

## **BBRS Webinar 3 transcript Tuesday 16 June 2020**

**JON MCLEOD:** Hello and welcome to this webinar from the BBRB. I am Jon McLeod and I am the Director of Communications at the BBRB, and I am very pleased to be able to welcome our panel today, and I will get them to introduce themselves shortly, but just to run through very quickly.

We have Lewis Shand Smith, who is the Chair of the BBRB, Samantha Barrass who is the Chief Executive of the BBRB, Alexandra Marks who is the Chief Adjudicator of the BBRB. And then we have also got three guests. Stephen Pegge who is the Managing Director for Commercial Finance at UK Finance. We have also got Lucy Armstrong, Chief Executive of The Alchemists and Andy Keats, Chief Executive of the SME Alliance, both of whom are very closely involved in getting the BBRB up and running.

I am going to ask each in turn just to introduce themselves and the role that they have been playing in getting the BBRB going and then we will go into some questions and also questions that I will be receiving, both live and also pre-submitted.

If I could hand over to Lewis to start with, Chair of the BBRB. Lewis, do you just want to tell us a little bit about your role and what you will be doing to get the BBRB up and running this autumn?

**LEWIS SHAND SMITH:** Yes. Thank you very much, Jon, and welcome to our audience, to the third of our webinars. I chair the BBRB, the board of BBRB. I have also been the chair of the Implementation Steering Group, the body responsible for creating the BBRB, making sure the rules are in place, making sure the policies are in place, building the board, building the organisation.

Before that I was an ombudsman, first of all in the public sector in Scotland, and then secondly the energy and telecommunications ombudsman for the UK, also dealing with property complaints and dealing with general consumer complaints as well.

So, for the best part of this century, I have been an ombudsman. I have been dealing with people's complaints but more importantly, dealing with dispute resolution, trying to find a resolution to those complaints. And for me, this is really important, because it is important to make sure that where things have gone wrong, people have a fair hearing and a way in which what has gone wrong can be put right. So, it has been an interesting 18 months. We are nearly at the conclusion and I think this organisation has a huge amount to offer to the SME community.

**JON MCLEOD:** Lewis, thank you very much. And I am now going to hand over to Samantha Barrass who is the Chief Executive of the BBRB. Samantha, please tell us a little bit about yourself and what you have been doing and will be doing to get the organisation up and running.

**SAMANTHA BARRASS:** OK. Well, good afternoon everyone. I am really delighted to welcome you, along with my fellow panellists, to our third webinar. .

I started out my life as an economist in New Zealand, in central banking, and came over to the UK in my late 20s to do a postgraduate degree in London and ended up staying here for the rest of my career.

I have a very strong career interest in making sure that markets and the economy work well for businesses and consumers and generate strong sustainable growth. And two things are really important for that. Many things are, but two things are really important for that. One is good regulation and the other is strong dispute resolution. And most of my career to date has been spent in regulation, financial services regulation and a bit of time in legal services regulation. I was at the Financial Services Authority, on the senior team at the Solicitors Regulation Authority and my most recent role has been as CEO of the Gibraltar Financial Services Commission.

I was absolutely delighted at the end of last year to be given the opportunity to have a career change into the second area that has been of really strong interest to me, which is effective dispute resolution which has a real partnership with good regulation.

My role as CEO of the BBRs is to make sure that the entire operation works well and supports Alexandra ultimately in the work that she does as Chief Adjudicator to deliver fair and reasonable outcomes, to make sure that we have all the processes in place, the finances in place, to make sure that users of the service are able to have very straightforward access to a really good service in the BBRs; and a big focus of my role this year has been that big building job, making sure that we are up and running and really ready to go in the autumn.

**JON MCLEOD:** Samantha, thanks very much for that. I am going to pass straight over to the BBRs's Chief Adjudicator, Alexandra Marks, so that she can introduce herself.

**ALEXANDRA MARKS:** What brought me to the BBRs was a passionate interest in justice and, in particular, social justice. My background, I am a lawyer. I was a solicitor, I still am a solicitor. I practised as such for over 20 years in the City on property and finance in particular.

I moved on from full-time practice when I acquired my first judicial appointment in 2002, which was sitting in the criminal courts. It was quite a shock for a city girl who had been working in commercial law, to start presiding over jury trials. I subsequently took an appointment or authorisation, as they call it, as a deputy High Court judge, sitting principally on judicial review. And since then, I have been sitting also as a tribunal judge, dealing with, amongst other things, information rights. Most recently, I was a commissioner for the Criminal Cases Review Commission, dealing with miscarriages of justice, principally people in prison who claim they should not be there.

All these roles involved a David and Goliath dynamic. So the environment at the BBRs is very familiar to me, with the banks on the one hand and a great power imbalance, not to mention resource imbalance, with those who are complaining and in dispute with them I therefore felt this job really gave me the opportunity to use the skills and experience I have gained over the last 30 or so years to do the right thing. And that is what we are setting ourselves up to do, so far as we are able to do so, reaching fair and reasonable outcomes of often longstanding and very laden, if I can put it that way, disputes that have gained many layers of grief for those involved, particularly the SME complainants.

So, I am delighted to be able to take on this role. I am very excited at the prospect of being able to do the right thing and actually be involved in the creation of the processes that will enable us to do precisely that.

**JON MCLEOD:** Alexandra, thanks very much for that. And I should just say to our audience members that I am speaking from the void, as it were, because I am struggling with rural broadband, so I am connected by phone, rather than by Zoom. So, apologies for that, but it has been a perennial challenge throughout the series.

I am going to hand over to our guests now and introduce first Stephen Pegge, who is the Managing Director for Commercial Finance at UK Finance, who are a key partner in the setting up of the BBRS. Stephen, would you like to introduce yourself and talk a little bit about the role that UK Finance has been playing in bringing us along the road to launching the service later in the year?

**STEPHEN PEGGE:** Yes. Thank you, Jon. UK Finance represent banks and finance providers, about 270 of them. Many of them are familiar names, but many of them are smaller or more niche. Everything from very small building societies and new financial technology businesses involved in payments and finance, up to global businesses and building societies and others.

We see our role as helping to support not just a successful financial industry, but one that serves the purpose of the financial services industry which is to support the rest of the economy, communities and customers; and to do that, there needs to be that kind of relationship of trust. So very early on, having had a career of 34 or 35 years in banking and finance, my thought was: “How can we do that best for SMEs?” which has been my life’s work. And a clear gap, I think, was evident, I think, where consumers and micro businesses have had a financial ombudsman scheme. There has not been that, until very recently, for SMEs. And any business wants to kind of have those opportunities to have disputes resolved.

I am also a director of UK Business Angels Association; it has been a long-term passion of mine about new starts and helping people into fast growing innovative businesses. And I am the director of a charity I have been involved in for 20 odd years that helps people to start up in business where they have been unemployed. So that is my background.

