

# BUSINESS BANKING RESOLUTION SERVICE

Annual Report

Year Ended 31 December 2024

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# Company information

## Company registration number

12096333

## Directors

Lewis Shand Smith (Non-Executive Chair)

Mark Grimshaw (Chief Executive Officer)

John Spence (Non-Executive Director)

Dame Janet Gaymer (Non-Executive Director) (resigned 31 August 2024)

Lucy Armstrong (Non-Executive Director)

Caroline Barr (Non-Executive Director) (resigned 31 August 2024)

Stephen Pegge (Non-Executive Director)

Sally Berlin (Chief Adjudicator)

## Secretary

Narinder Sanotra

## Registered office

Eastcastle House

27-28 Eastcastle Street

London

W1W 8DH

## Auditor

MHA

2 London Wall Place

London

EC2Y 5AU

## Bankers

HSBC

Canary Wharf

London

E14 5AH

# Chair's Report

As we move to complete our final cases, I am reflecting on my role as Chair and I am pleased with the work that the BBRS has achieved in 2024, its last year of accepting new case registrations. Although there were fewer cases than anticipated, each case we have been able to resolve has brought many the closure which was needed to allow their lives to move on.

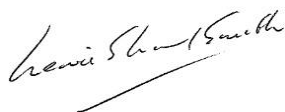
In 2024, the BBRS Board announced that the BBRS would be closing to new Contemporary Scheme registrations. It is simply the case that the number of registrations that campaigners expected to see at the set-up of the BBRS never materialised. Case registration remained low despite our extensive advertisement work and banks informing their customers of our contemporary scheme.

We commissioned research from Bayes Business School which showed that the number of cases expected when we launched was over-estimated. Our legacy report, which is due to be published in 2025, will cover why anticipated case volume was inflated prior to launch, and will suggest lessons to be learned from the BBRS project for future policy makers.

In October 2023, the FCA published the findings from a call for input into SME access to the Financial Ombudsman Service (FOS). It reviewed the FOS's remit to see if this needed to be expanded to accept businesses covered by BBRS – those with a turnover between £6.5m and £10m. The FCA decided not to recommend a change to the FOS, which supports SMEs with a turnover of up to £6.5m and covers 99% of small businesses. Their decision supports our research which demonstrates there is no significant need for larger businesses to have access to alternative dispute resolution for banking complaints.

With this in mind, I was confident for the Board to take the decision to stop accepting new registrations to the contemporary scheme on 13 December 2024. This followed the closure of the historical scheme in February 2023. The historical scheme closed as planned after two years and saw the majority of customer registrations. We are committed to ensuring that customers who registered before the deadline have their complaints reviewed as normal, and this is our focus for 2025.

In his original report, Simon Walker suggested that trust needed to be restored by setting up a mechanism to resolve complaints between SMEs and the banking industry. Despite the smaller number of eligible customers, the BBRS has helped hundreds of SMEs reach resolutions to their business banking complaints. It has independently reviewed longstanding disputes, recommended thousands of pounds in redress be awarded, and restored relationships between banks and their customers. I'm sure that this has helped to build trust across the sector. My colleagues at the BBRS can be justly proud of their important work over the past 5 years.



**Lewis Shand Smith**

Chair

# Chief Executive Officer's Report

As we prepare to close the BBRS, I am satisfied that the BBRS has been run according to the rules by which we were set up.

In January 2024, I provided oral evidence at the Treasury Select Committee's inquiry into SME finance. I shared the findings from the Bayes Business School research we commissioned, which found there were likely to be a maximum of around 1,600 eligible cases, rather than the 6,000 anticipated prior to launch. I highlighted the excellent work of our casework team, who resolve disputes according to our scheme rules with independence, fairness and impartiality. As we approach the closure of the business, I stand by those remarks.

In June 2024, the Board voted to close the BBRS' contemporary scheme with effect from the 13 December 2024. We expect the BBRS business operations to formally close by the end of 2025.

Following the announcement that the BBRS would be closing, we ran an extensive promotional campaign to encourage any remaining customers to register. This included publishing adverts, working with business groups on shared social media posts, and promoting the closure deadline in press releases resulting in extended coverage in targeted trade media. Our campaigning resulted in over 148m Opportunities to See, thousands of visits to the BBRS website and over 100 pieces of media coverage, but despite this work, registrations remained stubbornly low.

