can consist of the BBRs instructing the bank to take steps to put things right that do not involve a financial payment being made and can include, for example, correcting a credit file or making changes to loan terms or conditions. Non-financial awards can be made in addition to, or instead of, a financial award. These figures include any financial awards issued for distress and inconvenience, regardless of whether the complaint was substantively upheld.



### Settlements and direct resolution

As of 31 December 2022, the BBRS has reached 56 settlements of which 21 were the result of adjudications and 35 were settled directly between the parties following BBRS involvement. Of those resolved directly, eight cases were resolved via conciliation, and a further two were successfully mediated.

26 of these cases are from the historical scheme (14 adjudications and 12 conciliated, mediated and direct settlements), 21 are from the contemporary scheme (seven adjudications and 14 direct settlements) and an additional three settlements were dual scheme, where banking complaints relate to matters that happened before and after 1 April 2019. A further six cases were settled before a date of complaint was established.

An adjudication means that a case has gone through our resolution process in full and has resulted in a formal determination. The BBRS has found that in some cases banks will arrange a direct settlement with the customer after they have registered a complaint with the BBRS. This still represents a successful outcome for all parties and the BBRS plays a key role in initiating these conversations.

To date, substantially more than £1 million of financial awards have been made to SMEs as a result of BBRS intervention, across the various dispute resolution routes. Furthermore, where cases evolve to direct settlement between the SME and bank following BBRS intervention, the BBRS is not always party to the redress sum that is agreed, and so this figure is likely to be significantly higher.

In addition to monetary awards, a significant number of non-financial awards have been issued following BBRS intervention, including rearranging lending terms and conditions, discharges from personal guarantees or debt recovery rearrangements.

### Key financial performance indicators

During the year ended 31 December 2022, the BBRS operated within a budget for 2022, which was agreed with the participating banks.

The BBRS' only income for the period was the financial resource provided by the banks, with any funding not utilised being credited back to the banks at the end of the year. As such, the BBRS' income statement shows a nil net profit for the period, and the balance sheet, as at 31 December 2022, shows nil net assets.

Total expenses in respect of the ongoing operating costs of the service during the year ended 31 December 2022 consisted of:

- Staffing costs of £3.870m (2021: £4.129m), consisting of salaries and benefits for all employees and Non-Executive Directors, recruitment and training.
- Professional fees and administration costs of £5.361m (2021: £6.106m) including professional services costs, legal costs, operational services, including business operations and case costs, and other administrative costs.

During 2022, the BBRS decreased staff headcount resulting in a reduction in staff costs (a decrease of £259,000) and decreased Professional fees and administration costs (decrease of £745,000) as part of a cost management initiative.



### Strategic update

The BBRS' historical scheme closed to new registrations on the 14 February 2023. This part of the scheme closed as agreed at the Implementation Steering Group which set up the BBRS. The BBRS ran two extensive marketing campaigns, achieving 55 million 'opportunities to see' in autumn 2021, and 29 million 'opportunities to see' in autumn 2022. Whilst the number of eligible cases registering for this part of the scheme remained lower than was thought at the formation of the scheme, no stone was left unturned in encouraging customers with eligible banking complaints to register.

The historical scheme remains closed to new applications, however customers who registered with the BBRS prior to 14 February 2023 will still have their case handled by the BBRS and the work to resolve these final cases remains ongoing. Additionally, the BBRS remains open to concessionary cases, for instances where a case falls just outside our eligibility criteria. For these cases, the BBRS will write to the bank, explain why we think they should consider it, and ask for their agreement.

The BBRS commissioned research in early 2023, interviewing 522 senior business decision makers at UK companies with an annual turnover of between £5 million and £15 million, about the challenges they believe their businesses are likely to face in the year ahead. 41% of SMEs surveyed believe their business may be in financial difficulties in a year's time. One in six (16.5%) of the SMEs surveyed believe they will fail to meet their debt obligations over the next 12 months. In a year where the inflationary backdrop compounds financial pressures from a difficult economic environment, the BBRS will continue to provide independent, free dispute resolution support for SMEs that are too large to use the Financial Ombudsman Service and, typically, too small to go to court.

