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**Royal Bank of Scotland (“RBS”): Review of treatment of SME Customers
by Global Restructuring Group (“GRG”)**

This is my nineteenth quarterly report on my role in the RBS GRG complaints process.

Over this last quarter I continued my assessment of appeals received against the Bank’s Consequential Loss (“CL”) outcomes (“CL Appeals”). With my work likely to conclude shortly, this report provides only a brief update on the numbers of complaints received and their associated outcomes. I will report more fully once my work concludes.

As of 30 September 2021, 320 Customers had submitted CL claims to the Bank. No further Customers are eligible to make CL claims. The Bank has communicated its outcome to all of these Customers, partially upholding 51% of claims and awarding a total of £4.1m in CL^{1 2}.

I have now received 153 CL appeals³, of which 14 were received in the last quarter.⁴ I have already communicated my decision in letters to 135 of these Customers.⁵ There remains only one Customer who is eligible to appeal to me the Bank’s decision on the causation of their Consequential Loss Claims.

Of the 135 total CL appeal outcomes I have issued to Customers, I have partially upheld 33 (24%). On each occasion after careful consideration, I concluded that, on the balance of probabilities, the Bank’s unfair actions had *caused* (either directly or indirectly) at least some of the loss claimed. Further details are provided in Table 1 below.

Table 1. Summary of CL Appeals received⁶

Eligible CL Appeals received	153
Decisions communicated to Customers	135
CL Appeals closed ⁷	2

¹ This includes Claim Preparation Fees, but excludes the 8% interest already made on these Customer’s Direct Loss awards.

² Accurate as of 30 September 2021.

³ Accurate as of 30 September 2021.

⁴ It is noted that no additional CL appeals have been received in Q4 2021.

⁵ Accurate as of 30 September 2021.

⁶ Accurate as of 30 September 2021.

⁷ This refers to the number of CL appeals that have been settled outside the CL Appeals process.

CL Appeals fully or partially upheld ⁸	33 of 135	24%
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Across the 135 CL appeal outcomes shared with Customers I have assessed 598 heads of loss.⁹ I upheld 42 of these heads of loss, representing a head of loss uphold rate of 7%. Of the 207 heads of loss specifically related to costs, I upheld 26, representing an uphold rate of 13%. Table 2 below presents further data by head of loss theme.

Table 2. Summary of head of loss outcomes

Head of Loss	CL claim outcomes by the Bank ¹⁰			Appeal outcomes ¹¹		
	Number of heads of loss	Number upheld	Uphold Rate	Number of heads of loss	Number Upheld	Uphold Rate
Cost Heads of Loss						
Claim Preparation Fees	185	114	62%	89	9	10%
Legal & Professional Fees	376	138	37%	118	17	14%
Other Heads of Loss						
Asset Disposal	174	9	5%	78	6	8%
Claim From a Guarantor	24	1	4%	8	0	0%
Increased Cost of Borrowing	247	28	11%	91	5	5%
Loss of Profit/Loss of Opportunity	316	15	5%	117	1	1%
Physical Inconvenience/Loss of Amenity	10	0	0%	8	0	0%
Stress	81	0	0%	46	0	0%
Tax Differential	36	1	3%	13	0	0%
Wasted Management Time	96	7	7%	30	4	13%
Total	1545	313	20%	598	42	7%

I have now received almost all eligible appeals. Only a very small number of customers may now submit an appeal. My next report will be my last, in which I will provide a final summary of the data and my findings.

Sir William Blackburne
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⁸ Uphold rate based on decisions communicated to Customers.

⁹ I have assessed 63 heads of loss since my last quarterly report.

¹⁰ Heads of loss associated with the 320 CL claim decisions that the Bank has communicated to Customers.

¹¹ Heads of loss associated with the 135 CL appeal outcomes that I communicated to Customers, data accurate as of 30/09/21. Appeal Outcome data reflects output from the Bank's internal records. A single Head of Loss and Outcome may be recorded more than once if the Customer is associated with multiple entities making a complaint, if the customer has made repeated complaints or if an appeal is remitted back to the Bank.