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7 May 2021

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

Dear Mr Stride,

Thank you for your letter dated 19 April regarding business current accounts.

Before addressing your questions, I would like to reassure you that Barclays is fully committed to the SME market and to supporting our one million small business customers to help them get back to business over the coming months. Throughout the crisis, we have remained open to new business customers who have been able to apply for all products across our product range including business current accounts and Government scheme lending through the various schemes. Barclays was, in fact, one of only a small number of high street banks who made the Bounce Back Loan Scheme (BBLS) available for new Barclays customers; a conscious decision in keeping with our broader societal role of supporting the UK economy.

Like all other businesses, banks were not immune to the pressures of the Covid crisis. The restrictions we had to put in place in line with government guidelines, as well as staff sickness, inevitably had some impact on our ability to maintain account opening volumes and processing times at pre-crisis levels. These issues were felt most acutely at the start of the crisis. We have seen improvements since and will continue to strive to reach pre-crisis levels as we emerge from lockdown.

Please find below more detailed answers to the individual questions you raised in your letter.

1. Have you changed your criteria for opening new business current accounts since March 2020, or are you restricting access to the application process? What changes have you made?

We have not changed the criteria for opening a business current account since March 2020. However, we have been able to make it easier for personal customers who already bank with us to open up a business current account, via our online banking service. At present, the ability to open a business current account online is not yet available to new customers, who instead need to visit a branch or contact our telephony channel in order to satisfy the required Know Your Customer (KYC) checks that are a necessary component of money laundering regulations.

2. Have customers or potential customers faced longer waits for opening new business current accounts since March 2020?

Our capacity for taking new business current account applications and branch appointments has been reduced due to Covid restrictions and, since the launch of BBLS in May, we have seen significant demand from existing personal and new to bank customers wishing to open a business current account. Indeed, the demand to on-board new customers experienced a fivefold increase. This increased demand continued through the summer and only began to decline in November. As a result, our capacity to process applications has been limited, which has unfortunately led to some delays.

For personal banking customers wishing to open a business current account, online applications are currently being processed within six days of submission, with the account fully open and available 48 hours later. New to bank customers can expect to receive a telephony appointment within two weeks. Branch appointments with a member of our Business Banking team will take longer and subject to appointment availability. For all channels, if the customer provides all the required documentation to satisfy KYC, the account is generally open within 48 hours of the appointment.

Our customer service teams and branch managers are continuing to work tirelessly to meet customer demand. Throughout the pandemic, we have moved thousands of colleagues around our business to utilise resource in the best possible way to serve our customers and the wider economy.

3. What processes are in place for customers to complain that they have not been treated fairly with regard to opening business accounts?

Every customer, including prospective customers, who feel they have not been treated fairly has the ability to complain through our established customer complaints process, and also through the Financial Ombudsman Service (FOS).

Upon receipt of the initial complaint, our specialist Complaint Team will do everything it can to help resolve a customer's concerns. This would include, in some cases, reaching out to the New Customer Team to see what else can be done to help the customer which may include arranging a branch or telephony appointment.

If the customer remains unhappy with the outcome of their complaint, they have the right to refer their complaint to the FOS for an independent review of the case. Barclays would then work with the FOS accordingly in support of that review. Larger businesses who are not eligible to complain to the FOS are able to refer their complaint to the Business Banking Resolution Service.

4. Have you received more complaints than normal since March 2020 about customers or potential customers failing to open bank accounts?

We have received a marginal increase in customer complaints on this issue since March 2020.

5. Are you withdrawing or planning to withdraw from the SME market?

Barclays is fully committed to the SME market. Since the start of the pandemic, we have opened 123,400 new business current accounts across both new to bank customers and personal customers wanting to change to a business relationship. This compares to 115,983 new accounts opened in

2019. We have also been open for lending both through the Government schemes and through our normal lending products during the pandemic.

6. How do you ensure that you are living up to your commitments under the SME Finance Charter?

Barclays is committed to the SME Finance Charter to ensure small businesses continue to receive support and can access the finance they need to operate and to grow.

Our current focus is helping SMEs rebuild working capital and ensuring that we are providing suitable financing to SMEs to aid the UK's economic recovery. We stand ready to provide facilities as part of the Recovery Loan Scheme as well as our own lending products to customers and will continually review our lending policies.

For customers who are declined a loan, we continue to provide a full explanation of our rationale behind the decision. We also offer the option of a referral to a lending platform so that any business we have declined can seek an alternative lender, should they wish.

Finally, we supported our customers through the Brexit transition period with a £14 billion lending fund to help customers invest for the future. To help SMEs understand the terms of the EU/UK Trade and Cooperation Agreement, we continue to run webinars on trading with the EU and globally to ensure our customers can take advantage of global trade opportunities.

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

Yours sincerely,

Hannah Bernard
Head of Business Banking, Barclays UK