Currently, the BBRS is funded to continue until the end of 2023. The BBRS, along with other key stakeholders, recognises that it provides resolution for SMEs that currently have no other route of escalation for their banking complaints other than the courts. It will continue to find resolutions for eligible customers, so long as there is funding to do so.

### By order of the Board

**Signed by Mark Grimshaw,**  
Director and Chief Executive Officer

# Directors' Report

The directors present their Report and the financial statements for the year ended 31 December 2022.



## Directors of the company

The directors who have served on the Board of the BBRS during the period under review were as follows:

**Lewis Shand Smith**  
(Non-Executive Chair)

**Mark Grimshaw**  
(Chief Executive Officer)

**Alexandra Marks**  
(Chief Adjudicator)  
(resigned 30 April 2022)

**John Spence**  
(Non-Executive Director)

**Dame Janet Gaymer**  
(Non-Executive Director)

**Lucy Armstrong**  
(Non-Executive Director)

**Caroline Barr**  
(Non-Executive Director)

**Stephen Pegge**  
(Non-Executive Director)

**Sally Berlin**  
(Chief Adjudicator)  
(appointed 24 May 2022)







## Directors' Report continued

### Chair

Lewis Shand Smith was appointed as a director of the Company on 10 July 2019, and as Executive Chair with effect from 1 February 2020, transitioning to Non-Executive Chair with effect from 1 February 2021.

### Third-party indemnity provisions

Qualifying third party indemnity provision for the benefit of one or more director of the company was in force at any time during the financial period.

### Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Due to the originally planned closure of the scheme on the 31st December 2023 to new registrations, there was some uncertainty around the assessment of going concern. However, due to the expected continuation of operations into 2024 and on-going commitment by the BBRS' Funders, the directors are of the opinion that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Following a rebranding exercise on 15 May 2023 the trading name of the Company's independent auditors changed from MHA MacIntyre Hudson to MHA. MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### By order of the Board

**Signed by Mark Grimshaw,**  
Director and Chief Executive Officer

Date: 27 April 2023

**Company Registered Number 12096333**

# Auditor's Report

## Independent Auditor's Report to the Members of the Business Banking Resolution Service



### Opinion

We have audited the financial statements of the Business Banking Resolution Service (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022, and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our

evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Emphasis of matter

We draw attention to Note 1(f) of the financial statements and disclosures in the Directors' Report, which describe the uncertainty over the date of the planned closure of the Service. The directors have confirmed that the company will continue to trade although activity may decline ahead of an eventual cessation if a funding extension is not agreed. Our opinion is not modified in respect of this matter.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as

the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;

- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Stuart McKay BSc FCA DChA

For and on behalf of MHA,  
Statutory Auditor  
London, United Kingdom

Date: 22/05/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered OC312313)

# Business Banking Resolution Service

Year Ended 31 December 2022  
Financial Statements



## Business Banking Resolution Service

Year Ended 31 December 2022 – Statement of Comprehensive Income

		Year Ended 31.12.22	Year Ended 31.12.21
	Note	£000	£000
<b>Turnover</b>	2	9,231	10,235
Cost of sales		-	-
<b>Gross profit</b>		9,231	10,235
Administrative expenses		9,231	10,235
<b>Operating profit</b>		-	-
<b>Profit before taxation</b>	3	-	-
<b>Profit for the year/period</b>		-	-

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 23 to 26 form part of these financial statements.

## Business Banking Resolution Service

Balance Sheet – as at 31st December 2022

		31.12.22	31.12.21
	Note	£000	£000
<b>Current assets</b>			
Debtors	4	1,621	1,345
Cash at bank and in hand		5,320	4,668
		<b>6,941</b>	<b>6,013</b>
<b>Creditors: amounts falling due within one year</b>	5	<b>(6,941)</b>	<b>(6,013)</b>
<b>Net assets</b>		-	-
<b>Capital and reserves</b>			
Profit and loss account		-	-

