

## Written evidence submitted by RBS (RBS0003)

Further to our exchange of letters earlier this year, I have set out below the updated complaints data that the Committee requested. I would also like to update you on a number of other developments relevant to the GRG complaints process. The next update we provide to the Committee will compare progress against data from 1 May 2018.

### Complaints process - progress

As I outlined in my recent letter to the Economic Secretary to the Treasury, John Glen MP, complaint inflows are continuing to show a downward trend and the project team has now reached an optimum size with throughput increasing. Indeed, Q1 2018 has been our most productive period to date with the number of outcome letters sent doubling for the second quarter in succession (Q3'17 - 62; Q4'17 - 144; Q1'18- 310).

It has taken a while to get to this level of throughput, which I acknowledge was a source of frustration. We have achieved this against the backdrop of establishing a rigorous process that, despite the complexity of cases, we are confident is delivering fair outcomes to customers. Indeed, Sir William Blackburne's latest report recognises that these improvements in delivery have been achieved while continuing to maintain the necessary high quality of process and decision-making.

Reflecting the fact that the process has now been open for 18 months, the inflow of complaints continues to slow; the average monthly inflow in Q4 was 49, 36 in Q1, and 32 in April 2018. As requested by the Committee, in terms of overall complaint throughput the position is as follows:

<b>GRG Complaints Process Data – As at 30 April 2018</b>		
<b>QN. #</b>	<b>Question</b>	<b>Answer (+/- difference from 9 February update in brackets)</b>
1	Number of complaints made	<b>1273</b> (+91), of which <b>1125</b> (+76) are eligible for the appeals process
2	Number of outcome letters sent	<b>564</b> (+315)
3	Number of outcome decisions in which no payment offered	<b>401</b> (+222) of which 130 have received payments under the AFR process totalling £9,867,799
4	Number of outcome decisions in which payment offered	<b>163</b> (+93) (please note that on average 39% of complainants have at least one of their allegations upheld, some do not then receive a direct loss payment but may still pursue a consequential loss claim.)
5	Average value of payment offered in (4)	<b>£31,126.79</b>
6	Number of outcome decisions rejected by customer	<b>64</b> (+38) have passed the 56 days allowed for appeal or acceptance
7	Number of outcome decisions accepted by customer	<b>77</b> (+40)
8	Number of outcome decisions appealed to ITP	<b>98</b> (+50)
9	Number of appeals upheld by ITP	<b>8</b> (+7)
10	Number of appeal outcomes accepted by customer	<b>4</b> (+4)
11	Number of appeal outcomes rejected by customer	0

### Consequential loss - appeal process

I am pleased to be able to confirm that the Independent Third Party, Sir William Blackburne, has agreed in principle to oversee the independent appeals procedure for consequential loss claims. I would hope that we will finalise discussions in this regard in the coming weeks, following which I will write to the Committee with the final details and we will also publish the appeal principles on our website: [www.rbs.com/GRG](http://www.rbs.com/GRG). I know this was a change that the Committee was keen to see and I hope it will be well received. The process will

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continue to apply established legal principles and there will be no monetary limit to the cases that can be appealed under the process.

I hope that most consequential loss cases can be dealt with in a straightforward way. We shall provide customers with as much help and guidance as possible, including, where possible, offering customers the opportunity to discuss their claims prior to their submission. Guidance is also published on our website on how to make a claim for any consequential losses incurred. The bank will also meet the cost, where reasonable, of an initial meeting with a professional loss assessor to assist the customer in establishing whether they may have suffered a consequential loss, and if so, whether it is of the type that could be adequately evidenced and considered by the bank in accordance with legal principles.

### **Redress charity payments**

I am also pleased to be able to confirm that we will put arrangements in place to ensure that the bank will not benefit from any redress payments made in relation to an upheld complaint i.e. if the customer is in liquidation and we are a creditor, we will ensure that any distribution arising from a redress payment is matched by a payment to a relevant charity, so it is not 'round-tripped' back to the bank given its position as creditor. The charity or charities that we shall distribute these funds to will be involved in directly supporting aspiring entrepreneurs and small businesses. I hope that this will be seen as a constructive action by the bank in response to the concerns that had been previously expressed that the bank was effectively paying itself back for its own shortcomings.

The bank's focus is now on rebuilding trust and supporting our customers and I hope the steps I've outlined in this letter make a contribution to the rebuilding of that trust. I would also strongly encourage you and members of the Committee to take up my offer of visiting the complaints centre to see the process in action.

*Ross McEwan, Chief Executive*  
*May 2018*