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Economy, Energy and Fair Work Committee
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Dear Ms Ballantyne

Thank you for giving us the opportunity to respond to the Economy, Energy and Fair Work Committee's inquiry into the impact of COVID-19 on businesses, workers and the economy in Scotland.

At a critical time for businesses across Scotland, we have played our part in providing customers with the vital support they need.

TSB's business banking offer is focused solely on supporting SMEs, which make up 99% of all businesses in Scotland. We support businesses that operate across a range of sectors including transport, hospitality, food and drink and agriculture.

Around half of our business banking customers are sole traders. And while we provide a range of products and services to support business customers, Bounce Back Loans are particularly well suited to our customer base.

Bounce Back Loans

We welcomed the introduction of Bounce Back Loans (BBLs), of up to £50k, as they are a quick and flexible intervention that allows us to help our business customers. They are well suited to the size and needs of our SME customer base. It's worth noting that prior to their instruction at the beginning of May, almost 90% of Coronavirus Business Interruption Loan (CBIL) lending requests to TSB had been for less than £50k.

Since the scheme was introduced, we have provided almost 7000 customers with BBLs with a total value of over £200 million. To give some context, that more than doubles the total value of our business lending book.

As with many of the interventions we've introduced to support customers impacted by coronavirus, we have combined technology capability on our modern banking platform with expert input from TSB colleagues. In the case of BBLs, we worked with Adobe to build an online application form and mobilised over 400 colleagues, from branches and our Mortgage teams, to support the applications process and get funds to business customers as soon as we can.



Coronavirus Business Interruption Loan (CBILs)

We are supportive of the measures the Government has implemented for small businesses. However, as TSB wasn't initially accredited for the scheme through the British Business Bank's Enterprise Guarantee Scheme, it took longer than we would have liked to set CBILs up. With this in mind, we created an interim solution, refunding or waiving the fees and interest for borrowing taken out from 23 March as a result of COVID-19 impacts.

We are offering CBILs overdrafts from £50,001 - £250,000. Although as I have indicated above this is generally larger amounts than TSB business customers tend to want to borrow and BBLs have largely superseded them.

Customers who have borrowed from TSB from 23 March to 21 April have the option to transfer this borrowing to CBILs or Bounce Back Loans, whichever is their preference.

Kind regards

Carol Anderson
Director, Branch Banking