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

**Mark Grimshaw**  
Director and Chief Executive Officer

Date: 27 April 2023

Company Registered Number 12096333

## Business Banking Resolution Service

Year Ended 31 December 2022 – Statement of Cash Flows

		Year Ended 31.12.22	Year Ended 31.12.21
	Note	£000	£000
<b>Cash flow from operating activities</b>	6	652	3,008
<b>Net cash flow from operating activities</b>		652	3,008
<b>Net increase in cash and cash equivalents</b>		652	3,008
<b>Cash and cash equivalents at 1 January 2022</b>		<b>4,668</b>	<b>1,660</b>
<b>Cash and cash equivalents at 31 December 2022</b>		<b>5,320</b>	<b>4,668</b>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		5,320	4,668
<b>Cash and cash equivalents at 31 December 2022</b>		<b>5,320</b>	<b>4,668</b>

### Analysis of changes in net debt

	01.01.22	Cash flows	31.12.22
	£000	£000	£000
Cash and cash equivalents	4,668	652	5,320
<b>Total net cash</b>	<b>4,668</b>	<b>652</b>	<b>5,320</b>



## Business Banking Resolution Service

Year Ended 31 December 2022

### Notes to the financial statements

#### 1 Summary of significant accounting policies

##### (a) General information and basis of preparation

Business Banking Resolution Service is a company limited by guarantee incorporated on 10th July 2019 in England and Wales. The address of the registered office is given in the company information on page 2 of these financial statements. The nature of the company's operations and principal activities is dispute resolution.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £000.

These financial statements are for the year ended 31 December 2022 and comparatives are for the year ended 31 December 2021.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### (b) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### (c) Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### (d) Turnover

UK income is recognised at the point where eligible expenditure has been incurred and there is the ability to recharge such expenditure to the company's funders.

##### (e) Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Termination benefits are recognised as an expense when the company is demonstrably committed to incurring the expense. The amount recognised is the company's best estimate of the expenditure required to settle the obligation at the reporting date.

##### (f) Going concern

The directors have assessed the use of going concern basis of accounting and have considered possible events or conditions that might cast significant doubt on the ability of the company to continue as a going concern. The directors have made this assessment for a period of at least one year from the date of the approval of these financial statements. Due to the originally planned closure of the scheme on the 31st December 2023 to new registrations, there was some uncertainty around the assessment of going concern. However, due to the expected continuation of operations into 2024 and on-going commitment by the BBRS' Funders, the directors are of the opinion that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future for the following reasons:

- It will take time to resolve any open cases after the scheme closes to new registrations.
- Any replacement scheme will take some time to set up and it is unlikely that the banks will want a



gap between the BBRS scheme closing and any replacement service. This may also result in an extension of the existing agreement with the banks.

- The BBRS has funding in place and has access to additional funding under the existing agreement with the banks to cover ongoing casework.

The company therefore continues to adopt the going concern basis in preparing these financial statements. The directors are not aware of any post balance sheet events which would have a material impact on these financial statements.

#### (g) Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimate and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

No critical estimates and assumptions in applying these policies were utilised in 2022.

## 2 Turnover

The analysis of turnover by activity and geographical area is as follows:

	Year Ended 31.12.22	Year Ended 31.12.21
	£000	£000
<b>UK income from the rendering of services</b>	<b>9,231</b>	<b>10,235</b>

The UK income comprises funding of the Administrative Expenses which consist of (1) £3.870m (2021: £4.129m) of staffing costs, including salaries and benefits for all employees and NEDs, recruitment and training; (2) professional fees and administration costs of £5.361m (2021: £6.106m), including professional services costs, legal costs for the BBRS and SME organisation, operational services, including business operations and case costs, and administrative costs.

