

Debate Pack

10 July 2023

Number CDP 2023-0161

By Sarah Pepin (compiler)
Fintan Codd (compiler),
Steve Browning

Business Banking Resolution Service

1	Background	2
1.1	What is the Business Banking Resolution Service?	2
1.2	Origins of the BBRS	4
1.3	Performance	5
1.4	The future	6
2	Press/Blog articles	10
3	Press releases	19
4	Parliamentary material	21
4.1	Treasury Committee	21
4.2	Parliamentary questions	21
4.3	All references in Parliament to the BBRS 2019-2023	22
5	Further reading	23

1 Background

A [Westminster Hall debate](#) on the [Business Banking Resolution Service](#) is scheduled for 2.30pm on Tuesday, 11 July 2023. The debate will be led by William Wragg MP.

1.1 What is the Business Banking Resolution Service?

The Business Banking Resolution Service (BBRS) is an industry-led service that gives certain SME (small and medium enterprise) customers access to various means of resolving disputes with a range of banks. It is an alternative dispute resolution (ADR) service: an alternative to seeking redress through the courts.

It opened in February 2021, with funding assured until the end of 2023.¹

What it covers

The BBRS offers dispute resolution services for larger SMEs whose size puts them outside the scope of the Financial Ombudsman Service for Small Businesses.²

Contemporary Scheme

The BBRS's Contemporary Scheme deals with new complaints for:

- businesses with a turnover of less than £10 million or a balance sheet below £7.5 million
- charities with an annual income below £10 million
- trusts with a net asset value below £7.5 million³

The scheme does **not** cover complaints that:

- are made by firms eligible to use the Financial Ombudsman Service (FOS) for Small Businesses (that is, those with an annual turnover up to £6.5m and fewer than 50 employees, or an annual balance sheet below £5m⁴)

¹ BBRS, [Annual report: year ended 31 December 2022](#) (accessed 7 July 2023), p3

² [Financial Ombudsman Service for Small Businesses](#)

³ BBRS, [Contemporary Scheme](#) (accessed 7 July 2023)

⁴ Financial Conduct Authority, [FCA confirms greater access for SMEs to the Financial Ombudsman Service](#) (press release), 16 October 2018 (accessed 7 July 2023)

- do not involve one of the participating banks (see below)
- have not already been considered under the bank’s internal complaints procedure
- relate to issues taking place before 1 April 2019⁵

Historical Scheme

Until 14 February 2023 the BBRS’s **Historical Scheme** accepted complaints relating to incidents that took place between 1 December 2001 and 31 March 2019. This was open to a wider range of firms, as long as they hadn’t been eligible to apply to the FOS at the time of the incident.⁶

Concessionary cases

The BBRS says that it may consider cases that fall outside of its eligibility criteria, as long as it and the parties to the case all agree to such a review. It says that the participating banks had agreed to act “in good faith” in considering such requests.⁷

Governance

The BBRS is a not-for-profit company financed by the participating banks. It emphasises that it is “independently operated, managed and governed.”⁸

Its work is governed by an independent board. This has been supported by “two panels – an SME Liaison Panel and a Bank Liaison Panel – which...act as independent and transparent advisory councils to the organisation”, but have no decision-making powers.⁹ The SME Liaison Panel was closed in March 2023.¹⁰

Participating banks

The BBRS is funded by and only deals with disputes involving the following seven banking groups:

- Barclays Bank
- Danske Bank
- HSBC UK
- Lloyds Banking Group

⁵ BBRS, [Contemporary Scheme](#) (accessed 7 July 2023)

⁶ BBRS, [Historical Scheme](#) (accessed 7 July 2023)

⁷ BBRS, [Concessionary cases](#) (accessed 7 July 2023)

⁸ BBRS, [Corporate structure](#) (accessed 7 July 2023)

⁹ [As above](#)

¹⁰ BBRS, [SME Liaison Panel](#) (accessed 7 July 2023)

- NatWest Group
- Santander UK plc
- Virgin Money¹¹

1.2

Origins of the BBRS

Why was it needed?

The Financial Ombudsman Service (FOS) provides dispute resolution services to consumers and SMEs. In 2019, it expanded the latter service from micro-enterprises to those with a turnover less than £6.5 million. It only considers new disputes.¹²

The 2018 Walker Review, set up by UK Finance¹³ highlighted the need for an ADR mechanism for larger SMEs that remained excluded from the expanded FOS.¹⁴

There was a demand for a service to cover both new and unresolved disputes. Many of the latter had arisen during and after the 2007-2008 Global Financial Crisis.¹⁵ When the BBRS was being established, UK Finance estimated that about 60,000 customers might be eligible to apply under the Historical Scheme.¹⁶

Why was no statutory service established?