**JON MCLEOD:** Lovely. Thanks for that, Stephen. I am going to turn now to our other two guests. Firstly, to Lucy Armstrong, who is chief executive of The Alchemists, but also has become a board member of the emerging BBRS. Lucy, would you like to introduce yourself and the nature of your involvement in the project?

**LUCY ARMSTRONG:** Thank you very much. My whole career has been spent with SMEs. I am based in the North East of England. Originally, I worked with 3i and so was an investor and more recently I have sat as a chair or a non-exec on a number of private businesses; around that theme of growing family and entrepreneurial businesses. I have had some other activities. I chair an academic research centre into the growth of business in the UK. And more pertinent for this audience and for the BBRS is: I am an inaugural chair of a very similar process of the Professional Standards Council that addresses mediation between finance providers and asset-based finance, and their customer group, which largely mirror the BBRS’s future customer group.

So I think you can see why I was invited to come and help, and try and shape and learn from the experience we have had with the asset-based finance and transfer that across; and hence I have been working with the team probably for the last 18 months or so, I think, and at last we are starting to come to fruition and starting to run some pilots and get things up and going. And therefore, there is a more comprehensive spread of mediation process for small and medium-sized businesses across the UK who act for finance. And that is what I am keen to see be really successful. Thank you.

**JON MCLEOD:** Thanks, Lucy. That is great. And then finally I am going to introduce Andy Keats, who is the CEO of the SME Alliance. Andy, do you want to introduce yourself and talk a little bit about what you have been doing to help the BBRS get off the ground?

**ANDY KEATS:** Yes. Thank you, Jon. My background was a Sergeant in the Metropolitan Police. And since 2014 I started as a member of the SME Alliance and then was asked to be a director in 2015. And since then I have become the CEO in February of this year.

The SME Alliance is a group of 400 to 500 people. In the main, they are banking complainants, although more recently we have been taken on SubPostmasters as well, who have got problems with the post office. And the SME Alliance lobbies for fair treatment in banking relationships and practices, and how they perform with their business customers. And from our membership, we can determine quite well, because our membership is across the country. I think we can determine quite well what the mood is from SMEs about particular products and services that are out there and behaviours and things like that.

And in 2019, in June, I think, I was invited to come on board with the BBRS and I started off working on the single process working group.

And since then, for some reason, I have been on nine working groups at one stage, which has taken most of my time; and since January this year I have been on the independent steering group as well. And obviously the purpose of all this is to provide SMEs with a transparent and open resolution service to their banking complaints.

**JON MCLEOD:** Thanks, Andy. That is great. Now, I am going to jump straight into the questions and a bit of a panel discussion to start with. I am conscious that I have only got Lucy until 5, so it may be that we make the most of that opportunity as well. But I wanted to start with Lewis. Lewis, could you just say a little bit about what it means to have an organisation that addresses complaints by using alternative dispute resolution or ADR? Because this may not be something that everyone is familiar with and I would be interested to hear, and if you could share with the audience really what that means in practice for the new service?

**LEWIS SHAND SMITH:** Yes, thank you. I think the key is in that word “alternative” and it is important to recognise that this is an alternative to courts and tribunals. It is a different way of resolving disputes and a means by which people can have those disputes heard, listened to, resolved, without having to resort to court, without the expense, without the stress, without the risk of going through the court process. It is also a quicker way of achieving that resolution.

The tools that the BBRS will have at its disposal are quite a few and we want to use everything that is available. From informal resolution as cases are being built, to both formal and informal mediation where there is someone who helps both the parties who are involved come to a resolution that they are all happy with, to conciliation, for example, where a negotiator works with both sides, again, and perhaps suggests a solution to them. And right through, I guess, to the one that is possibly best known and best known in ombudsman schemes, which is investigative adjudication, where the evidence is looked at very, very closely by an investigation officer and a decision is made.

Important to all of these, though, no matter what technique is used, what is important is that at the end of it there is a resolution. And if something has gone wrong, the person that has been wronged, they are put back into the place they would have been in, if nothing had gone wrong in the first place.

It is an opportunity to make restitution, to make redress and, as I say, really importantly to put the person back into that position they would have been in.

The other really important thing to mention is that alternative dispute resolution must be independent and fair. Decisions are made on a basis of what is fair and reasonable in the circumstances, taking into account regulation, codes of conduct, the law, and so on. But the decision is made on the grounds of what is fair and reasonable.

The other thing is that it is really important to recognise the independence of this organisation. So, the people who are making the judgments, for example, in an adjudication are clearly independent of any of the parties who are involved in the dispute and it is one of the things that we have been focusing on through creating this organisation, is just ensuring that that independence is there and that it is seen to be there.

**JON MCLEOD:** Thanks, Lewis, that is great. I was just going to turn quickly to Stephen Pegge of UK Finance, just on a couple of points which have been raised as we have run this series.

The first one is: the banks have got a lot on their plates in terms of dealing with the pandemic crisis at the moment and supporting small businesses on the frontline. Won't their attention be distracted from getting BBRS up and running?

And then secondly, a question that has come in today, which is the issue of those banks which are not part of the BBRS at its inception. What can be done for customers of those banks who may run into difficulties? I wonder if you could pick up on those two points, please, Stephen.

**STEPHEN PEGGE:** Of course. No question that SMEs are a real priority, not just now, but really for the whole of the UK's success going forwards. And so BBRS have an important role to play for the financial services industry, as much as for businesses and the economy, in seeing that done in the right way. It was back three years ago now that there was a realisation that there needed to be something different. So we sought to have a review undertaken. There was an independent process to appoint Simon Walker to do that. He had expert support in order to provide it. And we have been going through this process, very much emphasising the point that Lewis made about independence under the implementation steering group; but with seven banks. The seven banks represent the bulk of the lending and

the historic cases, and it is quite a feat, actually, to have the engagement of those seven large organisations in such a complex project. But it will not rest there, and I think our hope and expectation is that there will be further banks that will decide to participate in the future, such that people can get that support more broadly across the marketplace.

Is it a distraction? No, I do not think it is. I think we have a responsibility to make sure that we have got the best set-up, really, to help the UK be successful coming out of this crisis and having this as part of the framework of good relationships; and ensuring that if issues arise, not just the individual customer is helped with resolution of those issues, but those concurrent or common issues are identified, fed back to good practice. Issues are nipped in the bud and the whole industry is able to improve its service through a transparent process. I think it is going to be critical, actually, to making sure that we do not lose that precious commodity of trust.

**JON MCLEOD:** Yes. And I noticed that, Stephen, today UK Finance hosted a roundtable with Charles Randell, the chair of the Financial Conduct Authority and the chairs of the banks; and he emphasised the role that they would hope the BBRs would play on a forward-looking basis to help recovery from the crisis.

