

## **BBRS A COMPLETE AND DELIBERATE HOAX - CITY MINISTER & BBRS CHAIRMAN MUST RESIGN**

All the available evidence strongly indicates what victims and expert stakeholders have feared all along that the Business Banking Resolution Service (BBRS) is nothing more than an expensive, sophisticated and deliberate hoax.

The BBRS was set up after the Walker Review in November 2018, with the remit from Chancellor Philip Hammond to resolve as many historic banking complaints as possible. However, two years were intentionally wasted discussing the entry criteria to the scheme, particularly eligibility<sup>1</sup> and when it was finally launched in February this year, many remained unresolved. Some rules were even introduced, after the BBRS had begun. Our press release on 10<sup>th</sup> July “The BBRS – a totally flawed scheme” described the many reasons why we believe the scheme is not fit for purpose.<sup>2</sup> However, despite a chorus of criticism, there has been no easing of the entry requirements and what was once a bank-biased farce has become a national scandal. Just like the Post Office mediation scheme which collapsed after seventeen months’ operation in 2015, the BBRS was clearly never intended to provide resolution and applicants to the scheme have been cruelly misled and intentionally deceived.

### **The national scandal of the BBRS**

Nov 2018	BBRS established
Nov 2018 – Feb 2021	Extended discussions about entry requirements
Feb 2021	BBRS finally launched
Applications made to BBRS to 31st August	626
Cases settled	One
Expenditure on BBRS	c £30mn

According to the latest BBRS quarterly insight report<sup>3</sup>, 626 applications had been made to the BBRS by 31<sup>st</sup> August. Of these, more than 400 cases were registered before the scheme rules were agreed. Yet, just one case had been settled by end August and there is even a difference of opinion about that. The BBRS states that one case had been settled between 15<sup>th</sup> February and 31<sup>st</sup> August but SME Alliance, a group representing SME bank victims, says differently that only one case has been settled since April 2020, a period which would include the live pilot conducted last year.

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<sup>1</sup> <https://www.appgbanking.org.uk/wp-content/uploads/2021/07/APPG-to-Chancellor-July-2021-Final.pdf>

<sup>2</sup> See “Latest Releases” on [www.lloydsbankassetfrauds.com](http://www.lloydsbankassetfrauds.com).

See also press release 40: “BBRS – deliberately deceitful, intentionally unjust”, pages 86-88 in the Lloyds Omnibus of press releases, December 2020, middle icon on second row of same website.

<sup>3</sup> <https://thebbrs.org/news/bbrs-quarterly-insight-report-october-2021/>.

The live pilot reportedly saw one case settled and 47 others rejected but was misleadingly described by the BBRS as “a great success”. Given that this description was entirely untruthful, we read the case numbers referred to in their latest quarterly report <sup>4</sup> with considerable scepticism.

On 29<sup>th</sup> October, SME Alliance withdrew their support from the BBRS on the grounds that the scheme “under its present terms will not resolve the issues between SMEs and lenders or restore trust in our banking system”. A copy of their letter is attached to this press release.

### **The intention has always been to mislead bank victims**

What is now abundantly clear is that **the banks have never intended to deliver any form of meaningful resolution via the BBRS**, and that its indecent purpose was shared from the outset by the founders of the scheme, the seven major banks, Andrew Bailey, now the Governor of the Bank of England, and HM Treasury. The BBRS has been championed by the City of London Minister, Rt. Hon John Glen MP, who disregarded extensive and reasoned calls from expert stakeholders, campaign groups and even the FCA in favour of truly independent tribunals as a better alternative to the BBRS.

Following the HBoS Reading trial in February 2017, Lloyds Bank set up the Griggs review, significantly after consultation with Andrew Bailey, then the FCA’s Chief Executive. Griggs was a blatant sham and was called out by Kevin Hollinrake MP in December 2018, when he stated that it was “supposedly there to compensate the victims, (but instead was being used) to minimise payments and perpetuate the cover up”. Griggs was followed in May 2019 by another review instructed by Lloyds Banking Group under Sir Ross Cranston. This was a more carefully considered fraud but a fraud nevertheless. Both reviews have since been shown up for what they have been and the BBRS should be viewed in exactly the same light - an expensive and deceitful attempt to play for time, limit the banks’ losses as far as possible and permanently seal away their frauds from public view.

In its deception, the light and airy BBRS website gives every impression of constructive reasonableness. The scheme is labelled a “service”, its literature refers to the “customer experience” and it introduced the concept of “customer champions”. However, the BBRS has wilfully and deliberately misled applicants and done so at the direction of the seven major banks and HM Treasury. It is a bank-biased scheme, which makes a mockery of due and proper process and lacks proper transparency.

### **Looks like the Post Office mediation scheme but is considerably worse**

In October 2013, Sir Anthony Hooper was appointed to chair the working group overseeing a mediation process for the sub-postmasters, who had been wrongly prosecuted by the Post Office. During this, the forensic accountants Second Sight faced heavy resistance from Post Office, including

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<sup>4</sup> At 31<sup>st</sup> August, the latest BBRS quarterly report states that 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”.

the refusal to release privileged information. Finally in March 2015, the Post Office terminated the engagement of Second Sight and the mediation process collapsed, with the organisation being accused by MPs of “spending public money on a scheme, which they themselves have set out to sabotage”. However, the careful planning and deliberate intent by the seven major banks not to deliver proper compensation to victims of their serious wrongdoing makes the BBRs look considerably worse than the failed Post Office mediation scheme.

### **Money would have been much better spent compensating victims**

By April this year, more than £23mn had been spent on the BBRs, a figure now closer to £30mn and with just one token case being awarded compensation. The chief adjudicator, Alexandra Marks, who had been paid £505,000 for eighteen months’ work up to April, is likely to have earned more than £600,000, equivalent on an annualised basis to more than double the Prime Minister’s salary.

### **The broader question - What kind of country do we wish to live in ?**

This press release is about much more than just a deliberately deceitful compensation scheme for victims of banking misconduct and criminal fraud. We are pointing to serious corruption at the highest levels of our Establishment and the indecently corrupt relationship, which has persisted between Government and major banks. Leading banks such as Lloyds and RBS have committed serious wrongdoing and fraud and yet, have received overwhelming support to cover this up from regulators such as the Financial Conduct Authority (FCA) and every arm of state. The law has been comprehensively corrupted and waived by prosecutors such as the National Crime Agency (NCA) and regional police authorities in relation to the banks, while the Solicitors Regulation Authority (SRA) has intentionally failed to suspend corrupt solicitors, who have acted for banks. Most victims lack the funds required to contest bank wrongdoing in court but finally in 2018, they were offered a route towards justice and rightful compensation, the Business Banking Resolution Service (BBRS), which has turned out to be a complete sham.

### **The City Minister and BBRs Chairman must resign**

**The BBRs, which was instituted by the seven major banks with the full support of HM Treasury, has been championed and defended by the Economic Secretary to the Treasury and City Minister, John Glen MP and together with the Chairman of the BBRs Lewis Shand-Smith, he must now resign.**

**Victims, who were originally cheated and defrauded by their banks, are being actively cheated once again and denied justice by the BBRs. Given that the scheme does not intend to deliver on Chancellor Hammond’s mandate, the BBRs itself should be closed down immediately and a genuine means found for swiftly compensating those who have suffered from serious banking fraud.**

**It is high time to call an end to this expensive farce, which has become a national scandal and brought all those associated with it into very serious disrepute.**