## 3 Profit before taxation

Profit before taxation is stated after charging:

	Year Ended 31.12.22	Year Ended 31.12.21
	£000	£000
Auditor's remuneration	22	20
Operating lease rentals	219	193

## 4 Debtors

	31.12.22	31.12.21
	£000	£000
Trade debtors	1,621	1,323
Prepayments and accrued income	0	22
	<b>1,621</b>	<b>1,345</b>

## 5 Creditors: amounts falling due within one year

	31.12.22	31.12.21
	£000	£000
Trade creditors	46	90
Other tax and social security	525	846
Accruals and deferred income	6,370	5,077
	<b>6,941</b>	<b>6,013</b>

## 6 Reconciliation of profit to cash flow from operating activities

	31.12.22	31.12.21
	£000	£000
Profit for the year	-	-
Operating profit	-	-
(Increase)/decrease in debtors	(276)	7,631
Increase/(decrease) in creditors	928	(4,623)
Cash flow from operating activities	<b>652</b>	<b>3,008</b>

## 7 Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.22	31.12.21
	£000	£000
Not later than one year	237	182
	<b>237</b>	<b>182</b>

## 8 Directors' remuneration

	Year Ended 31.12.22	Year Ended 31.12.21
	£000	£000
Remuneration	994	1,284

1 (2021: 1) director was accruing pension benefits under a defined contribution pension scheme.



**8 Directors' remuneration** continued

	Year Ended 31.12.22	Year Ended 31.12.21
	£000	£000

The emoluments (excluding pension contributions) of the highest paid director included above was: highest paid director included above was:

440	471
-----	-----

**9 Staff costs**

The average monthly number of employees, including directors, during the period was as follows:

	Year Ended 31.12.22	Year Ended 31.12.21
	£000	£000
Directors	8	8
Management and administration	22	25
	<b>30</b>	<b>33</b>

Staff costs including directors' remuneration, were as follows:

	Year Ended 31.12.22	Year Ended 31.12.21
	£000	£000
Wages and salaries	2,836	3,020
Social security	348	408
Pension and other costs	262	257
	<b>3,446</b>	<b>3,685</b>

During the year, one member of staff's employment at the company was terminated and they received a non-contractual termination payment. The payment was made in full during the year and is included in the above amounts.

**10 Pensions and other post-retirement benefits**

The company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £193,000 (2021: £257,000).

**11 Related party transactions and key management personnel**

There were no related party transactions in either the current year or prior year.

Key management personnel are considered to be the Directors and Non-Executive Directors only and their compensation in the period is as stated in note 8 above.

## Customer Experience

**Customer feedback is essential in helping the BBRs understand what our customers experience when they come to the BBRs and to help us maintain the highest standards of service for our customers.**

This section provides insights into the data we have collected from our customers and what they think of the service we provide.

The BBRs started to review customer feedback data during 2022 to help inform how we improve our service.



**Collecting customer feedback data**

We receive feedback from customers both directly and indirectly.

- Direct feedback is obtained through surveys completed at various stages of the journey.
- Indirect feedback is obtained by reviewing service complaints and by obtaining feedback from Customer Champions, who work directly with customers and can provide insights on areas that could be developed.

Feedback from customers is collected both before we begin investigating the customer's case and after the customer's journey with the BBRS has ended.

Feedback was previously analysed up until August 2022 and has now been analysed up until 3 January 2023.

Stage	Responses received – 3 January 2023
Application submission	186
Complaint points acceptance	42
Decision	5
Total	233

**Application stage**

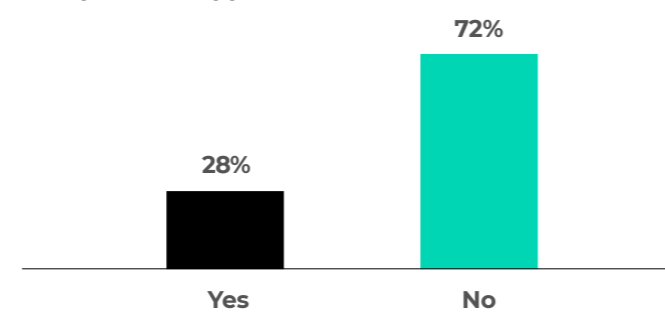
72%

of customers told us they were able to complete the application without support from the BBRS team whilst 28 per cent of customers needed some help. These figures have remained the same as in August 2022.

**Questionnaire data insight**

The BBRS proactively asks customers for feedback at various stages of the customer journey. There are currently three points along the customer journey where the BBRS asks for direct customer feedback – this is at the early submission stage, after the complaint points have been agreed with the help of the Customer Champion and after a decision has been issued. By the time a customer reaches the Decision stage, they are unlikely to contribute to feedback.