**STEPHEN PEGGE:** It really is integral and from chief executives and chairmen down in organisations, this is one of the top priorities.

**JON MCLEOD:** Yes, thanks for that, yes, because Charles Randell was with the chairs of the banks there, so there is clearly priority being attached to it.

I am going to turn now to the SME reps and starting with Lucy, because you are going to be part of the governance structure of the BBRs. I just wondered whether you could talk a little bit about the values of the organisation that you are going to be a board director of and how you hope that organisation will differ from maybe what has gone before, what is being brought to the market, as it were, for SMEs which is unlike what they have previously experienced and how you seek to influence the culture of the organisation to reflect empathy and understanding towards SMEs which have run into difficulties.

**LUCY ARMSTRONG:** OK, thank you. Well, we are up and running, so the board is in place, of which obviously Lewis is the Chair. And I think he hit the nail on the head earlier when he talked about it needing to be independent. The fact that we are doing these webinars so early doors, when we are still at the pilot stage, tells you a great deal about how open and transparent we not only are going to be; we are being. The fact that Alexandra, Samantha, Lewis and I are here taking questions now and will be throughout is also indicative of an approach which I think I would characterise as being very much a partnership approach, and the banks are involved, the SME reps like Andy are involved. We have involved the regulators, hence why the FCA, for example, is following this closely, as is the Treasury, the Bank of England, and so on.

So, it is about being open, it is about being transparent. It is fundamentally about being independent. And then you can do what Stephen has just talked about, which is: if the BBRs can garner the trust of all the participants, whether that is the businesses and the banks, then when the BBRs opines on a topic, people will be confident in the outcome and that will raise people's confidence to engage with the finance industry, to raise money to grow their business.

What I am really interested in is not being a policeman. I am interested in helping businesses raise money in order to grow the economy and, boy, are we going to need that after this crisis.

And if, as part of that, we are able to have something like the ATOL protected stamp on financial products and services, from major providers in the UK that enables businesses to feel confident, that for me would be a great outcome and that is what we are all trying to achieve. This is about adding value, making people feel confident about raising finance, making them feel trust in their provider and vice versa, that their provider has trust in them. And then we will grow jobs, we will grow the tax take, and that means the UK economy can start to grow out of this crisis.

**JON MCLEOD:** Yes. It is interesting you mentioned the point about independence, because we have just had a question in, we are being asked: “How do we look to promote the impartiality of the organisation?” and you have given that emphasis in your response there.

We have also had a question in from an audience member saying: how they do register? Well, that is easily done. You can go to our website now, , [www.thebbrs.org](http://www.thebbrs.org) and there is a registration of interest tab on that site.

I am going to turn to Andy Keats, CEO of the SME Alliance. And Andy, I am really interested to hear from you about the sort of support that small businesses using the service should be able to expect from the service, for example, from the proposal for customer champions to help guide SMEs through their cases and to give them the assistance they need. You have been very involved in that, in helping us think through that. Can you just talk through what SMEs should expect and what the way ahead looks like in that area?

**ANDY KEATS:** Yes. I think the customer champions, you could say they are places of safety, really. They are a guide, mentor or confidant. They should be empathetic and caring and understand the vulnerability of the complainants and, in particular, if a complainant might have poor IT skills or mental health issues or feel frustration, all these things, the customer champion needs to be able to deal with them as a human being, if you like, and as a real complainant; not just a figure, not just someone on a spreadsheet.

These customer champions are there, and they need to be able to understand SMEs. What is a SME? What is a partnership? What is a sole trader? What is the difference between that and a company? They need to understand banking products and services and processes. So, it is quite a skilled job really. So they need to understand what standard banking practice and behaviour is and what is not. And from an ability point of view, they need to be able to listen to a long story and reduce it to key elements and complaints and to understand the evidence that is needed to support those events and complaints.

And then they have got to be able to assist the complainant, and in some cases do it themselves, to write up these key events and complaints, ready for the banks; to link the evidence with the complaints and to make sure that they understand, as I said, these key sort of products, things like the Enterprise Finance Guarantee, Loans, overdraft facilities, IRHP products in the past. The sort of fundamentals of those loans and those facilities, and then they will need to understand the representations that are made around those, and then overall to help the complainant produce be able to convey it into a concise and clear complaint that the bank can deal with.

**JON MCLEOD:** Andy, thanks for that. I am just going to turn quickly now to Samantha Barrass, just on the launch of the organisation and what has been going on within the BBRB recently. Audience members who would have been on the website will have seen information about the live pilot that has been running. What is the timescale now, Samantha, in terms of the move from a pilot phase to a go-live phase and how can interested SMEs stay in touch with progress towards the service being fully launched?

**SAMANTHA BARRASS:** So we are on a very clear trajectory to a go-live launch in the autumn; and that is supported by the live pilot work that is going on which is helping us to understand, both in terms of the policy, some of the policies that we have been able to look at through the live pilot, as well as operationally what is going to work and what is not going to work when we get to go-live. There will be lots of news as we get closer and closer to go-live. The best way of keeping in touch with what we are doing is via the website. You can continue to go there and register your interest in the BBRB.

A key component of the work that we are doing to get ready to go live has been the partnership that we have been building with the Centre for Effective Dispute Resolution, CEDR, and we announced our work with them, our partnership with them earlier this year. And they are an organisation that has a tremendous amount of experience in empathetic alternative dispute resolution and we are working with them to launch the service in the autumn.

**JON MCLEOD:** Great, thanks for that. I have had a couple of questions about the representation of victims and also SME representation, as the service goes forward. We have heard from Lucy and Andy about the ways in which they are involved in the development of BBRB as it approaches launch, but maybe starting with Lucy and going on to Andy. Could we just spend a little bit of time hearing from you about how the BBRB will make sure it has a listening ear out to the SME community and how it will make sure that it reflects that in its style and manner of operations? Starting with you, if we could, Lucy.

**LUCY ARMSTRONG:** Yes. I mean, the first thing is, if you look at the board of the BBRB, a number of us are practising directors of SMEs, with careers in SMEs; we come with, if you like, a method of mind of understanding the language and the environment in which SMEs operate. And, firmly, that point is already in the boardroom.

But in addition to that, the BBRB has decided to have two, if you like, advisory panels precisely in order to tap into the two key constituencies that it is working with, which is the finance providers and the banks and the SMEs and the business groups. And so those groups will be always able to put views, and so on, into the organisation, but there will be a formal mechanism to make sure that happens regularly.

In addition, as you have already seen, I hope, the BBRB itself is explaining more generally, in things like the financial press, doing webinars like this. We have planned, when we go back to the new world of seeing one another again, I have no doubt we will resurrect some ideas about roadshows.