The **Walker Review** recommended an industry-led solution as a “quicker, practical fix” than, for instance, establishing a statutory tribunal system. It suggested that “a business banking facility clearly labelled as such” would “ideally remain under the technical and budgetary aegis of the FOS, but it should have its own senior management and corporate identity” in order to win SME confidence.¹⁷

¹¹ BBRS, [What is the BBRS?](#) (accessed 7 July 2023)

¹² FCA, “[FCA confirms greater access for SMEs to the Financial Ombudsman Service](#)” (press release), 16 October 2018 (accessed 6 July 2018)

¹³ [UK Finance](#) is “the collective voice for the banking and finance industry”.

¹⁴ Simon Walker and others, [Review into the complaints and alternative dispute resolution \(ADR\) landscape for the UK’s SME market](#) (pdf), 23 October 2018 (accessed 6 July 2023), p60-61

¹⁵ Simon Walker and others, [Review into the complaints and alternative dispute resolution \(ADR\) landscape for the UK’s SME market](#) (pdf), 23 October 2018 (accessed 6 July 2023), p1

¹⁶ UK Finance, “[UK Finance responds to the opening of expressions of interest for the business banking resolution service](#)” (press release), no date (accessed 7 July 2023)

¹⁷ Simon Walker and others, [Review into the complaints and alternative dispute resolution \(ADR\) landscape for the UK’s SME market](#) (pdf), 23 October 2018 (accessed 6 July 2023), p36

UK Finance responded to the review by proposing the establishment of an interim voluntary ADR service by the industry. It would deal with new and unresolved historic complaints. This is what became the BBRS.¹⁸

The **Treasury Select Committee** recommended the establishment of a Financial Services Tribunal in its report on SME Finance in October 2018. It argued that an Ombudsman system was not suited to the “large and complex” cases that might be involved. The Committee also expressed some misgivings about leaving the design of any such scheme to the banks.¹⁹

The **Government** disagreed with the Committee, arguing that:

- Establishing a statutory service would require regulation of SME lending, which risked complicating SME access to finance. The Tribunal would also require primary legislation.
- An Ombudsman service would be less legalistic in its approach, allowing decisions to be made on what was “fair and reasonable”. This was likely to lead to better outcomes for SMEs.
- An Ombudsman service would be cheaper, more informal, and promote such approaches as mediation and reconciliation.

It therefore supported UK Finance’s proposal for an industry-led service.²⁰

1.3

Performance

Case numbers

The BBRS has published data on cases and progress to 31 May 2023.²¹ This reports that since it was established in February 2021:

- It had registered **962** cases (including ineligible and duplicate cases).
- **914** cases were closed and **48** remained open.
- **733** cases had been closed “without a determination of eligibility.”
- **45** eligible cases were under consideration.

¹⁸ UK Finance, [UK Finance response to the Walker Review into the complaints and alternative dispute resolution \(ADR\) landscape for the UK’s SME market](#), 23 October 2018 (accessed 7 July 2018), p8

¹⁹ Treasury Select Committee, [SME Finance: Twenty-Fourth Report of Session 2017–19](#), HC 805, 26 October 2018, para 131-142

²⁰ Treasury Select Committee, [Government and Financial Conduct Authority Responses to the Committee’s Twenty-Fourth Report: SME Finance](#), HC 1873, 11 January 2019

²¹ BBRS, [BBRS Reporting Data – as of the close of business 31 May 2023](#), 22 June 2023 (accessed 7 July 2023)

- **49** cases had reached an outcome that could no longer be appealed. Of these, **six** had been upheld, **23** partially upheld, and **20** not upheld.
- **49** awards (financial and non-financial) had been made. This figure does not include any settlements made between parties outside of the BBRs's adjudicative processes.

Settlements and compensation

The BBRs's 2022 annual report said that by 31 December 2022, the scheme had reached **56 settlements**. Of these, **21** resulted from adjudications by the BBRs and **35** of these from agreement between the parties following BBRs involvement.²²

The annual report says that **over £1 million** had been paid in financial settlements. It suggests that the total figure is likely to be higher because agreements not directly adjudicated by the BBRs are often confidential.²³

Cost of providing the service

The annual report notes that the total cost of providing the service (funded by the participating banks) was £9.2 million in 2022. This included:

- £3.9 million for staff costs (8 directors and 22 managers and administrative staff)
- £5.4 million for professional fees and administration costs²⁴

1.4

The future

The BBRs has funding in place to the end of 2023.²⁵

BBRS post-implementation review

Part 2 of the BBRs's post-implementation review, published in December 2022, highlighted concerns about the initial over-estimation of caseload, as well as the costs and complexity involved in resolving cases.²⁶