Additionally, business customers with an unresolved banking complaint received a letter referring them to the BBRS. Taking account of these letters from the bank and our promotional efforts, I am confident that the vast majority of customers who could have used the BBRS had the opportunity to do so.

I am satisfied that the BBRS delivered an outstanding service for those that we were set up to help, and I would like to thank those involved in the BBRS project. We are now preparing to resolve all outstanding cases as we move to closure. We will be handing over to an Insolvency Practitioner in preparation for a Members Voluntary Liquidation. We do so in the knowledge that the BBRS has delivered a full and complete service to eligible customers.

I look forward to sharing our experiences in the legacy report to help inform SME dispute resolution policy in the future.



**Mark Grimshaw**  
Chief Executive Officer

# Chief Adjudicator's Report

As Chief Adjudicator, I am able to offer a complete overview of the cases BBRS received. As well as the numbers, I have reflected carefully on the insights these cases can offer for the future.

This report presents an overview of our case data as of the end of 2024. On 31 December 2024, the BBRS still had 32 live cases, so this data does not represent our final results.

1,106 cases were registered with us since we opened. Of the cases registered there was a lot of variation in complexity and time required to progress. Some of these cases involved many hours of reviewing relevant documents. Others took significantly less work, for example if the entry was a duplicate, the customer stopped engaging in the process, or when a bank decided to settle a complaint directly with a customer.

537 registrations were for historical scheme cases. The BBRS' historical scheme reviewed cases concerning activity between 2001-2019 and closed to new registrations in 2023. It was open for two years and was extensively advertised to encourage registrations.

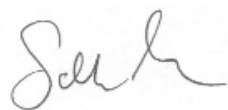
165 customers received a resolution through conciliation, settlement, mediation or adjudication.

128 customers received a financial award following a resolution facilitated by the BBRS. As of 31 December 2024, over £2.5m was awarded to customers as a result of BBRS intervention. This is not our final data, and some outcomes favouring customers are confidential, so this final number is likely to be higher. 47 of these customers received a financial award via our formal adjudication process as set out in our scheme rules.

81 cases were resolved by mediation, conciliation or direct settlement. These different forms of alternative dispute resolution are where the bank and customer resolve the dispute directly. In all examples, the BBRS played a key role in getting both sides around the negotiating table.

I have shared my analysis of the cases that were registered with the BBRS to help inform SME lending policy. I was able to contribute to the Lending Standards Board's revised Standards of Lending Practice which, as a result, includes strengthened protections for those providing personal guarantees to support SMEs.

I am confident my team did their utmost to resolve cases within the rules which were agreed. I look forward to sharing our legacy report with stakeholders later in 2025. This will contain our final casework data and learnings for banks, based on the types of complaints which the BBRS saw whilst we were operational.



**Sally Berlin**  
Chief Adjudicator

# Strategic Report

# Strategic Update

The BBRS went live in February 2021 with two strands of case resolution work:

- A historical scheme, for customers with a prior banking issue between 2001 and 2019 that had not previously received external review.
- A contemporary scheme, for customers with a complaint since 2019 looking for a way to have their current banking issue resolved by an independent party. The BBRS was listed in bank correspondence letters as a point of escalation for customers who had reached the end of their bank's internal complaints process.

The historical scheme closed as planned after 2 years of operation in February 2023. Following lower case registrations than anticipated to the contemporary scheme, despite extensive advertisements, the BBRS and funding parties took the decision to close the BBRS in June 2024.

Following 6 months of endeavour to promote the last date to register a complaint, the contemporary scheme closed to new registrations as planned on the 13 December 2024.

The BBRS remains operational as of 2025 to resolve the remaining cases which were registered prior to the closure of the contemporary scheme. The BBRS will be issuing a final legacy report before closure. It will provide data and analysis to ensure that governmental, regulatory and industry policy makers are able to learn lessons from the BBRS. These will focus on areas including:

- The origins and set-up of the BBRS.
- Operational lessons from casework.
- BBRS governance and independence.