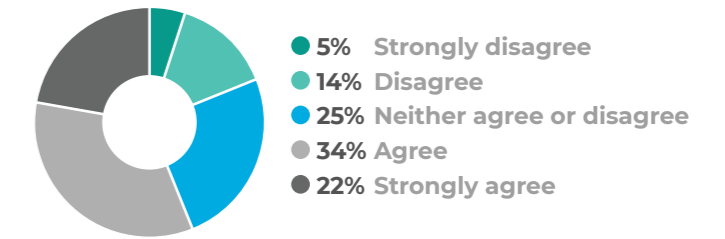
**Did you require support from the BBRS team to complete the application?**



56%

customers agreed, or strongly agreed the application was simple to complete.

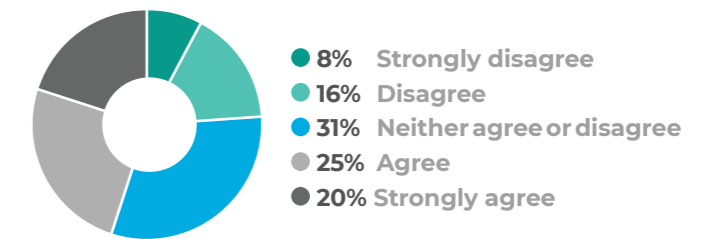
**The application was simple to complete**



45%

of customers agreed, or strongly agreed, the process to submit supporting documents was simple.

**The process of submitting supporting documents was simple**

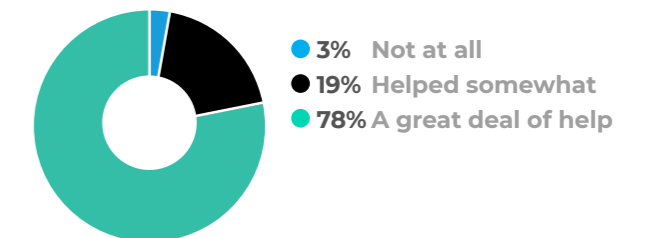


**Setting out the customers' complaint**

78%

of customers told us they had received a great deal of help from their Customer Champion in setting out their complaint.

**To what extent did the Customer Champion help you to set out your complaint?**



19%

of customers felt the Customer Champion had somewhat helped them and three per cent (one customer) told us their Customer Champion provided no help.

This highlights that our customer-centric approach, with our policy of having one point of contact for customers throughout their complaints journey, is proving effective.



### Decision stage

We continue to have limited feedback from this stage of the journey, as anticipated.

We are aware the further along the complaints journey the customer is, the less likely they are to engage in requests for formal feedback.

Also, due to the number of cases that have completed the complaints journey in full, we expect there to be less feedback at this stage currently.

### Service complaint insights

In 2022, the BBRS received 12 service complaints. The topics covered are varied but the following themes have featured:

### Complaint outcome

During 2022 a number of customers expressed disappointment with the outcome of their complaints via the service complaint process.

A service complaint is not a mechanism for challenging the investigation or outcome of a case. Challenges of this nature should be directed to the Appeals process. More information on the service complaint process can be found on the BBRS website.

### Concessionary consideration

Two customers expressed concern about their cases not being considered under the concessionary process.

The concessionary process is generally suitable for cases that fall just outside of the BBRS' eligibility criteria and whether a case is recommended for concessionary consideration is a decision for the Case Assessor.

Any case that has already been to an alternative dispute resolution scheme or a case that has several ineligibility reasons are unlikely to be considered under this process.

### Time taken

Two customers were unhappy with the time taken to give them a formal answer on their cases. The BBRS ensures customer expectations are managed at the start of the process but we have to ensure we consider all routes to resolution before we reach a formal outcome.

Many cases were pre-enrolled with the BBRS before its official launch on 14 February 2021. The time taken to reach an outcome is measured from the day the BBRS went live and could start work on the case, not the pre-enrolment date.