The organisation has absolutely got a whole host of channels for listening to views. And also, I think we are going to be, and are already, very open on things like the website about the kind of policies that we will have, how we will handle things, how we will work things through. So, it is all about going back to those issues of transparency, openness, learning and

a willingness to adapt and adopt new things as and when they approach; and overarching that is a sense of independence, listening to people, but an independence from any of the lobbying groups that want to persuade us one way or the other.

**JON MCLEOD:** Thanks, Lucy. And Andy, you spent a lot of time listening to individual SMEs and going through their concerns. What is your ambition for the future, in terms of making sure that SME voices are heard as the BBRS rolls out as a service?

**ANDY KEATS:** Thank you, Jon. I think the difference between the BBRS and any other scheme that is out there is that the BBRS says that it will be open and transparent; and that is a reality and that is something that we have been fighting for; not fighting against the banks, I have to say, but fighting for with the banks, in that when we say “open and transparent”, what we mean by that is that when a customer makes a complaint, normally in a banking complaints scheme or the FOS or the FCA, the ICO or any of these schemes, it is what we call a closed system, which means that the complainant makes their complaint they put in their evidence, and they do not see anything or probably hear anything again until somebody makes a decision about it. And it means that they never get to see what the bank puts in and they never get to understand what the bank has said about them. And that gives rise to some considerable alarm and certainly suspicion. Whereas the BBRS is going to have an absolutely regulated way of dealing with complaints; such that customers come in, they make their complaint with the customer champion. The complaints themselves are not the evidence, as it is supplied to the bank, and then the bank decides whether it is going to defend the complaints or whether it is going to actually try and resolve the position with the customer, which it could do at any time.

The banks will then upload their defence if they are going to do that and their evidence, and then we use this word “coterminously”. The BBRS will allow both the bank and the customer to see each other’s evidence which is completely unheard of, apart from a place like in a court, for example. And then both parties will have a chance to review the other side’s evidence and rethink their complaints and their defences, if necessary; and if they still cannot resolve the issue between them, in that case we will go to some sort of determination with a case assessor looking at the banks defence and the claim. And even better, if you like, they then will have a draft assessment made that goes to both sides before any formal assessment is made, which is also not something that happens normally.

So, the customers will have a transparent process that they will be able to follow and know where they are in that process. And they will be able to trust the process because it is what everyone else is going through and it is something that they will be able to see for themselves on the website, when that is finalised. And I think that, in itself, will create the trust that everybody wants to see within the BBRS, if that is helpful.

**JON MCLEOD:** Thanks Andy, that is very helpful. And I should say that I have been receiving questions from the audience live, which has been very useful to take in, but do keep those questions coming; and I should also say that a transcript of today’s webinar and of the other two webinars will be made available on our website. In fact, I think the first webinar can already be seen now.

I am going to turn to Stephen Pegge again because, Stephen, I am very interested to hear from UK Finance’s perspective about the way in which the learnings that all of the banks get from their frontline interactions with their SME clients can be fed back into the way that the

BBS works in practice and vice versa. Presumably this is a process where those learnings can nourish a more positive relationship between banks and their SME customers, and actually the BBS can evolve as an organisation which feeds back information to all banks about what constitutes good practice and maybe what some of the pitfalls are. I would be interested to hear your thoughts about what you anticipate from that process.

**STEPHEN PEGGE:** Yes. So clearly customer concerns and disputes are always a way of finding out where things could be improved, you know, not just for that customer, but for potentially others. But you are doing it in one organisation, possibly one part of an organisation, in isolation. The idea of actually bringing that kind of data together and providing a more generic set of lessons and feedback is going to be even more valuable.

I think the difference with this sort of service is that it is one which aims also to preserve relationships. Courts have their place and there is absolutely no question that some things need to be sorted out through courts. But they are by nature oppositional and they are costly, and they are time consuming, and so on, and if you can find better ways of reaching a consensual resolution and open ways of feeding back the findings from that, I think that is going to be a real help to the business.

It is also going to be quicker. If you have got a process which enables things which are going wrong to be identified early, they do not build up into big things which in the end have ended up, as we have seen in the past, with big redress schemes which are not just damaging to confidence, but actually mean customs wait for a very long time and they become very problematic and costly for the industry too. You have got that kind of virtuous circle, if you like.

But I do think, going back to Lewis' earlier point, that then it will be horses for courses. Having that range of different solutions that can be applied, so that you have got the most appropriate way of dealing with particular situations, is important. And the nature of these businesses is individual. One thing we know SMEs have in common is they are all different, or at least most of us who have been involved with SMEs like to think of ourselves as unique; and having that ability to kind of differentiate is important too. But then feed that back, so that hopefully, with the preserved relationship, you can go on to support that business back to success. And we have often seen those cases, have we not, that bizarrely you have this situation where a resolved complaint can actually end up with a customer who is actually happier with their supplier than they were in the first place.

**JON MCLEOD:** Yes, that is an interesting point. I would be interested in Lucy's views on that, in terms of the nature of that relationship between the SME and the key partner that is the bank, which is obviously to some extent an investor, I suppose, in the business. Can there be a stronger relationship coming out of this type of dispute resolution, the sort of landscape that Lewis has set out for us earlier in the webinar, and is that a realistic ambition in the context of what are going to be some quite difficult times? It is an interesting point. I would be interested in your view on that, Lucy.

**LUCY ARMSTRONG:** I think there absolutely can be better outcomes and my confidence in that is the experience of running a similar scheme for asset-based finance. We have had both individual customers come through a process and feel that they now understand where their provider is coming from and/or vice versa.

And then at the thematic level that Stephen was talking about, there have also been a couple of themes where we might have only had four or five takers, but it was enough to say to the industry as a whole: we think this is an issue, we think you need to start looking at it. And in that way, you can have some preventive medicine, as well as some curative medicine. Curative medicine is fine, but actually preventive medicine is much, much more powerful. And that is going to be the real benefit of the learning and the sharing and the fact that seven banks are involved and hopefully more will get involved. That is also the real benefit of all of the business groups engaging with this. So if you are sitting as a businessperson where I live in Newcastle upon Tyne, instead of feeling that you are fighting your battle on your own, actually you may find that the BBRs is able to locate other organisations who have had a similar experience and draw out a theme and then you start to have a much better landscape.

At heart, the challenge here is that SMEs speak one language and large corporate banks speak another language and they behave differently from one another. Our job at the BBRs is to be a translator and historically, I am afraid, slower and louder in French versus slower and louder in Serbo-Croat does not help understanding. The BBRs's job is to help with that translation and enable both parties to come away feeling: (a) it has been fair and reasonable, (b) they have learned something, and (c) they will not do that again. And they have learned, in order to have that curative element. So, it works at the macro level by tackling the micro level. And that is why I am really keen that businesses come forward and start to engage with this, because only through doing that will we be able to get that virtual circle of greater trust through the transparency by demonstrating the independence.