²² BBRs, [Annual report: year ended 31 December 2022](#) (accessed 7 July 2023), p10

²³ [As above](#)

²⁴ [As above](#), p21-26

²⁵ BBRs, [Annual report: year ended 31 December 2022](#) (accessed 7 July 2023), p3

²⁶ BBRs, [Post-Implementation Review – Part 2](#) (December 2022), p3

It concluded that while it found no evidence of interference in decision-making by the banks, some SME representatives were frustrated by the limitations of the scheme's remit.²⁷

The review made several recommendations, including the following:

- It suggested that the initial estimate of 60,000 potential historical cases had been mistaken, so the BBRS should review this and “reset expectations” as a priority.
- It should consult with the Liaison Panels on the future of the Contemporary Scheme, given the low volume of cases.
- It should simplify the customer journey where possible to speed up decision-making and review costs. It might make more use of conciliation and mediation processes.
- It might consider more historic disputes from dissolved companies as concessionary cases.
- The SME Liaison Panel might focus more on what was in the scheme's remit.²⁸

The BBRS welcomed the report and highlighted the importance of reviewing the customer journey and the scope of the Contemporary Scheme.²⁹ In the annual report, the BBRS Chair, Lewis Shand Smith, said that success of the scheme should be judged by customer satisfaction and finding eligible cases rather than total numbers. He noted that frustrations about eligibility were beyond the direct control of the BBRS.³⁰

Financial Conduct Authority review of SME access to the FOS

Between March and April 2023, the Financial Conduct Authority (FCA) conducted a call for input from interested stakeholders on the question of whether the thresholds for SME access to the FOS were still appropriate. It explained that this had been its intention since it had widened SME eligibility in 2019; it also noted the planned closure of the BBRS at the end of 2023.³¹

²⁷ BBRS, [Post-Implementation Review – Part 2](#) (December 2022), p3-4

²⁸ [As above](#), p5

²⁹ BBRS, [The Business Banking Resolution Service \(BBRS\) publishes Post Implementation Review Part 2](#), 9 January 2023 (accessed 7 July 2023)

³⁰ BBRS, [Annual report: year ended 31 December 2022](#) (accessed 7 July 2023), p3

³¹ FCA, [Call for Input: SME access to the Financial Ombudsman Service](#), 19 June 2023 (accessed 7 July 2023)

Closure of the SME Liaison Panel

Antony Townsend, Chair of the SME Liaison Panel, wrote on 7 March 2023 that the BBRS had failed to meet stakeholder expectations and that any improvement of the scheme (or its eventual replacement) should focus on the “broad objectives of the scheme not the narrow rules that govern it”. He pointed to the very limited application of the concessionary provisions, despite assurances the scheme would be run flexibly.³²

Later in the month, Antony Townsend resigned. The BBRS closed the Panel, saying that it would rely on the findings of the FCA review to consider its future options.³³

Stakeholder views

In a joint statement on 21 March 2023, the **Transparency Task Force, All-Party Parliamentary Group (APPG) for Fair Business Banking, SME Alliance and Federation of Small Businesses** criticised the BBRS’s decision to close the Panel. It said that the BBRS had “suffered a crisis of leadership and confidence” and had contravened the Scheme’s Terms of Reference.³⁴

William Wragg, Conservative co-Chair of the APPG, described the move as “shockingly cynical”. He said that the BBRS had “failed” and that it had spent its efforts on “building an armour-plated process” to enable it to reject “almost all credible claims from businesses.” He wondered whether it should be replaced with a statutory approach.³⁵

In May 2022, **Kevin Hollinrake** (Conservative), a previous co-Chair of the APPG, had called for the remit of the FOS to be widened to replace the BBRS.³⁶

The **Economic Secretary**, Andrew Griffith, said on 30 January 2023 that it was “not appropriate” for the Government to comment on the future of the BBRS, but it was “focused on ensuring SMEs have access to redress.”³⁷

BBRS response

In response to the criticisms, and in anticipation of the Westminster Hall debate, the BBRS has reiterated its focus on helping those cases that it has found to be eligible. Among further points, it argues:

³² Antony Townsend, [Post Implementation Review Part 2 response from SME Liaison Panel Chair](#), 7 March 2023 (accessed 7 July 2023)

³³ BBRS, [SME Liaison Panel Update](#), 20 March 2023 (accessed 7 July 2023)

³⁴ APPG for Fair Business Banking, [BBRS: Joint statement of the Transparency Task Force, APPG for Fair Business Banking, SME Alliance and Federation of Small Businesses](#), 21 March 2023 (accessed 7 July 2023)