During 2025, BBRS staff have been focussing on reviewing all cases registered with the BBRS before the 13 December 2024 deadline, closing down systems that are no longer needed and preparing to hand the BBRS over to insolvency practitioners as part of a Members Voluntary Liquidation.

## Casework analysis

### Case registrations

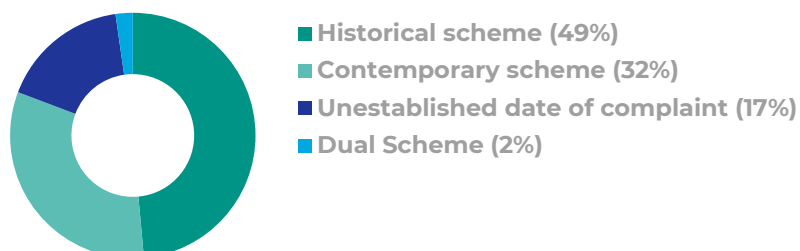
As of 31 December 2024, the BBRS had received a total of 1,106 registered cases. It is important to note that this is not the final BBRS case data as, although the scheme is closed to new registrations, there remained 32 live cases as of 31 December 2024. The BBRS will publish a final data report in 2025, once all registered cases have been closed.

The historical scheme, which reviewed complaints regarding activity between 2001-2019, saw the largest number of complaint registrations. A portion of cases will continue to have an unestablished date of complaint due to insufficient information being received before the case was withdrawn or abandoned by the customer.



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## Case Registrations



### Eligibility

Not all cases require or receive a formal eligibility assessment. Some customers never had their eligibility formally assessed. This may have been because both parties chose to negotiate a financial settlement, or that there were no eligibility concerns from the BBRS. In other instances, customers withdrew their complaint or stopped participating in the BBRS process before an eligibility assessment could take place.

As of 31 December 2024, the BBRS had closed 1,074 cases. Of these, 233 cases had received an eligibility assessment. 48 were found eligible, and 185 were found ineligible.

### Reasons for ineligibility

The most common reason for ineligibility was that the company was too small to meet the BBRS eligibility criteria and that the customer could be, or could have been, eligible for the Financial Ombudsman Service. This was the case in 138 instances.

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 132 instances.

Other common reasons for a case being found ineligible include:

- The case was abandoned by the customer.
- The customer was or had been eligible for another scheme.
- Their case had been settled prior to coming to the BBRS.

The BBRS cannot review these cases, according to principles outlined in the Walker Review and under the rules by which it was set up.

### Concessionary Cases

In examples where a case falls outside the BBRS' eligibility criteria, the BBRS can still consider it provided the customer, the bank and the BBRS all agree. The BBRS actively considered putting cases forward as concessionary wherever possible.

As of 31 December 2024, the BBRS had referred 49 cases to banks for concessionary consideration. Just over half of these cases (51%) resulted in the case being escalated for further review by the bank or settled directly with the customer.

## Eligibility Appeals

As of 31 December 2024, the BBRS had received 90 eligibility appeals from a total of 233 eligibility assessments. This is a high rate of appeal (39%). Businesses have nothing to lose by appealing a decision that finds their complaint ineligible, and many customers had an appetite for testing the extremities of the scheme at this stage.

Either party can appeal an eligibility assessment if they disagree with the outcome for the following permissible reasons:

- **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.

Of the 90 appeal notices that have been received the vast majority (80%) did not meet these grounds for appeal.

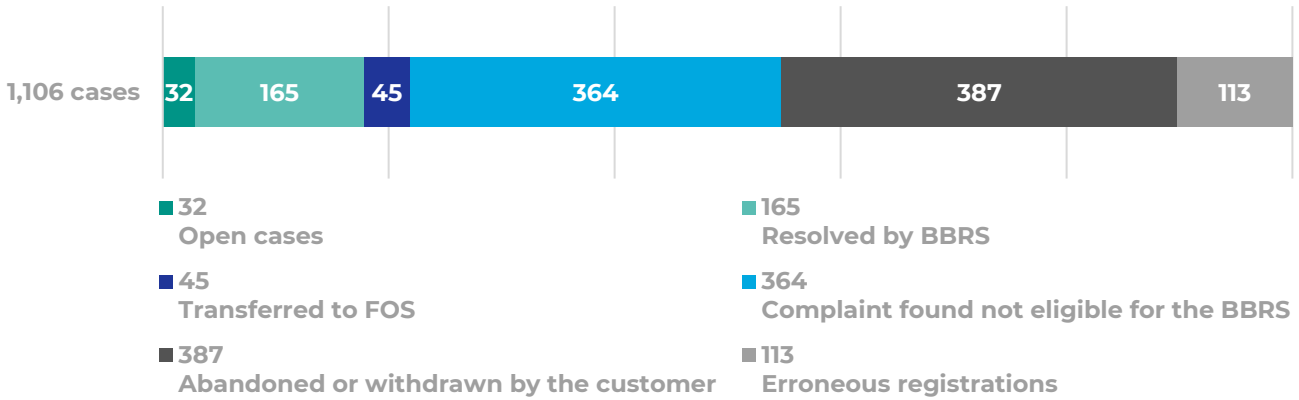
## Resolutions – including financial awards