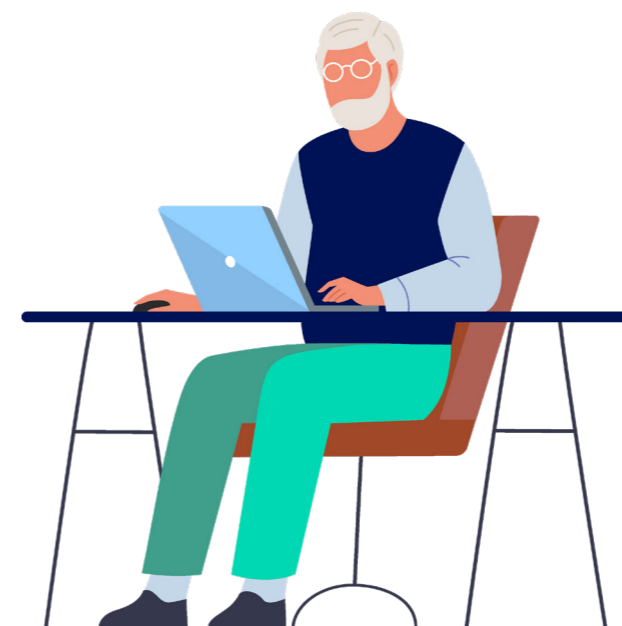
### Customer Champion feedback

Customer Champions work closely with customers to help guide them through the complaint process.

Throughout the case journey, customers discuss with Customer Champions what they like about the BBRS and where they think the BBRS could work differently.

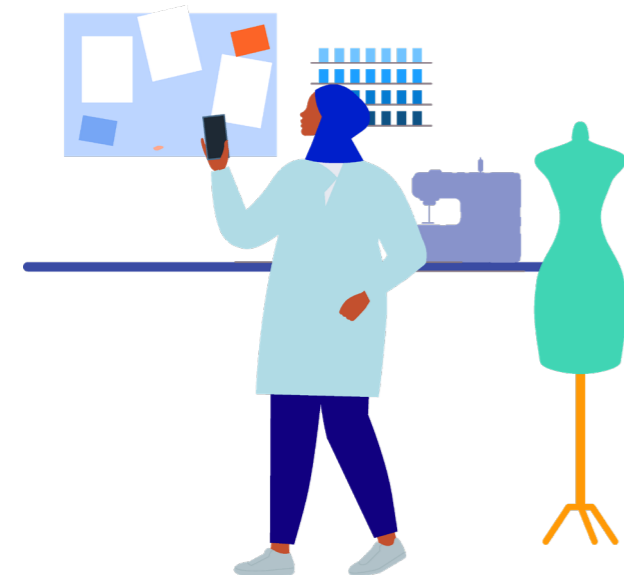
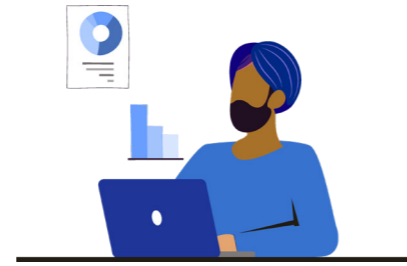
During 2022 there were various instances of positive feedback from customers centring on the help and support they received from the casework team.

Alongside the positive comments, we received feedback from a customer who felt the rules were complex, but they were supported by their Customer Champion who helped them understand the process.



## Customer testimonials

These testimonials are accounts of real customer experiences with names and some details changed. Each case that reaches the BBRS is different and customer outcomes will vary.



“They showed me compassion during an anxious time”

### Case 1 overview – customer pursued in retirement for a personal guarantee loan

Gordon was a director of a building company and, in 2003, he took out a personal guarantee to secure an overdraft for his business. A personal guarantee is an agreement between a business owner and a lender, where the business owner agrees to be personally responsible for paying back a loan if the business is ever unable to meet its payments. In 2013, Gordon retired and left the business, informing the bank.

In 2020, Gordon – now retired and with a limited income – was contacted by the bank to settle the company's debts of £20,000. The bank was relying on the personal guarantee signed in 2003. Gordon felt that this could ruin an otherwise happy retirement, and that the bank had not provided him with a suitable warning that he was still liable for the company's debt. The customer approached the BBRS for support to have his case investigated, and ultimately to try and stop the bank chasing him for the debt.