³⁵ [As above](#)

³⁶ “[Bank redress scheme ‘is completely defective’](#)”, The Times [£], 17 May 2022 (accessed 7 July 2022)

³⁷ [JIN 132458](#) [Business Banking Resolution Service], 30 January 2023

- It “has left no stone unturned in its efforts to find cases”.
- It does not have the power to change its eligibility rules, which were “unanimously agreed” before launch “following engagement with, and approval of all SME representatives.”
- The scheme is fully funded by the participating banks. The administrative costs reflected the complex business banking complaints involved.
- The Board felt that there was too little time to recruit a new Chair for the SME Liaison Panel before the potential closure of the scheme. It agreed with the former Chair that a “different forum” might be better placed to consider relevant issues.
- It was “disappointed” that William Wragg had not responded to offers to meet and discuss the BBRs’s work and offer “balance” to debates, but it hoped that he would engage with them in future.³⁸

³⁸ BBRs, Business Banking Resolution Service briefing document ahead of Westminster Hall debate on Tuesday 11 July: 2.30pm - 4pm (unpublished)

2

Press/Blog articles

The following is a selection of news and media articles relevant to this debate.

Please note: The Library is not responsible for either the views or the accuracy of external content.

[MPs launch inquiry into the financing of SMEs](#)

OnlyStrategic.com

4 July 2023

The Treasury Committee has launched a new inquiry into small business access to finance and small and medium-sized enterprise (SME) lending

A cross-party Committee of MPs will examine the key challenges SMEs face when seeking finance, the regulation of small business lending, and the role the Government can play in enhancing lending to small businesses.

In the wide-ranging new inquiry, the MPs will investigate the accessibility of finance, the role of financial innovation in business lending, and the role of the Bank of England's Term Funding Scheme, credit reference agencies and Government state aid in encouraging small business lending.

The Committee will also explore whether SMEs have adequate access to a complaints procedure for disputes with banks or lenders, the effectiveness of the Business Banking Resolution Service, whether business lending should be regulated, the impact of Basel 3.1 reforms on access to finance, and the performance of the Financial Ombudsman Service (FOS) in handling complaints.

The MPs are also set to consider the role the Government can play in enhancing access to small business finance, the impact of Covid schemes on businesses, and the role of the British Business Bank.

The Committee invites written evidence submissions on the inquiry terms of reference.

Commenting on the new inquiry, Harriett Baldwin MP, Chair of the Treasury Committee, said:

"Small businesses are the lifeblood of local communities, powering economic growth and fostering innovation and an entrepreneurial spirit.

As a Committee, we'll be examining whether small businesses are able to access the finance they need to grow and develop, whether there is adequate regulation of the sector, and if Government can take a more active role to support business growth.

We look forward to receiving written evidence on this important topic and taking oral evidence later in the year."

Tech expert Josh Boer, Head of Sales, Europe, VeUP said:

"With stubborn inflation and rising interest rates, giving SMEs access to funding should be a top priority to drive growth and get the economy moving again.

Our entrepreneurs and innovators shouldn't have to beg to be supported. The systems should already be in place so that investors are lining up to help, spotting a fantastic opportunity and turbocharging the next generation of SMEs."

Steven Mooney, CEO of FundMyPitch said "The lack of access to funding for UK entrepreneurs warrants a parliamentary inquiry and more. SMEs make up the vast majority of businesses in the UK, spreading opportunity, skills, and employment, yet so many of them aren't taken seriously enough by investors and the big banks.

In tough economic times with trading costs surging, getting financial backing is make or break for many of these innovative companies. This inquiry needs to explore the mechanisms in place to enable valuations and allow up and coming companies to have a platform to reach the investors they so desperately need to drive growth for the long term."

FinTech entrepreneur Khalid Talukder, co-founder, DKK Partners said

"The chronic underfunding of SMEs will have severe economic consequences if we fail to act. This inquiry needs to get to the bottom of why accessing credible financial support is such a challenge in the UK compared to other parts of the world.

Fast-growing companies need finance to hire talent, develop their product offering and compete in the global arena. Key to this effort should be encouraging international trade and giving them access to the latest payments technology to allow them to operate in dynamic emerging markets. Otherwise, will fall behind rapidly as other countries take the initiative hence harming our own economic growth."

ClimateTech expert Laimonas Noreika, CEO and founder of HeavyFinance said:

"Without funding systems in place, scale-up companies and larger businesses will not only struggle to grow, there is also a risk they deprioritise tackling emissions and developing environmentally friendly business models.

As part of this inquiry, MPs need to explore why access to finance is such a big issue but also the role funding plays in improving the wider economy and the environment. We cannot have a system in place where society and the

government tells company owners to go green, and then denies them access to the funding they need to do it."