**JON MCLEOD:** Thanks, Lucy, that is great. And I am going to turn now to a couple of the hot topics and bring Alexandra Marks, the Chief Adjudicator, back in, because we have had a very wide range of questions which often fall to Alexandra, but I am always careful to rest her voice, because it can consume quite a lot of energy. But I do want to turn to questions of eligibility for the service, eligibility for the scheme. So maybe I can give three off the cuff to Alexandra to start with.

How do we make sure, as the former chancellor once opined, that the scheme could only be successful if as many cases as possible were open to join it?

Secondly, when will the criteria be agreed, the eligibility criteria be agreed?

And then thirdly, will cases which have been through other schemes be eligible to try their hand, as it were, at the BBRs?

Alexandra, if I could bring you back in on those opening points in relation to eligibility.

**ALEXANDRA MARKS:** Thanks very much, Jon. Well, in terms of ensuring that as many cases as possible come to the BBRs, I just echo what Lucy said, which is that we are keen for people to register their interest, so that we can look at their cases. It is, of course, true that we have eligibility criteria and one of the challenges that we have been looking at during the live pilot period is that those eligibility criteria are not quite fixed yet. Until we go live, when the eligibility criteria will be finalised, there is some uncertainty about that. And that is why several of the cases that we have taken into the live pilot have given rise to eligibility issues. We selected cases for Live Pilot on the basis that we needed to get a good spread of cases across the participating banks; we wanted to have some contemporary complaints,

some historic complaints; we wanted complaints that were not too complex, because our live pilot is only for a limited period and so we wanted to try and make sure that we would be able to get to the end of those cases during our live pilot. And our aspiration was to choose cases that were not going to go near the boundaries of eligibility, because there are certain features of the eligibility criteria, though not finalised, that are unlikely to change for example, those which relate to the levels of turnover and assets.

So for the so-called historic scheme which goes back to 1st December 2001 - the date, by the way, the Financial Ombudsman Service, started which is why that date was chosen - then the BBRS will be dealing with complaints by SMEs with a turnover of up to £6.5 million, with assets of no more than £5 million; slightly different rules for trusts and charities. That is the essence of it.

For the contemporary scheme, because the Financial Ombudsman Service deals now with SMEs of those dimensions, we are providing, as it were, a top-up service for SMEs who, since 1st April 2019, have experienced acts or omissions by banks which have given rise to their complaints and loss. And for those SMEs, the eligibility criterion is for turnover of up to £10 million and assets of up to £7.5 million, provided the SME is not eligible for the Financial Ombudsman Service.

I think by going up to that level around 99 per cent of SMEs will be eligible for the Financial Ombudsman Service or the BBRS, and that was why those levels were set in that way.

Clearly there are people who are running businesses that do not meet those criteria. If they are not eligible, they might still be if they fall into what might be described as one of the boundary areas. So although we are intended not to overlap with the jurisdiction of Financial Ombudsman Service, we recognise that there will be some degree of overlap, because there are some businesses, and we know of certain types of business, for example, where they have more employees than fall within the criteria for the Financial Ombudsman Service. We do not have an employee numbers criterion. So even if a business is too small theoretically to fit within the BBRS criteria, if it has too many employees to go to the Financial Ombudsman Service, then that is the sort of boundary case that we will be looking at.

On the second question about when these criteria will be agreed, as I have said, they are going to be finalised by the time we go live in the autumn. They are going to be signed off by the Implementation Steering Group, which is made up of the stakeholders that have been described previously, comprising seven banks and I think eight SME groups.

The BBRS, by the way, is not a member of the Implementation Steering Group; we are observers obviously, but we are not actually involved in the decisions on what those policies say.

Then finally, will cases that have been through other schemes be able to try their hand? The rather unhelpful answer to that at the moment is: it depends, because there are some schemes that are going to be regarded as 'independent,' because they have a sufficient element of involvement external to the bank to consider that those individuals, those SMEs, if they were eligible for those schemes, have already had a bite of the cherry and therefore priority should be given to those SMEs who have *not* been eligible for other schemes.

I should say that it is, however, a pre-condition that every complaint has to have gone to the bank's internal complaints process first to give the opportunity to the bank to resolve it. If the SME is dissatisfied with that outcome, then yes, they can apply to us.

So, it is a question of watching this space, in terms of the eligibility criteria. Some of them are very straightforward. Clearly if your complaint is against a bank which is not one of the seven participating banks as there are at the moment, then unfortunately we cannot deal with it. But it has already been mentioned that we very much hope that other banks and providers of finance will join the BBRs and therefore provide somewhere for their SME customers to come with their unresolved disputes.

**JON MCLEOD:** Thank you for that, Alexandra, very useful answer. There is a little bit of fadeout on your audio, so I will just assure audience members that we will be providing a transcript of the webinar, if you are missing any of that. But if I strained my ear I could pick up everything, so we will press on.

I just wanted to ask very briefly, if I could, Alexandra, also the question in relation to companies which have been liquidated or where there is an insolvency in relation to the business concern. That has been the subject of some debate on the previous webinars. What is the position as you see it now, in relation to those questions?

**ALEXANDRA MARKS:** Again, our policy is not quite finalised on that, but we are getting close to it. But it is important to stress that insolvency is not, in itself, an eligibility criterion. So even if the company is insolvent or indeed even if it has been dissolved, that does not mean that the SME or those who were associated with it, the directors, the majority shareholders, et cetera, cannot bring claims to the BBRs.

How do we deal with those? Because as many of you will know if you have experienced insolvency and dissolution or indeed any other kind of control being taken by receivers or administrators, it is a very complex area of law and we, as with every other organisation, have to make sure that we comply strictly with the legal requirements. But having said that, it is our intention to do what we can to look at those complaints and make sure that any awards that might be made in favour of directors, shareholders, et cetera, of companies in administration or liquidation or even dissolved goes to the right place.

**JON MCLEOD:** Thanks for that, Alexandra. I am going to come back to you in a second.

But I just wanted to turn briefly to Samantha Barrass with two questions. One that has come in, which we have addressed before, but it is raising the question of: who is funding the BBRs? I think I know the answer to that. It is to be paid for by the banks. And I guess behind that is the question: how can it then be independent? It would be good to hear from you on that.

And then also on capacity. How will the BBRs be able to scale up its capacity if, for example, its workload increases suddenly, as a result, for example, of an economic shock after the pandemic crisis?

Samantha, I wondered if you could just pick up on those two points.

