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The Rt Hon Mel Stride MP
Chair
Treasury Select Committee
House of Commons
London
SW1A 0AA

Via Email: treascom@parliament.uk

Dear Chair,

Thank you for your letter dated Thursday 7 May regarding reports that Barclays had been experiencing technical problems with its Bounce Back Loan Scheme (BBLS) website.

As we discussed when I was with your Committee last Monday, we saw unprecedented levels of demand for this scheme when it launched and that has continued throughout the last week. As of Sunday, we had approved nearly 70,000 loans worth around £2.1 billion. This is approximately equivalent to the same number of loans that we would normally process over three years.

We sought to make the application journey for Bounce Bank Loans as swift and efficient as possible and for the majority of customers, our process has worked well. There were, however, some specific areas where we could have improved the experience for some customers applying under the scheme and I understand the frustration this has caused.

Firstly, for around 16% of businesses applying, we required additional information to meet the scheme rules and to comply with legal and regulatory obligations in respect of anti-money laundering for new lending. In hindsight, the online message triggered for these customers could have been clearer to explain what customers needed to do to progress their application. We have now put in place a clearer set of messages.

Unfortunately, I am not able to provide the Committee with information on the average time taken from application to drawdown of loans for businesses in these circumstances as we do not currently have that data.

Secondly, I also wanted to address some reports that there have been delays in BBLS funds reaching accounts post application. We did experience some operational difficulties with drawdown in the first days of the scheme, and there was a delay for some businesses in receiving funds into their account. We have been working hard to address these issues and I can confirm that 95 per cent of clients that applied for a loan on Thursday had received funds in their account by Friday. We expect all loan applicants to receive funds within 24 hours of approval from now on.

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I would like to offer my sincere apologies to those businesses, in particular those business owners, that have encountered challenges over the past week. We are, as we have been since the outset, committed to the success of the BBLS programme, and to supporting our clients by providing them with the financial assistance and support they need at this critical time.

I do hope this response provides you and the Committee with the information you require.

Yours sincerely,

Matt Hammerstein
Chief Executive, Barclays UK