### Achieving resolution

Gordon registered with the BBRS in 2021 and, as the case concerned a contract signed in 2003, it was considered under the historical scheme. The BBRS Customer Champion worked with Gordon and spoke to the bank on his behalf to ask them to put a hold to their action whilst the BBRS investigation was carried out.

Following BBRS involvement the bank and customer mutually agreed to enter into conciliation, a BBRS brokered alternative dispute resolution process. Following conciliation the bank agreed that the customer could be released from the guarantee and any liabilities secured by it.

On reaching a resolution Gordon thanked the BBRS and the Customer Champion for “always showing the utmost courtesy, kindness and compassion in what has been an extremely anxious time for me.”

### Case 2 overview – loan set up wrongly

Claire and her business partner managed a local business. They came to the BBRS with a complaint that their bank had set up a loan wrongly. A monthly standing order payment was set up at a lower rate than it should have been, meaning that there would be an outstanding debt at the end of the loan period. The loan was agreed prior to 2019 so this case was considered under the historical scheme.

### Achieving resolution

The case assessor reviewed the eligibility of the complaint and found that the customer had the opportunity to register with another appeals body at an earlier stage. The appeals body had not been able to help them due to the date the loan was agreed. After consideration, the BBRS asked the bank to look at the complaint as a concessionary case.

Claire and representatives from the bank were able to resolve the complaint outside the BBRS' formal adjudication process. In recognition of the error, the bank repaid the underfunded amount in full, along with compensation.

On having their case resolved Claire said: “The BBRS gave us confidence to move forward and challenge the responses I had first received when going to our bank directly. They listened to my concerns about how the bank had handled our initial complaints. The BBRS re-enforced that our causes for concern were justified. After having been repeatedly put down by the bank, I was beginning to believe I was just one of the ‘little people’ with no chance of challenging a corporate giant.”

“Our complaint has now been recognised by the bank and we have achieved what we originally wanted to resolve. This would never have happened if the BBRS had not interceded for us.”

“I wouldn't have found resolution without help from the BBRS”

# Employee engagement

The BBRS has continued to develop all functions, ensuring a capability amongst employees to continue effectively contributing to their own roles and within the wider organisation.



The BBRS has invested in several training areas including;

- Mediation
- Project Management
- Leadership and Management, and;
- Corporate Governance.

The BBRS continues to encourage training and development opportunities, with 100% of employees completing a wide variety of courses in 2022. The BBRS conducts regular staff surveys to understand staff wellbeing and engagement. The most recent staff survey indicated that 75% feel they have a good work-life balance, 90% feel supported by their Line Manager and wider Leadership Team, and 85% feel the BBRS provides them with growth and development opportunities. 90% of employees stated they feel engaged in their role. All employees continue to understand the mission and purpose of the BBRS and recognise the importance of providing an accessible and transparent service, with determinations based on what is fair and reasonable. The BBRS continues to maintain close working relationship with the Centre for Effective Dispute Resolution (CEDR), with colleagues from both institutions meeting regularly, both in person and virtually.



## Bank Liaison Panel Chair's Report

The Bank Liaison Panel acts as an advisory body on behalf of the banks participating in the scheme.

The Bank Liaison Panel does not discuss individual cases but instead considers the broader landscape for SME banking by looking at trends, issues and areas of concern regarding access to finance and the treatment of SMEs.

The panel is made up of representatives from each of the seven participating banks, with UK Finance and the Chief Adjudicator joining as invited observers. The SME Liaison Panel Chair also has a standing invitation to provide an update on the work of that panel. In 2022 both the Financial Ombudsman Service (FOS) and the Financial Conduct Authority (FCA) were invited to input into the discussions being held.

The Bank Liaison Panel encourages two-way dialogue between the member banks and the BBRS. This enables the BBRS to become aware of key issues and changes to bank policy and practice which may be of relevance in the operation of the scheme. By being aware of what is happening within the banks and the types of business banking complaints they are seeing, the BBRS can learn about issues that are currently impacting SMEs or may impact SMEs in the future, with a view to improving customer service and meeting the needs of various stakeholders.

