

BBRS – THE SHEER OBSCENITY OF WHAT IS TAKING PLACE

The seven major banks, supported by HM Treasury, are being allowed to corrupt due and proper process completely in a scheme, which is a total travesty and contains all the hallmarks of serious high-level impropriety. This fits perfectly into the current climate, where Government and those in authority exercise power not on the basis of right and justice but because of the positions of power they occupy. If you could devise a more obscene set of circumstances, we would like to know. There will be significant civil unrest, if this situation is allowed to persist.

BBRS staff compelled to dissemble and lie about the failing scheme

On 19th October, we wrote to the BBRS and asked for “significant reassurance that it was working properly”. Their head of service delivery, Mike Robinson replied on 27th October saying that it was “working correctly” but that “it is still too early days for the BBRS to be able to say that it has resolved a meaningful number of cases”. He then directed us towards their next quarterly insights report, which he indicated was due in November. In fact, it was published on the very next day and confirmed that just one case out of the 626 registered with the BBRS had been settled in eight months of the scheme’s operation. We suspect that Mr Robinson deliberately withheld this information from us. Meanwhile, his interpretation of “working correctly” is grossly insulting to bank victims.

BBRS quarterly insights report deliberately misleading

The latest BBRS quarterly report itself ¹ is also intentionally misleading. On page two, it says that as at 31st August, 338 cases were “progressing through the BBRS process”, 255 had “completed the journey” and of these, 247 have been “closed due to factors unrelated to ineligibility” and 33 cases “required formal eligibility assessment”. By this, the reader is led to believe that only 33 out of 626 cases were obliged to be assessed as eligible.

Yet, in column two of the Times article (“Anger at lack of payouts for bank victims”, 1st November ²) the APPG for fair business banking and SME Alliance are quoted as saying that the scheme is failing primarily because the eligibility criteria are too narrow. This view was reiterated in the short letter, whereby SME Alliance recently withdrew their support from the BBRS – see next page. However, mindful that eligibility criteria have been central to the very strong criticism of the scheme since it was first announced in late 2018, the latest BBRS quarterly report misleadingly suggests that eligibility considerations have affected only 5% of cases (33 / 626). Like the scheme itself, this is intentionally deceptive and deceitful.

Eligibility – “ruling most if not all cases ineligible”, SME Alliance statement

Significantly, 400 of the 626 applications were registered with the BBRS before the scheme rules were agreed. This gave the seven participating banks the opportunity to devise criteria which ruled the majority of applicants as ineligible, which has now proved to be the case – see paragraph two of the SME Alliance letter. The chairman of the APPG for fair business banking, Rt. Hon Kevin Hollinrake MP has long contested the matter of eligibility and previously wrote to the Chancellor on

¹ <https://thebbrs.org/news/bbrs-quarterly-insight-report-october-2021/>

² <https://www.thetimes.co.uk/article/business-banking-resolution-service-anger-at-lack-of-payouts-for-bank-scandal-victims-n9g7qfhmj>

the subject³. However, absolutely nothing has changed and while the banks play endlessly for time, some bank victims are being dispossessed of their homes.

Applicants being rejected by home office workers using bank-biased criteria & working part-time

When we visited the BBRs' new offices at 100 St. Pauls Churchyard recently to deliver copies of Professor Nigel Harper's UK banking report⁴ which contains a section on the BBRs, we asked to deliver the reports in person. However, we were told that no-one was in their office "today". We have identified at least 22 staff, who work for the BBRs and a sum approaching £30mn has been spent on the scheme but all appear to be working from home. One of the scheme's criteria is that applicants should not be eligible for the Financial Ombudsman Service (FOS) but despite having a massive backlog of complaints, 98% of FOS staff were, in August, also working from home.

BBRS –“delivering a fair and transparent dispute resolution service”, UK Finance⁵

While Lloyds Banking Group has spent years lying, denying and covering up its extensive frauds, victims were finally in late 2018 offered a route towards justice and rightful compensation. However, the offer of compensation has proved to be a cruel mirage, deliberately holding out false hope to victims, many of whom suffered serious wrongdoing at the hands of their bank a decade ago. The architects and proponents of the BBRs have behaved appallingly and the spokesperson for UK Finance has had the gall to claim (see 1st November Times article) that the scheme is “delivering a fair and transparent dispute resolution service”. This is an obvious lie but in the present climate, there is no penalty for lying. While victims are being actively dispossessed and denied justice by the overtly improper BBRs, their so-called “customer champions” are continuing to encourage them to proceed up a blind alley. In their leisure time, which presumably is plentiful given that victims are being denied redress on a wholesale basis, the “customer champions” have plenty of paid free time to enjoy, while bank victims go to the wall.

Appendix - SME Alliance withdrawal of support for the BBRs, 29th October 2021

“In its second quarterly insight report published 29th October 2021, the BBRs have made the following statement: “...The Eligibility Conditions in the Scheme Rules were unanimously approved in February 2021 by the Implementation Steering Group (ISG) comprising seven bank representatives, eight representatives of SMEs and an independent Chair....

The SME Alliance representative on the Independent Steering Group (ISG) was persuaded to support the BBRs eligibility rules in their current form on the express understanding that these rules would allow the BBRs to process a large number of cases involving both SMEA members and others. It is now clear that the eligibility rules do not achieve this objective and that they have in fact excluded most if not all of those seeking redress via the scheme.

The SMEA representative on the ISG was not made aware that the Articles of Association for the BBRs were amended on the 12th February 2021 in order to prevent the BBRs amending the rules of its scheme without the approval of an unnamed representative of the banks. Whilst the SMEA remains entirely supportive of the original concept of the BBRs, **it can no longer support the scheme under its present terms which will not resolve the issues between SMEs and lenders or restore trust in our banking system”.**

³ <https://www.appgbanking.org.uk/wp-content/uploads/2021/07/APPG-to-Chancellor-July-2021-Final.pdf>.

⁴ “UK banking, what is badly wrong and how to put it right” by Professor Nigel Harper, available on www.lloydsbankassetfrauds.com, right-hand icon, top row.

⁵ The trade association for the UK banking and financial services sector.