**SAMANTHA BARRASS:** OK. Well, the seven participating banks will be funding the BBRs and, with very strong reference to Lucy, one of our board members' comments earlier: there has been, from the beginning, a very clear understanding on the part of the banks and the SME stakeholders, all who have been sitting around the table at the Implementation Steering Group, that the governance arrangements for the BBRs needed to be consistent with the BBRs operating independently from the funders. And that is set out, that is in the process of being set out in the formal governance documents, including the Articles of Association, for the board. Those Articles of Association will be adopted by the board. The board has been appointed and is up and going, and they will need to be confident that the governance structure, and any detail, is completely consistent with the BBRs operating independently.

Throughout, from when I was first going through my appointment process to become the CEO of the BBRs, to the present, the banks have been unambiguous in their commitment to making sure that the BBRs could operate independently.

And this is important for them as well, again to Lucy's points. This is not just about the issue of resolving disputes and bringing resolution to disputes. This is about, for banks and for SMEs, providing a service which enables ongoing trust and confidence in the lending environment and it is particularly important in the current context.

And so, it is in our DNA, as an organisation and certainly on the part of the stakeholders operating with us, that we need to not just be independent, but be demonstrably independent and that there is confidence in that.

And to that end, there will be full transparency of our governance documents on the website. People will be able to understand how we are operating and we will be publishing annual reports. It will all be very open and transparent.

To the second point on capacity; a really critical question. If I think there is one operational issue that is on my to do list, every single day, it is the work we are doing with CEDR, the Centre for Effective Dispute Resolution. It is in the work that we are doing with the team at the BBRs, to be able to confidently be in a position to scale up and scale back down in relation to demand for our service. We are anticipating a much greater demand for our service, as a result of the covid-19 crisis that we are in. We are recognising that and as we are getting ready for the go-live, that is to the fore of the work we are doing.

I think a critical point in this is: it is very easy for me to say that, but how do you do that in practice? One of the big advantages that CEDR bring to the BBRs is an extensive network and experience with operating at scale with dispute resolution. That is the big advantage, because we are not solely building up our own in-house dispute resolution service. It gives us a lot of flexibility to be able to scale up, but then scale down again, dependent upon demand.

**JON MCLEOD:** Thanks, Samantha. I am just going to say thank you to Lucy Armstrong, who has to leave the webinar now and thank her for her contribution to it.

I am going to turn back to Alexandra now and we have had some interesting questions come in and I may give you three for the price of one, in the interests of time, if that is OK.

The first element was: will an SME customer need the support of a solicitor or other third party to help them prepare their case?

Secondly, will you be fast tracking cases, once you have gone live? Will there be some form of prioritisation for cases?

And then at the end of the line, when you have an adjudication, for example, requiring a bank to do something, to apologise or to make an award, how will you be able to enforce the prompt adherence to your adjudication in the outcome of the case?

I would be very interested to get your views on those three points if we could, Alexandra.

**ALEXANDRA MARKS:** I'll deal with the first, about whether you need a solicitor or claims management company to help you. As indicated earlier, one of the many unique features about the service that is being provided by the BBRS are the customer champions that we talked about. And these are individuals who are not only skilled and experienced, but empathetic and will listen to what you say; they will also, free of charge to the customer complainant, provide that service of helping you articulate your complaint, identify what material you need to support it by way of evidence, will assist you with practical issues like how to upload it or how to otherwise send in those materials. They will check back with you that what they have summarised as being your complaint is what is really your complaint and if it is not, they will change it. When materials come in from the bank, as they will, and they maybe raise arguments against what you have said, you will have the opportunity through your customer champion to talk about it again; maybe clarify what you have said before and produce further evidence in response.

The whole purpose of doing this is to ensure that people, who we know in many cases cannot afford advice, will not need to go and get legal advice.

I should stress that the customer champions are not themselves providing legal advice or advice of any kind, yet they are providing very much a supporting role. And it is not to say that if people want to, they cannot get advice from others if they wish. We are simply saying that our service does not envisage that that will be necessary.

As for fast tracking or prioritisation, we have not been doing that during our live pilot period, which has been designed specifically to assist us using a small number of cases from those who registered an interest with our service. As I have said before, there was a spread of cases that we looked at from across the banks and varying complaint types. We tried to pick those that were more straightforward. We tried not to pick any that were complex or involved insolvency issues or, as I have said, that we feared would be ineligible from the start. But we did not prioritise cases, much though we were urged to do so, by those who had an urgent need for a resolution of their complaint. That was not because we were ignoring their calls to do it. We simply are not set up to do it yet.

But we recognise that when we go live in the autumn, we need to be able to identify and prioritise those cases where there are exceptional factors. We have been terming it an "imminently irretrievable situation". So, if someone is, for example, mortally ill, facing court proceedings which may have an irremediable effect, then those are all factors that we will take into account.

As Lucy said, there may be other factors. We may find, for example, that there are several complaints on a very similar topic and it may therefore be sensible for us to take similar cases together and therefore, as it were, jump ahead of where would otherwise be their place on the basic “first come, first served” principle that we will be operating. But yes, we will have a prioritisation policy by the time we go live.

And your final question, Jon, about how we enforce prompt adherence to the award, assuming that the complaint is upheld. The ISG, that is the Implementation Steering Group which is signing off on all the policies, has agreed that there are binding limits to the awards. For the historical scheme, that is everything before 1st April 2019, the binding limit is £350,000. For everything after 1st April 2019, and when I say “everything” I mean the events complained of took place after that date, the binding limit for the award will be £600,000. The significance of those levels is that that is what is going to be contractually enforceable, because that is what the banks are signing up to as award levels. But it is recognised that we can, as the BBRS, make awards above that level and it is anticipated that the banks will meet those higher award levels where that is what we have awarded.

Now that, I expect, will be the exception, rather than the rule, but we do not know yet. The way, therefore, we can enforce those high levels is only, if you like, by the moral obligation, because that is what the banks have said they will do. The binding limits that I articulated earlier are contractually binding.

**JON MCLEOD:** And just on that point. I have had what I suppose is a related question, which is about whether or not, when those awards are made, or your adjudications are made, that is to say, will you also be, as some people will call it, naming and shaming or just naming the banks against whom you have made a finding?

**ALEXANDRA MARKS:** This has been a very collaborative process and naming and shaming is not quite the approach we are going to adopt. However, having said that, we are considering very carefully how we publish our decisions; and we do want to do that, because we think it is consistent with being an open and transparent organisation. We do consider that for the benefit of the complainants, the SMEs who have complained, that we should be anonymising them. That is because it is not, we feel, fair or necessary to expose their names and what may be very personal circumstances pertaining to their complaint. But we have not yet concluded the best way to achieve the objective of making clear what our decision is, without exposing individuals. But it is actively under consideration at the moment.