So far, over £2.5 million of financial redress has been made to SME customers as a result of BBRS intervention. The true figure is likely to be significantly higher as the BBRS is not always informed about the redress or payments agreed in some direct settlements.

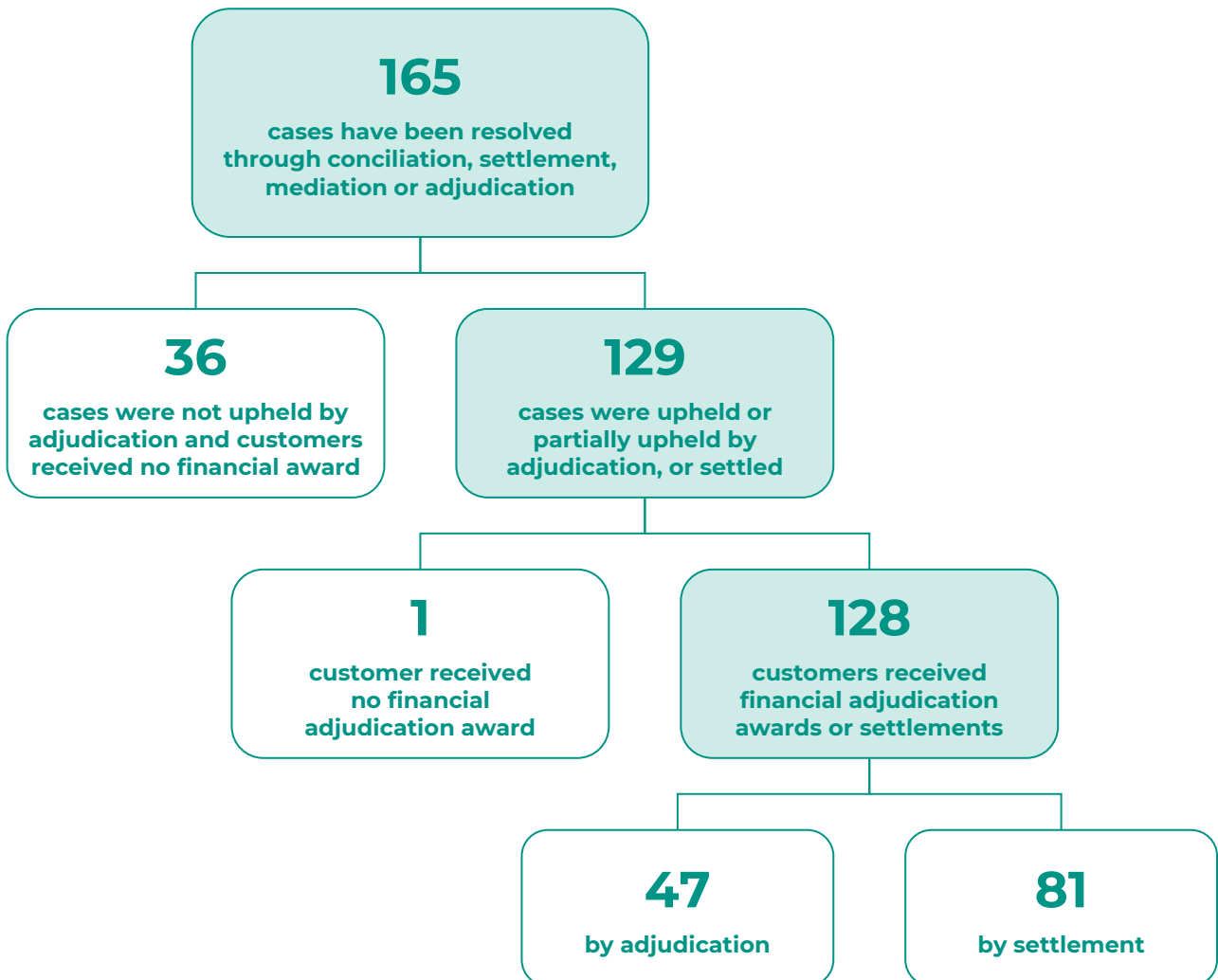
The BBRS uses four different methods for resolving disputes. These are:

- **Adjudication** – the BBRS' full case resolution process, followed according to our scheme rules set for us prior to launch.
- **Conciliation** – the BBRS facilitates informal settlement discussions between the parties.
- **Mediation** – the BBRS appoints a trained neutral mediator to formally assist a face-to-face negotiation.
- **Settlement** – as a result of BBRS involvement, both parties can decide to reach a mutually agreed direct settlement.

**Case outcomes as of 31 Dec 2024**



**Resolved Cases**



## Key financial performance indicators

During the year ended 31 December 2024, the BBRS operated within the budget that 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 2024, shows nil net assets.

Total expenses in respect of the ongoing operating costs of the service during the year ended 31 December 2024 consisted of:

- Staffing costs of £3.713m (2023: £3.582m), consisting of salaries and benefits for all employees and Non-Executive Directors; and includes costs of contractors, recruitment and training (which are not included in Note 9 to the Financial Statements).
- Professional fees and administration costs of £2.310m (2023: £3.573m) including professional services costs, legal costs, operational services, including business operations and case costs, and other administrative costs.

During 2024, the BBRS decreased professional fees and administration costs by £1,263k as part of continued cost management initiatives.

### By order of the Board



**Mark Grimshaw**

Director and Chief Executive Officer

# Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2024.

## 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)  
Sally Berlin (Chief Adjudicator)  
John Spence (Non-Executive Director)  
Dame Jane Gaymer (Non-Executive Director) – Resigned 31 August 2024  
Lucy Armstrong (Non-Executive Director)  
Caroline Barr (Non-Executive Director) – Resigned 31 August 2024  
Stephen Pegge (Non-Executive Director)

## 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

### **Basis of preparation Other Than Going Concern**

As mentioned in the strategic report, the contemporary scheme was closed to new registrations on 13th December 2024, following a scheme cessation notice issued by the participating banks. Once the BBRS has fully resolved and closed all remaining cases, the BBRS will proceed into a member's voluntary liquidation (MVL) process on a solvent basis. The precise timing will depend on when the BBRS closes the last case, which cannot be predicted at this point in time.

There is a lead time between closure of the scheme to new registrations and closure of all remaining cases, which is expected to be later in 2025. In this period, the BBRS will continue to remain in full operation to support the ongoing case resolution. The BBRS' funders have an ongoing commitment to fund the BBRS whilst there are open cases and through into the MVL process. As a result, the BBRS has the resources to complete all casework and is expected to remain fully solvent as it enters the MVL process.

Considering the announced closure of the scheme and subsequent closure of the BBRS, the directors consider that it is inappropriate to prepare the financial statements on a going concern basis, so the financial statements have been prepared on a basis other than as a going concern. The directors have performed an impairment review for each of the asset classes resulting in no financial impact. Additionally, there is no impact on the presentation of the balance sheet as the BBRS only has current assets and liabilities.

### **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 in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

The auditor, MHA was reappointed during the period by the directors.

### **By order of the Board**



**Signed by Mark Grimshaw,**

Director and Chief Executive Officer

Date: 24th March 2025

**Company Registered Number 12096333**

# Independent 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 2024 which comprise the Profit and Loss account, Balance Sheet, the Statement of Cash Flows and Notes to the financial statements, including 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 2024, 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 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.

## Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1(f) to the financial statements which explains that the contemporary scheme was closed to new registrations on 13 December 2024, and that the Company will proceed into a member's voluntary liquidation process, on a solvent basis, once it has fully resolved and closed all cases. Accordingly, the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in this respect of this matter.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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 in the Directors' report, 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, those charged with governance and the entity's solicitors (or in-house legal team) 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:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

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**

(Senior Statutory Auditor)

for and on behalf of

MHA  
Statutory Auditor  
London, United Kingdom

Date: 25.03.2025

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

# **Financial Statements**

## Statement of Comprehensive Income

		Year Ended 31.12.24	Year Ended 31.12.23
	Note	£000	£000
<b>Turnover</b>	2	6,023	7,155
Cost of sales		-	-
<b>Gross profit</b>		6,023	7,155
Administrative expenses		6,023	7,155
<b>Operating profit</b>		-	-
<b>Profit before taxation</b>	3	-	-
<b>Profit for the year</b>		-	-

There were no recognised gains and losses for 2024 or 2023 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2024 (2023: £Nil).

The notes on pages 23 to 27 form part of these financial statements.

## Balance Sheet

		As at 31.12.24	As at 31.12.23
	Note	£000	£000
<b>Current assets</b>			
Debtors	4	417	259
Cash at bank and in hand		2,755	4,542
		3,172	4,801
<b>Creditors: amounts falling due within one year</b>	5	(3,172)	(4,801)
<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: 24th March 2025  
Company Registered Number 12096333

## Statement of Cash Flows

		Year Ended 31.12.24	Year Ended 31.12.23
	Note	£000	£000
<b>Cash flow from operating activities</b>	6	(1,787)	(778)
<b>Net cash flow from operating activities</b>		(1,787)	(778)
<b>Net decrease in cash and cash equivalents</b>		(1,787)	(778)

<b>Cash and cash equivalents at 1 January 2024</b>	4,542	5,320
<b>Cash and cash equivalents at 31 December 2024</b>	2,755	4,542

Cash and cash equivalents consists of:

Cash at bank and in hand	2,755	4,542
<b>Cash and cash equivalents at 31 December 2024</b>	2,755	4,542

	01.01.24	Cash flows	31.12.24
	£000	£000	£000
Cash and cash equivalents	4,542	(1,787)	2,755
Total net cash	4,542	(1,787)	2,755

# 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 3 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 prepared on a basis other than going concern basis for the reasons outlined in the director's report and in note 1 (f) below. The company has continued to apply the historical cost convention, modified to include certain items at fair value, on the basis that the company will continue to be fully solvent and therefore be able to realise its assets and discharge its liabilities in the normal course of business. 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 2024 and comparatives are for the year ended 31 December 2023.

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.

As mentioned in the strategic report, the contemporary scheme was closed to new registrations on 13th December 2024, following a scheme cessation notice issued by the participating banks. Once the BBRS has fully resolved and closed all remaining cases, the BBRS will proceed into a member's voluntary liquidation (MVL) process on a solvent basis.

There is a lead time between closure of the scheme to new registrations and closure of all remaining cases, which is expected to be later in 2025. The precise timing will depend on when the BBRS closes the last case and cannot be predicted at this point in time. In that period, the BBRS will continue to remain in full operation to support the ongoing case resolution. The BBRS' funders have an ongoing commitment to fund the BBRS whilst there are open cases and through into the MVL process. As a result, the BBRS has the resources to complete all casework and is expected to remain fully solvent as it enters the MVL process.

Taking into account the announced closure of the scheme and subsequent closure of the BBRS, the directors consider that it is inappropriate to prepare the financial statements on a going concern basis, and having no realistic alternative, have prepared the financial statements on a basis other than as a going concern.

There is no impact on the presentation of the balance sheet as the BBRS only has current assets and liabilities. The directors have performed an impairment review for each of the asset classes resulting in no financial impact. Additionally, no adjustments were necessary in the financial statements to reduce the value of the assets as they represent the fair value of the assets and are already classified as current.

The directors are not aware of any other 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 estimates 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, events or actions, actual results may ultimately differ from those estimates.

No critical estimates and assumptions in applying these policies were utilised in 2024.