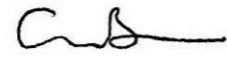
We recognise that it is important for members of the Bank Liaison Panel to keep within competition law, with each panel member representing a separate organisation with a different set of strategic goals. As a result, we meet both as a panel for wider discussions and also in bilateral meetings with the BBRS to help provide bank specific insights.

One area of discussion with the Bank Liaison Panel in 2022 was the BBRS' review of customer complaints, which resulted in the production of the Case Insights Report. This internal review looked at the type of complaints registered with the BBRS, irrespective of eligibility. The Report highlighted the most complained about products and services and is available to view on the BBRS website.

The Case Insights research was conducted to give an overview of the sorts of complaints that customers have had, and this information was presented to the banks as part of the BBRS' remit to provide research into wider concerns within business banking. This led to discussions around bank administration, customer service and the most common reasons for BBRS complaints.

The next meeting of the panel will focus on the financial landscape for SMEs given the current economic environment and will consider whether this is likely to lead to a rise in complaint volumes.

Both the panel and the BBRS recognise the wider benefits of this forum to facilitate discussions around improving customer experience when making a business banking complaint.



**Caroline Barr**  
Chair of the Bank Liaison Panel



## SME Liaison Panel Chair's Report

*This report covers the 2022 calendar year and was written in January 2023.*

The SME Liaison Panel is an independent advisory panel to the BBRS with members drawn from a variety of SME and legal backgrounds. Its role is to recommend how the BBRS can provide appropriate support to SME complainants, to advise on developments, and to make suggestions for improvements.

I was appointed Chair in February 2021 and the Panel held their first meeting in July of that year. We met on three occasions in 2022, with minutes of these meetings available on the BBRS website. In addition, the members of the Panel have corresponded electronically and met virtually on several occasions.

Here are my reflections on the progress made by the panel in 2022.

**Set up:** Because the BBRS was set up following prolonged and often difficult discussions between representatives of SMEs and the banks, there were inevitably compromises made to enable the BBRS to start, continuing concerns that the governance of the BBRS is not as independent from the banks as some would like, and is not managing to resolve the breadth and numbers of cases that people originally envisaged. The Panel has looked at those issues, while also looking ahead to what the future may hold.

**Case volume:** There is concern about the very low number of cases which the BBRS has resolved. It is common ground that the scheme has not attracted or resolved the volumes of complaints which the ISC

originally envisaged. In the Panel's view, this points towards the need to change the scheme to enable more complaints to be resolved.

**Scheme rule recommendations:** In 2022 the panel discussed presenting scheme rule recommendations to the BBRS. The panel had hoped for a greater degree of engagement from BBRS, but the BBRS decided it should remain neutral leaving SME representatives and the banks to see whether they could agree on what changes might be needed. There have now been some preliminary discussions with bank representatives about changes to the BBRS scheme rules. The panel has made the following proposals, on which further work is being conducted:

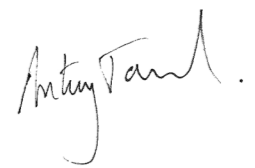
- Change the date at which SME financial eligibility criteria are considered, from the date the original complaint was registered to the date the incident complained about occurred.
- Drop the requirement of an insolvency practitioner to provide a waiver before a dissolved company complaint is investigated.
- Allow a complaint to be reviewed when the company was technically eligible for the Financial Ombudsman Service but 'fell through the cracks'.
- Review and consider expanding the current balance sheet eligibility limits.

- Consider processing complaints that have been through a banking complaint review process but not been adequately resolved.

- Explore expanding the list of participating banks.

**Accessibility:** We have worked with the BBRS to improve the website to make this more user-friendly. We have been pleased to see improvements to the BBRS website including simplified language, easier to understand registration pages, and a new accessibility tool. The scheme remains complex, however, and the Panel will discuss with the BBRS and banks how it might be streamlined to reduce delays for customers progressing through the system.

Following discussions with the BBRS, there have also been improvements to the data on complaints which it publishes, although it remains difficult to interpret some of the data.



**Antony Townsend**  
Chair of the SME Liaison Panel



**BBRS.** Business Banking <sup>TM</sup>  
Resolution Service