[British Banking Resolution Service has lost credibility and must be replaced by tribunal, says MP](#)

Yorkshire Post

9 June 2023

A voluntary body which was set up to gain justice for people who had been mistreated by the banks has lost credibility and must be replaced by a tribunal, according to the co-chair of an influential group of MPs.

Will Wragg MP, co-chair of the All Party Parliamentary Group on Fair Business Banking, claimed the Business Banking Resolution Service was suffering a crisis of leadership following the resignation of the chair of the SME (small and medium-sized enterprise) liaison panel which had been established to represent the interests of small businesses who alleged mistreatment by banks. Antony Townsend, who chaired the SME advisory panel announced his intention to step down, citing what he described as the inflexibility of some members of the BBRS' leadership team to support changes to the scheme that might have allowed more SMEs to have their unresolved banking complaints reviewed.

However, a spokesman said the BBRS had left no stone unturned in its efforts to find cases where SMEs had complaints against the banks, including a number of wide-reaching marketing campaigns. The spokesman said the number of complainants has been vastly below the 6,000 originally estimated. So far 956 cases have registered with the BBRS, but many of these are ineligible for this scheme, often because they have already received a resolution elsewhere, which the BBRS does not have the power to overrule, or because they are smaller businesses and therefore fall under the jurisdiction of the FOS. Altogether, 101 of those who registered have received awards or settlements so far, the spokesman said.

The BBRS is a voluntary dispute resolution service established and funded by seven banks, intended to resolve complaints submitted by small and medium-sized businesses that allege mistreatment in their banking arrangements. Following Mr Townsend's resignation, the BBRS announced it had brought forward the closure of its SME Liaison Panel.

In a statement for The Yorkshire Post, Mr Wragg said: "The BBRS lost the final shred of credibility it retained following the cynical dissolution of the SME liaison panel, which had for some time struggled against the prevailing headwind to ensure SME's voices were heard. Given its pitiful track record and exorbitant cost, it looks like we might have to tear it down and start from scratch, a kick in the teeth for victims who have already waited far too long for their cases to be resolved. It has become clear that hopes for a voluntary system were misguided. Now is the time for a proper tribunal to get things moving and allow claimants to get on with their lives."

The APPG believes a financial services tribunal should act as a permanent dispute resolution system. According to the APPG, the tribunal would be specialist, inexpensive and provide litigants with their day in court to test the other side's case. The MPs believe a tribunal would restore trust in financial services following a series of high-profile scandals.

In response a BBRs spokesman said: "Since its launch, the BBRs has helped hundreds of SMEs to tackle a range of complex business banking complaints, and many have walked away with life changing sums of money.

"To date substantially more than £1m in financial awards have been made to SMEs, and when BBRs intervention results in a direct settlement between SMEs and Banks, the BBRs is not always party to the final redress sum agreed, which means this figure is significantly higher. In addition to financial awards the BBRs has also secured non-financial awards that have had a transformational impact for SME owners. These have included rearranging lending terms and conditions, as well as discharges from personal guarantees and debt recovery rearrangements."

"Case registrations have been lower than anticipated at the launch of the scheme, but the BBRs is continuing to do all that it can to encourage SMEs who are eligible for its contemporary scheme, which addresses business banking complaints dating from 2019 to the present day, to come forward and register their complaints. Like many other levy-funded organisations, the BBRs is fully funded by the industry not the public, receiving its running costs from the seven participating banks. The BBRs is currently funded to continue until the end of 2023."

The spokesman said that the BBRs had shared the amount paid out to people who have made complaints against the banks through the adjudication route, but it is not privy to some of the "life-changing sums of money" which have been paid out to people who settled directly with the banks through conciliation or mediation between the bank and customer as a result of the BBRs's services and intervention.

The statement added: "The BBRs board brought forward the closure of the SME Liaison Panel from December 2023. The terms of reference for the panel are clear that the BBRs board can choose to close the panel if they consider it is not working effectively which, without a chair, was the case.

"We also considered the former SME Liaison panel chair's remarks that 'despite the best efforts of fellow panel members, and of some within the BBRs, it has proved very difficult to make progress' and it would be 'better if the debate about how to improve matters takes place in a different forum'.

"In addition to the above it would not have been possible to complete the necessary process required to appoint a new chair in time for them to have a meaningful impact before the end of 2023, given there were only two meetings of the panel remaining before its closure."

The spokesman added that the tribunal scheme proposed by the MPs would require significant legislation to allow for cases previously settled elsewhere to be looked at again.