## **2 Turnover**

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

	<b>Year Ended 31.12.24</b>	<b>Year Ended 31.12.23</b>
	<b>£000</b>	<b>£000</b>
UK Income from the rendering of services	6,023	7,155

The UK Income comprises funding of the Administrative Expenses which consist of (1) £3.713m (2023: £3.582m) of staffing costs, including salaries and benefits for all employees and NEDs, recruitment and training; (2) professional fees and administration costs of £2.310m (2023: £3.573m), including professional services costs, legal costs, operational services, including business operations and case costs, and administrative costs.



### 3 Profit before taxation

Profit before taxation is stated after charging:

	Year Ended 31.12.24	Year Ended 31.12.23
	£000	£000
Auditor's remuneration	25	23
Operating lease rentals	42	192

### 4 Debtors

	31.12.24	31.12.23
	£000	£000
Trade debtors	417	120
Other debtors	-	125
Prepayments and accrued income	-	14
	<b>417</b>	<b>259</b>

### 5 Creditors: amounts falling due within one year

	31.12.24	31.12.23
	£000	£000
Trade creditors	33	101
Other tax and social security	152	118
Accruals and deferred income	2,987	4,582
	<b>3,172</b>	<b>4,801</b>

## 6 Reconciliation of Profit to Cash Flow from Operating Activities

	31.12.24	31.12.23
	£000	£000
Profit for the year	-	-
Operating profit	-	-
(Increase)/decrease in debtors	(158)	1,362
Increase/(decrease) in creditors	(1,629)	(2,140)
Cash flow from operating activities	1,787	778

## 7 Leases

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

	31.12.24	31.12.23
	£000	£000
Not later than one year	-	42
	-	42

## 8 Directors' remuneration

	Year Ended 31.12.24	Year Ended 31.12.23
	£000	£000
Remuneration	792	822

1 (2023: 1) director was accruing pension benefits under a defined contribution pension scheme.

	Year Ended 31.12.24	Year Ended 31.12.23
	£000	£000
The emoluments (excluding pension contributions) of the highest paid director included above was:	446	473

Pension contributions for the highest paid director totalled £nil (2023: £nil). A total of £20,000 (2023: £20,000) was expensed in respect of employer contributions to directors pension schemes.

## 9 Staff costs

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

	Year Ended 31.12.24	Year Ended 31.12.23
	Number	Number
Directors	7	8
Management and administration	19	20
	<b>26</b>	<b>28</b>

Staff costs including directors' remuneration, were as follows:

	Year Ended 31.12.24	Year Ended 31.12.23
	£000	£000
Wages and salaries	2,671	2,654
Social security	325	305
Pension costs and healthcare	344	299
	<b>3,340</b>	<b>3,258</b>

## 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 £288,000 (2023: £235,000).

## 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**

# Introduction

The BBRS uses surveys to understand the experience customers have of using our service.

The BBRS reviews the facts of each case in line with the rules by which we were set up and we rely on these principles when making decisions. This is important when considering how customers view the BBRS and what changes we were able to make based on customer feedback. As an independent party the BBRS does not take sides between the customer and the bank.

These surveys help us identify what works well, but also areas where our case resolution process could be improved. We also collect data on how satisfied customers are with the outcome of their case and whether the outcome was expressed to them in clear terms.

Our award satisfaction data allows customers to give us their thoughts on the awards they received after bringing a case to the BBRS. This data does not reflect BBRS' competency and performance, but provides a snapshot of customer satisfaction with awards. We publish this data as part of our commitment to showing customer feedback from all stages of their complaint journey.

The BBRS publishes a detailed report on customer experience to our website on a quarterly basis. Whilst our scheme is closed to new registrations, we are continuing to accept survey responses so it is possible we will have more data to include in our final customer satisfaction report which will be published later in 2025.

## Customer feedback data

There are currently three points along the customer journey where the BBRS asks for direct customer feedback:

- 1. Application submission:** At the early submission stage.
- 2. Complaint acceptance:** After the complaint points have been agreed (with the help of the customer champion – our customer liaison experts).
- 3. Decision:** After a decision has been issued.

Stage	Responses received 31 December 2024
Application submission	226
Complaint acceptance	64
Decision	16
<b>Total</b>	<b>306</b>

## 1 Application submission – data and analysis

Data gathered at the application stage helps us understand how customers have found the practical process of registering their complaints with us.

