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3 November 2020

Meg Hillier MP
Chair of Public Accounts Committee
House of Commons
London
SW1A 0AA

Dear Ms Hillier

In advance of my appearance before the Public Accounts Committee (PAC) on Thursday 5 November 2020 regarding the NAO's report on the Bounce Back Loan Scheme (BBLS), I would like to submit supplementary evidence for the Committee to consider. This information was initially shared with the Committee's clerks on Wednesday 28 October 2020.

The NAO's report on BBLS (paras 21 and 3.6) states that from October, '*lenders will produce a monthly fraud report*' and that this monthly fraud report will contain '*prevented loss; detected loss; errors; and recoveries*'.

I would, therefore, like to submit supplementary evidence on the total of prevented fraud in the BBLS to date, on both the number of loans, and value basis.

As follows, on an aggregated view across all BBLS lenders, as of 20th October 2020:

- Prevented fraud: number of loans: 26,933
- Prevented fraud: value: £1,107,329,960 (i.e. £1.1bn)

The above submission therefore reflects the 'prevented loss' component of the monthly fraud report, and is the most mature component of it at this early stage (this is the first month of reporting, and it remains a work in progress). Other components are still being refined with lenders. Despite the limitations of the data, we are nevertheless sharing it now with the PAC, in order to give members the latest operational picture.

We would like to flag the following data limitations:

- The data is provided by lenders, based on a methodology which remains subject to refinement. The data has at this stage been accepted at face value and has not been verified independently with each lender (due to time constraints prior to PAC, and ongoing work to refine methodology/process).

- Out of 22 live lenders, 20 lenders, including four out of the five biggest lenders (which have provided the majority of funds under the Scheme) have provided data up to 20 October. Of the remaining two lenders, one has not provided updated data to 20 October, but has previously supplied data up till end of September (this is the remaining Big Five lender), and we have retained this data in the aggregated total above. The other remaining lender has not yet supplied prevented fraud data, and is therefore zero, but is one of the smaller lenders and therefore should not materially influence the total.

Notwithstanding the data limitations highlighted above, we feel it is helpful to provide this indicative data as an indication of the fraud prevention activities that the lenders have been undertaking, which may well be of interest to PAC members.

If you have any questions regarding this submission, please do not hesitate to get in touch with Victoria Jonson, Director, Government Relations and Public Affairs, at victoria.jonson@british-business-bank.co.uk. I have copied Sarah Munby, Permanent Secretary at the Department of Business, Energy and Industrial Policy, and Tom Scholar, Permanent Secretary at HM Treasury, to this letter.

Yours sincerely

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