He added: “This appeals body would be required to have the powers to overturn court rulings, contracts between banks and customers and the Financial Ombudsman Service and was never what the BBRs was set up to be; it is dispute resolution service not a compensation scheme.”

[UK SMEs expect financial difficulties in the year ahead](#)

Business Matters

5 April 2023

[BBRS: Resolving disputes is not a ‘one size fits all’ approach](#)

Sally Berlin, Chief Adjudicator, BBRs

SMEweb.com

29th March 2023

Generally, SMEs across the UK have good relationships with their banks, but there are times when issues inevitably arise. In many of these circumstances, banks and their SME customers can quickly work together to resolve disagreements. Sometimes, however, a neutral third party is needed to address SMEs’ complaints and help reach what might be a mutually beneficial agreement. This is what we call dispute resolution.

The Business Banking Resolution Service (BBRS) is a specialist service which provides a free, accessible, and independent service to resolve disputes between eligible SME businesses and seven participating high-street banks.

Complaints which we support SMEs to resolve might be complex and there is no one solution that works for everyone. We can rule in favour of SMEs or banks, but often find a solution which works for both parties. What makes this possible is that we have multiple routes to resolution, which include conciliation, mediation, adjudication and direct settlement.

SMEs are often unaware of the range of options available to help address their banking complaints, but we can utilise any of these routes based on a case’s individual requirements and complexities:

Conciliation

Conciliation is an informal process, where an experienced facilitator will help an SME to reach an agreement with their bank without the need for investigative adjudication. The process is flexible and straightforward, with no set procedure, and enables the two parties to devise solutions unique to their situation and which meet their individual needs.

We explore this resolution approach at the beginning of many cases to establish if both parties might be open to making offers to settle. The

conciliation process can happen quickly – sometimes within four weeks – and due to its unique and tailored approach, both parties have a high degree of control of the outcome.

Mediation

By contrast, mediation is a more structured settlement process where an independent experienced mediator actively helps the SME and their bank come to a consensus on their own. A professional mediator works with each side to explore the interests underlying their positions. Like conciliation, this is a flexible process designed and managed by the mediator to suit both parties, in consultation with them.

Through mediation, the SME and the bank are given the opportunity to understand one another's perspective and discuss the nature of the complaint in detail. It provides an opportunity for the customer to tell their story and the impact it has had on them, directly to the organisation they are complaining about. This will often entail a wider discussion about the dispute than would occur during the adjudicative case assessment process. At the same time, it provides the bank with an opportunity to explain how they understand the issue and give their perspective. Having fully understood each other, the parties can develop a settlement that meets their needs.

Within this process, both parties are given the agency to agree on solutions unique to their individual circumstances, many of which would not be possible in a formal, adjudicative case assessment process.

Adjudication

If conciliation or mediation are not possible, we will use our adjudication process to investigate complaints and resolve disputes. This is a more formal process, but differs from court-based resolutions. It looks at what is 'fair and reasonable in the circumstances' rather than focusing on what is 'unlawful'.

Through the adjudication process, both the SME and the bank will submit formal comments and evidence to support their positions. This is a transparent process and the parties have the opportunity to see and respond to one another's evidence, before the evidence is considered by an independent and impartial case assessor. All evidence is studied and evaluated, resulting in a fair and reasonable assessment of the complaint. The assessor will then make an independent adjudication on how the situation should be resolved. The determination will only become binding if it is accepted by the SME complainant. Either party may appeal.

Direct settlement

At any point during the dispute resolution process, we enable SMEs and banks to settle their dispute informally and outside of the dispute resolution process. This is particularly common when new evidence comes to light or when the complainant's perspective has been better understood. To date, the

BBRS has seen a significant proportion of eligible complaints settled privately between the SME and the bank.

SMEs urged to check their eligibility

To date, over £1M has been awarded or settled to be paid to SMEs as a result of BBRS involvement, across these various dispute resolution routes. Where cases evolved to direct settlement, we are not always party to the redress sum that is agreed, and so this figure is likely to be significantly higher.

Some SMEs we have helped have walked away with life changing sums of money. Some have received non-financial awards that have had a transformational impact. Our range of dispute resolution options allows us to deliver significant non-monetary redress, such as discharging people from personal guarantees, changing loan exit fee penalties and changing customer loan terms.

Our Scheme covers banking complaints for the period from 1 April 2019 onwards. SMEs with an annual turnover up to £10M per annum, balance sheet total of up to £7.5M and, importantly, which are not eligible to take their complaint to the Financial Ombudsman Service, can access our services. We urge all SMEs who think they have a business banking complaint to visit our website to check whether they are eligible and to see if we can help.