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61%

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

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87%

of customers who agreed, or strongly agreed, the application was simple to complete had raised their complaint after the BBRS' launch. This indicates that as our processes have improved, so has the ease of registering a complaint with the BBRS.

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## 2 Complaint acceptance – data and analysis

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79%

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

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

## 3 Decision – data and analysis

The further a customer moves through the complaint journey, the less likely they are to engage in requests for formal feedback. We should therefore be cautious in drawing significant conclusions from a small sample size.

This data is based on the 16 responses to the questions from this stage of the journey.

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63%

of customers told us they were slightly or very satisfied with the decision provided by the BBRS.

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94%

of customers told us they were slightly or very satisfied that the decision had been explained to them in clear terms. No respondents to the survey said that the BBRS had been unclear in communicating their case decision.

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88%

of customers told us they felt the reasons behind the decision had been made adequately clear to them. No customers felt that this correspondence was unclear.

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The high level of customer understanding suggests that our casework team is doing an excellent job at clearly communicating case outcomes.

## Indirect feedback

As of 31 December 2024, the BBRS had received 28 service complaints. The BBRS received no new service complaints in 2024. A service complaint is a formal process, whereby we internally review our casework

processes to ensure that we provided a satisfactory level of service. A breakdown of service complaint data is included in the strategic report.

The BBRS has also received unprompted positive feedback from customers. In some instances we have published these as customer testimonials on our website, and we have included an example in this report.

### Award satisfaction

This survey was launched in May 2023 to give a snapshot of customer satisfaction with awards.

As with the decision data, the number of respondents at this stage is small, so caution should be exercised in drawing significant conclusions from this data.

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64%

of respondents told us they were satisfied with the resolution of their complaint, with 56% of these having received a non-monetary resolution.

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71%

of customers told us they got the resolution they had in mind when they came to the BBRS, with half of them having received a non-monetary resolution.

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79%

of customers told us they believe they wouldn't have received a resolution if they hadn't come to the BBRS.

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# Customer Testimonial

“Thank goodness for the BBRS, they really made me feel listened to”

## **Case overview – Renegotiated a loan agreement with help from the BBRS**

Charlie was a director of an agricultural business. They were encouraged by their then business manager to agree to a loan which they later found to be unsuitable. This led to financial difficulties, threatening the survival of the business.

Charlie had tried to resolve this banking issue through other routes, but these approaches were unsuccessful.

## **Achieving resolution**

Charlie reached out to the BBRS and spoke to one of our customer champions who helped the customer feel heard and discussed the different routes to achieving a resolution. The complaint fell outside the BBRS' eligibility criteria, but we believed we should be able to consider it. We presented the complaint to the bank as a concessionary case and both the bank and the customer agreed a way forward through direct talks instead.

The matter was resolved and Charlie found they had gone from facing the loss of their livelihood to having a thriving business, opening up the prospect of passing it on to the next generation. Both parties were able to retain an effective business banking relationship.

In their own words, Charlie said that the BBRS' approach represented a “breath of fresh air” from previous dispute resolution experiences, and that “they really made me feel listened to”. They particularly praised the work of the customer champion, who listened and took the time to understand the facts, offering “amazing support” whilst remaining impartial and managing expectations. Charlie said that thanks to the BBRS' help in facilitating a resolution they felt they could “actually breathe now”.

*This testimonial is an account of a real customer experience with names and some details changed. Each case that reaches the BBRS is different and customer outcomes will vary.*



# Employee Engagement

The BBRS retained a close knit and engaged workforce in 2024. Anonymous staff surveys confirmed that staff were engaged in their work and committed to the BBRS' values of providing an accessible and transparent service for the customers we were set up to serve.

The BBRS continues to maintain close working relationships with the Centre for Effective Dispute Resolution (CEDR) who provide casework support.

The BBRS has continued to invest and develop their employees by supporting them with various training and development opportunities, including;

- Mediation
- Accountancy
- Prince2
- Leadership and Management
- Coaching and Mentoring
- Director Leadership

The BBRS will be reducing its workforce through 2025 in preparation for its closure. This is being managed in consultation with individuals and their line managers and includes offboarding support including career advice, CV and LinkedIn profile support, and coaching, giving staff an independent safe space to talk things through.

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