

Michelle Ballantyne MSP
Convener
Economy, Energy and Fair Work Committee
The Scottish Parliament, MG.11
Edinburgh
EH99 1SP

Sent by email only

18th May 2020

Dear Ms Ballantyne,

Thank you for your letter to my colleague, Fergus Murphy, regarding the work the Economy, Energy and Fair Work Committee is undertaking to assess the support banks are providing businesses during the COVID-19 crisis. As Group Business Banking Director, I wanted to respond directly.

We agree it is imperative that banks do everything they can to support relief efforts by helping to provide access to credit and cash flow solutions to businesses and households in need. Virgin Money is prioritising these applications, not only those via the Government's new Bounce Back, CBIL and CBLIL scheme, but also through significant capital repayment holiday volumes and overdraft extensions alongside payment holidays for credit card, mortgage and personal loan customers. We have diverted as many of our people as possible from other parts of the organisation to reach out to customers in need and have increased the number of staff processing applications and engaging with customers to manage the high demand.

These applications are processed in accordance with the criteria set out by the British Business Bank and Her Majesty's Treasury (HMT). We are also continuing to apply prudence in our lending decisions, as guided by the Financial Conduct Authority and Prudential Regulation Authority, to help maintain confidence in the financial system, and work closely with customers to provide alternative arrangements to help them manage their finances during this difficult period as far as practicably possible.

We have significant specialist knowledge with the Bank, in particular Agriculture, Healthcare and Hotels, as well as a strong regional focus and are working to engage with customers to help inform solutions.

We are already working closely with businesses, through both our operational work and engagement with regional and national groups, as well as with other lenders, UK Finance,

SFE and the UK Government to review what more can be done to improve lending to those who need it. This includes daily reporting of data to HMT, which is published weekly, to help assess the effectiveness of the schemes in place and inform thinking about further improvements.

Some figures relating to both the UK Government lending schemes and our wider work supporting businesses and households can be found in our results and reporting document that accompanied the publication of our half-year results earlier this month -

<https://www.virginmoneyukplc.com/investor-relations/results-and-reporting/financial-results/>.

While we will give full consideration to any requests to provide further evidence, it may be helpful to the Committee to approach one of the industry representative bodies who may be able to provide you with a fuller picture of the current landscape in terms of support for business from the banking sector.

Please do let me know if you would like to discuss this further.



Gavin Opperman
Group Business Director
Virgin Money UK