[‘Cynical’ closure of bank redress adviser panel prompts anger](#) [subscription required]

The Times

22 March 2023

[BBRS closes SME Liaison Panel](#) [subscription required]

Practical Law

21 Mar 2023

[FCA call for input on SME access to FOS](#) [subscription required]

Practical Law

17 March 2023

[Post Implementation Review Part 2 response from SME Liaison Panel Chair](#)

Antony Townsend, Chair of the BBRS SME Liaison Panel

7 March 2023

[Report on second part of BBRS post-implementation review and SME Liaison Panel's response](#) [subscription required]

Practical Law

7 March 2023

[Business Banking Resolution Service a ‘real failure’](#) [subscription required]

The Times

13 February 2023

[REVEALED: Victims of Banking Misbehaviour Let Down by ‘Unfit for Purpose’ Resolution Service](#)

Byline Times
10 February 2023

[Small UK companies struggle to secure affordable bank loans](#) [subscription required]

Financial Times
29 December 2022

[Business Banking Resolution Service announces Ombudsman Association membership](#)

Business Matters
26 October 2022

[Banking redress chief earns £1m despite paying only five claims](#) [subscription required]

The Times
7 June 2022

[Business Banking Resolution Service admits expectations were too high](#)

Financial Accountant (Institute of Financial Accountants)
6 June 2022

[Lawyer Cat MacLean quits ‘completely defective’ banking compensation scheme](#) [subscription required]

The Times
21 May 2022

[MP calls for banking dispute service to be scrapped](#)

Small Business UK
17 May 2022

[Report on first part of BBRS post-implementation review](#) [subscription required]

Practical Law
1 March 2022

[Banking dispute service under fire](#) [subscription required]

The Times
9 November 2021

[The steps banks can take to revive their battered reputations](#) [subscription required]

Greg Wright
Yorkshire Post
26 July 2021

[Business Banking Resolution Service 'done on the cheap'](#) [subscription required]

The Times

17 May 2021

[Launch of the Business Banking Resolution Service](#)

Burges Salmon LLP

18 February 2021

[UK banking resolution scheme opens for business](#) [subscription required]

Financial Times

15 February 2021

[Flood of complaints expected over Covid-19 UK business loans](#)

Guardian

21 September 2020

[Steps taken towards a Business Banking Resolution Service \(BBRS\) for SMEs but will it work?](#)

Lexlaw solicitors

17 July 2019

[Review recommends widely expanded ombudsman process for SME disputes](#)

TLT.com

23 October 2018

[Simon Walker's SME Complaints and Resolution Review published today](#)

CMS-Law-Now

23 October 2018

[UK Finance commissions former IoD director for SME complaints review](#)

[subscription required]

MarketLine NewsWire (Formerly Datamonitor)

March 29, 2018

3

Press releases

[BBRS Reporting Data – as of the close of business 31 May 2023](#)

Business Banking Resolution Service

22 June 2023

[BBRS shares research into SME attitudes to banking and the economy](#)

Business Banking Resolution Service

5 April 2023

[BBRS: Joint statement of the Transparency Task Force, APPG for Fair Business Banking, SME Alliance and Federation of Small Businesses](#)

All Party Parliamentary Group for Fair Business Banking

21 March 2023

[SME Liaison Panel Update](#)

Business Banking Resolution Service

20 March 2023

[Historical Scheme has closed to new customer registrations](#)

Business Banking Resolution Service

15 February 2023

[The Business Banking Resolution Service \(BBRS\) publishes Post Implementation Review Part 2](#)

BBRS

9 January 2023

[The Business Banking Resolution Service \(BBRS\) publishes Post Implementation Review Part 1](#)

BBRS

28 February 2022

[SME Alliance Withdrawal of Support for the BBRS](#)

SME Alliance

29 October 2021

[Business Banking Resolution Service Launches Independent and Transparent Liaison Panels](#)

BBRS

18 August 2021

[Boost for small businesses as free and independent service for unresolved bank complaints goes live](#)

BBRS

15 February 2021

[Statement on the Business Bank Resolution Service \(BBRS\)](#)

All Party Parliamentary Group for Fair Business Banking

1 December 2020

[Westminster Pre-launch \[transcript\]](#)

BBRS

1 December 2020

[Statement from the All-Party Parliamentary Group on Fair Business Banking:
UK Finance Response to the Walker Review](#)

30 November 2018

4 Parliamentary material

4.1 Treasury Committee

[SME Finance inquiry](#), 3 July 2023

[SME Finance: Twenty-Fourth Report of Session 2017–19](#), HC 805, 26 October 2018

[Government and Financial Conduct Authority Responses to the Committee's Twenty-Fourth Report: SME Finance](#), HC 1873, 11 January 2019

4.2 Parliamentary questions

[Business Banking Resolution Service](#)

Asked by: Peter Dowd

30 January 2023 | Written question | 132458

To ask the Chancellor of the Exchequer, whether his Department has had discussions with banks on the provision of a service to deal with unresolved business banking complaints for SMEs following the planned closure of the Business Banking Resolution Service in December 2023.