**JON MCLEOD:** Great. And I am getting quite a few live questions coming in now, which is great. I have had one question. These are questions about the way the cases are managed, as it were, by the BBRS. One saying that effectively an indication of a fair scheme is that the timescales given to each side to respond at various stages of the process are equal, are even-handed. Those questions alluded to another review where there was a real imbalance between the timescales allocated. And then another question about process, which is this: will the participating banks agree to sign a standstill agreement, once a case is registered with the BBRS? I am assuming that means standstill, in the sense that the banks will not take enforcement action against the customer. Could you give me some views on those two, please, Alexandra?

**ALEXANDRA MARKS:** Yes. On the latter, it is up to the participant banks to determine whether or not there will be a standstill of, for example, enforcement proceedings. As an independent dispute resolution service, it is not up to us to make that decision; remembering also, of course, that we are a voluntary organisation. We do not have any statutory powers. We cannot force anyone to do anything, unless there is a contractual arrangement, and there is not any arrangement on that particular aspect.

We have seen several of the banks, and of course it has become much more common during the covid-19 crisis that we are going through at the moment, adopting what one might say is a sympathetic approach to ongoing enforcement proceedings – but it is up to the bank. However, we do say to customers who approach us about this that, actually, they need to approach their bank in order to explore the question of a moratorium or a standstill or something of that sort.

And your first question. Sorry, Jon, it has gone momentarily out of my head.

**JON MCLEOD:** It is about the timings in the process.

**ALEXANDRA MARKS:** The timings, yes, that is right.

**JON MCLEOD:** Someone said: if they are not equal, then the process cannot be fair or impartial.

**ALEXANDRA MARKS:** Yes, yes, indeed. Well, the exact timings are yet to be finalised but, of course, we do want to be even-handed about this. In fact, it might even be reasonable in some circumstances for the SME to have slightly longer to respond than the bank because we recognise that it does not have the resources, although it does have a customer champion to assist. But there certainly is no intention to favour the banks by giving them a long time to respond and the SMEs only a short one. We are totally impartial, unbiased. We are not taking sides. And therefore, we are ensuring that we can be, as I say, even-handed. So, what works for one, works for the other.

And by the way, I should stress before I close. Having worked in another environment where there were time limits, and I think it is fair enough to have time limits to ensure that cases can be kept moving and that they are not, as it were, creating a blockage for other cases that might be able to progress. So, if people find they cannot comply with a time limit or an expected time to respond, then please just let us know, because unlike many other services, there is going to be a customer champion who will be the person to turn to, to ask questions, a named person who will be supporting the SME throughout their journey, with the BBRs. And it is so easy to say to them: “I am not going to be able to manage to do this in the next two weeks, can I have a bit longer?” And that would be much better than us having to chase them for a response and only then find out that they were not able to do it from the start.

**JON MCLEOD:** Got it. I am going to rest your voice briefly and turn back to Samantha Barrass because there are a couple of questions which I think are interesting, because they are operational. And they are related. One is, will the Coronavirus Business Interruption Loan Scheme, those loans be eligible if there is a problem in relation to those loans, be eligible for consideration by the BBRs? And I think an associated question which

has come in live as well, which is: what level of caseload is the BBRs expecting to receive? Samantha, could I ask you to come back to us on those two points, please?

**SAMANTHA BARRASS:** On covid-19, assuming the other eligibility issues that Alexandra has outlined, for example, in relation to the size of the business. The CBILS, will be eligible for our service. And yes, the two questions are related.

I do not know what the caseload level is going to be at the moment, but two points on that.

First, we will be conducting research and continuing to conduct research, so that we understand and have a feel for the types and quantities of cases that may be coming through.

We will be using our relationship particularly with the liaison panels, both the SME liaison panel and the bank liaison panel, to understand their perspective of the cases that are coming through. And as I was saying before, we will be operationally very focused on being able to gear up really quickly, if the caseload increases really quickly.

A question for me, if justice takes a very long time to be delivered; is it justice denied? I am mangling a metaphor there. But it is really important to us that we are able to offer as swift a turnaround on the cases as possible.

**JON MCLEOD:** Thanks for that, Samantha. I was going to turn to Lewis Shand Smith, the Chair, because you pointed out earlier that you have got a lot of experience in the sector and a question has come in saying: why are cases from before 1st December 2001 not eligible for the BBRs, once it has gone live? Maybe just a bit of the context from you, Lewis, in relation to the way in which the BBRs has been conceived and why that date has been established?

**LEWIS SHAND SMITH:** Yes. I think it is interesting on this one. When the steering group was set up and the first terms of reference were created, the historical scheme was going back to 2008, the time of the crash. The banks agreed, after a lot of lobbying from the SME community, they agreed to the concession that they would take that back to December 2001. And the reason for December 2001 is: that is when the financial ombudsman went live. The whole point of the historical scheme is that it mirrors what the financial ombudsman can do now, which it could not do until April of last year. So basically, if your business is now eligible for the financial ombudsman, but was not in the past, then it can come to the BBRs. It is to kind of close that gap. If the financial ombudsman was, in 2001, able to do what it can do now, then it is for those cases that were excluded before the jurisdiction of the financial ombudsman change. It is complementing the financial ombudsman really. The 2001 was the go-live of the financial ombudsman and it is for those cases that could have been in the financial ombudsman, if its jurisdiction was what it is, was created last year, which is to take businesses with a turnover of up to £6.5 million.

I think, if I can also come in on the historical scheme. Looking at the kind of numbers of cases historically as well. On the best information we have, we think there are probably round about 60,000 eligible cases and again from experience, we know that in ombudsman ADR type schemes, that they traditionally or typically see round about 10 per cent of eligible cases, which would mean 6,000 historical cases. I think it will be more than that, because of the levels of cash, the levels of money and the kind and the level of distress as well that has happened for so many people. I think the kind of quantity involved, in terms of the

detriment, but also the kind of detriment in terms of what people have gone through over those years, I think we will see it at a higher percentage than that 10 per cent.

And again, it is a question of: how will we make it happen? Well, we cannot make it happen, but you can, and it is important that people, even if they are not sure if they are eligible or not, I think it is really important for people to at least register an interest and we will begin to look at the cases, as has been said so often, and help people where they need that help.

I think again, as I said before, we are complementing the financial ombudsman and again looking at the contemporary scheme and looking at the issue of the coronavirus related loans. Again, some of those loans, because of the size of the companies, will be for the financial ombudsman. For example, the Bounce-Back loans will be for the financial ombudsman. However, many of the CBILS loans will come into the jurisdiction of the BBRB. It is important to see that this is a complementary organisation and between the role of the financial ombudsman, which was basically set up for individual consumers but now has a much greater part to play for small businesses, between the financial ombudsman's new jurisdiction and the BBRB, as has already been said, more than 99 per cent of SMEs will be able to come to either the financial ombudsman or the BBRB, instead of having to go to court and I think that is really, really important.