Answered by: Andrew Griffith | Treasury

The Business Banking Resolution Service (BBRS) is an independent non-governmental body that does not receive any public funding. The BBRS, which launched on 15 February 2021, offers a free, independent service designed to settle unresolved historical complaints that are not eligible for the Financial Ombudsman Service (FOS), and new complaints from SMEs which are too large to be eligible for the FOS. Over 99% of UK businesses can access independent dispute resolution either through the FOS or the BBRS.

The Government has always been clear that the independence of the BBRS is vital, and as such it is not appropriate for the Government to comment on its future. According to the timelines agreed by the BBRS when it was set up, the scheme for historical complaints will close on 14 February 2023, while the contemporary scheme for cases from large SMEs is due to close at the end of 2023.

Ministers and officials continue to monitor BBRS discussions closely, and we remain focused on ensuring SMEs have access to redress now and in the future.

Business Banking Resolution Service

Asked by: Kirsten Oswald

7 March 2022 | Written questions | 132279

To ask the Chancellor of the Exchequer, how much compensation has been paid out as a result of cases completed by the Business Banking Resolution Service.

Answering member: John Glen|Treasury

The Business Banking Resolution Service (BBRS), which launched on 15 February 2021, offers a free, independent service which is designed to settle unresolved complaints that are not eligible for the FOS. The Government has always been clear that it welcomes the BBRS, and we continue to closely monitor its progress.

However, it is an independent non-governmental body, and this independence is vital to its role. Its credibility, authority and value to SMEs would be undermined if it were possible for the Government to intervene in its decision-making or detailed operational matters. As a result of its independence, the Government does not hold detailed information on financial awards paid out to small businesses. However, the latest BBRS reporting data is available publicly at: <https://thebbbs.org/news/bbbs-reporting-data-as-of-the-close-of-business-31-january-2022/>.

4.3

All references in Parliament to the BBRS 2019-2023

5

Further reading

Journal article

Keller, A. (2022). [Vulnerability in Financial Regulation: The Case of SMEs](#), European Business Law Review, 33(5)

Reports

Business Banking Resolution Service, [Annual Report for year ended 31 December 2022](#), 6 June 2023

[Building a Framework for Compensation and Redress](#), All Party Parliamentary Group on Fair Business Banking, February 2023

[Business Banking Resolution Service: our setup and governance](#), 15 August 2022

Business Banking Resolution Service, [Annual report for year ended 31 December 2021](#), 31 May 2022

[Resolving Insolvency: Restoring confidence in the system](#)

All Party Parliamentary Group on Fair Business Banking, September 2021

[BBRS Live Pilot Perspectives](#), Business Banking Resolution Service, July 2020

[Live Pilot: Interim findings](#), Business Banking Resolution Service, May 2020

[Open letter between HM Treasury and the All-Party Parliamentary Group on Fair Business Banking](#), HM Treasury, December 2018

[UK Finance response to the Walker Review into the complaints and alternative dispute resolution \(ADR\) landscape for the UK's SME market](#), UK Finance, November 2018

[Review into the complaints and alternative dispute resolution \(ADR\) landscape for the UK's SME market](#), [Walker Review] By Simon Walker CBE, Professor Christopher Hodges, Professor Robert Blackburn, UK Finance, 23rd October 2018

Websites

[Business Banking Resolution Service website](#) [accessed 6 July 2023]

[Business Banking Resolution Service – SME Liaison Panel website](#) [independent advisory body to the BBRS which was closed in March 2023] [accessed 6 July 2023]

[Fair Business Banking All Party Parliamentary Group](#) [accessed 7 July 2023]

Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing '[Legal help: where to go and how to pay](#)' for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

Sources and subscriptions for MPs and staff

We try to use sources in our research that everyone can access, but sometimes only information that exists behind a paywall or via a subscription is available. We provide access to many online subscriptions to MPs and parliamentary staff, please contact hoclibraryonline@parliament.uk or visit commonslibrary.parliament.uk/resources for more information.

Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at commonslibrary.parliament.uk. If you have general questions about the work of the House of Commons email hcenquiries@parliament.uk.

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on commonslibrary.parliament.uk.

Get our latest research delivered straight to your inbox. Subscribe at commonslibrary.parliament.uk/subscribe or scan the code below:



 commonslibrary.parliament.uk

 [@commonslibrary](https://twitter.com/commonslibrary)