**JON MCLEOD:** Yes. A quick supplementary if I may, Lewis, and it has been asked by an audience member, so I will ask you it, which is: the two schemes are complementary. Is the long-term plan for the BBRB and the FOS to become one and the same organisation or are they sufficiently distinctive to operate separately?

**LEWIS SHAND SMITH:** They are sufficiently distinctive for two reasons.

One, the financial ombudsman has not been set up to look at historical complaints and I do not think it ever will be. It is very unusual for a statutory ombudsman scheme, not unique, but it is very unusual for a statutory ombudsman scheme to look at historical complaints. I think that will never be part of the role of the financial ombudsman.

I think the other thing is that the financial ombudsman is set up by statute. So, for it to do the kind of complaints we are now looking at, would require a change of regulation or a change of statute to enable them to do so. And when the BBRB was set up, the view was that it would look at these much larger SMEs and build up an expertise with which it can help those larger businesses and perhaps much more complex cases than those that might be looked at in the SME unit of the FOS.

So, it is looking at a different cohort, if you like; those much larger SMEs, those much more complex cases, but also, on the other hand, the historical cases.

**JON MCLEOD:** Got it. I want to quickly go back to Alexandra before we get some closing remarks, just on two points and they are related. What does the BBRB do if it discovers evidence of, for example, mishandling of data, of personal data? How does it bring in the Information Commissioner? And indeed, what does the BBRB do, if it unearths what may be prima facie evidence of criminal conduct? And I think what has been behind those questions is: does that mean that the whole process grinds to a halt while those other statutory and criminal justice system factors swing into action? Alexandra, I would just be interested in how the BBRB would react in those situations.

**ALEXANDRA MARKS:** Thanks, Jon. Well, the short answer is: no, our process will not grind to a halt because of either of those issues. Of course, it may be that if there is a complaint about the handling of data, that that would be better dealt with by the Information Commissioner and we may refer that aspect of the complaint there. But to the extent that there is a complaint still for us to investigate, we will investigate it.

And similarly, with evidence of criminal wrongdoing on the part of the bank. If there is evidence of that, then obviously it is something we will take into account when considering the complaint, but it will not mean that our process will necessarily grind to a halt. We may and probably will, depending on the circumstances, need to report it to the relevant authorities, whether it is the police, whether it is the regulator, et cetera. But that does not mean to say necessarily that our investigation has to cease at that stage.

Having said that, there could be all kinds of situations – and I do not want to make any promises that this will apply to every single situation. There may be some that we have not thought of, where that would not be the appropriate thing to do. But it certainly is our intent not just to wash our hands and say: “Well, you had better take your complaint of fraud to the police and only when they have finished dealing with it will we take it on”.

**JON MCLEOD:** Great, thanks for that. I am going to turn to the others now just for some closing remarks and maybe just to very briefly, if they could, just give us their hopes for the future of the BBRS as we turn towards the launch in the autumn; maybe starting with Andy Keats from the SME Alliance and then Stephen Pegge from UK Finance.

Andy, what are you going to be focusing on in the next period and what do you hope for in the time ahead?

Andy may be on mute.

**ANDY KEATS:** I am falling foul of it too. Everyone has.

**JON MCLEOD:** Do not worry. Over to you, Andy.

**ANDY KEATS:** OK. So yes, in the autumn the BBRS is going to go live and the questions that are coming up, really, are all based around what we have heard today. You know, will my complaint be eligible? When will I be heard? How long will it take? Can I understand the process before I go through it? What happens if I am old or dying or suicidal, you know? Will I get heard earlier or sooner? Can I be sure that I can trust the customer champion and the assessors or are they really working for the banks? These are all questions that are just coming through, as we are going and marching towards going live.

And to be fair, having been right in the centre of this since June 2019, my vision is that there is no BBRS in the future; there is no need for a BBRS; that the banks and the customers are able to resolve their complaints, I am not talking about the historical ones, but moving forward; that the banks and the customers are able to resolve the complaints quickly and successfully because, if you like, the BBRS is there in the background. So, the need for it will become less.

And that is certainly what happened, if I might say, in the Metropolitan Police during the '70s and the '80s. There were huge problems with what happened inside the stations and complaints about it, and eventually someone said: right, what we are going to do is get lay visitors, you can walk into your police station at any time of the day or night and just demand to see the prisoners. And overnight ---

**JON MCLEOD:** A complete culture change. I am conscious of the time.

**ANDY KEATS:** Yes, completely overnight. And that is where I think we are.

**JON MCLEOD:** Where we are heading. Thanks for that, Andy. We are down to the last 60 seconds, so a quick concluding word from Stephen Pegge of UK Finance. Stephen, over to you.

**STEPHEN PEGGE:** Yes, so picking up on that point. It is one of the prizes of the UK system, we are entrepreneurial, we involve lay people, we have case law, we have voluntary ADR and so on. And I think this is a great example of how that really could be world-leading. Banks and businesses have got a mutual interest in smooth dispute resolution, service improvement, you know, the sort of market-based system with proper expertise, empathy and efficiency, I think can lead to fewer complaints, better relationships and more participants. In the end, I am not sure you will never see the end of commercial disputes. I think they are a normal part of business life. But this is going to be certainly a way to deal with them very much better.

**JON MCLEOD:** Stephen Pegge, thanks very much. And in the interests of timekeeping, I am going to thank Samantha Barrass, CEO of BBRs, for her contributions during the session; and turn to Lewis Shand Smith, Chair of the BBRs, just to give his closing remarks.

**LEWIS SHAND SMITH:** Yes. Well thank you everyone for taking part in this. I am just going to say something very quickly, just a handful of words. I want to see the BBRs being an organisation which is characterised by independence, by fairness in its judgments and by transparency in all that it does; and together I think those will make for excellence in delivery and I want this to be an organisation that is seen and recognised for its excellence, because without being the best of the best, then there is no point setting it up. My ambition is that delivery to the customers, which are the SMEs and the banks, is of a gold standard service. And thank you all very much.

**JON MCLEOD:** Thank you very much, Lewis. I would like to thank Lewis Shand Smith; Samantha Barrass, CEO of the BBRs; Alexandra Marks, Chief Adjudicator of the BBRs; Lucy Armstrong, BBRs board member and CEO of The Alchemists; Andy Keats, CEO of the SME Alliance; and Stephen Pegge, the Managing Director for Commercial Finance at UK Finance for their participation and thank you to the audience for their questions. Thank you very much.

**LEWIS SHAND SMITH:** Thank you, Jon.

**ALEXANDRA MARKS:** Thank you Jon. Thank you all very much for coming.