

FCA confirms recognition for the LSB's update to Standards for CBILS and BBLs lending

The FCA has, today, confirmed that the formal recognition of the Standards of Lending Practice for business customers has been maintained and that recognition now covers the updates to the Standards issued by the LSB to take account of the Government's new coronavirus lending schemes.

The Standards, which were first formally recognised as an industry best practice code in February 2020, cover lending to SMEs with turnovers of up to £25 million. They set the benchmark for good business lending practice in the UK, outlining the way registered firms are expected to deal with their customers throughout the entire product life cycle.

The decision to maintain recognition, following the CBILS and BBLs updates, will provide firms that are adhering to the Standards when lending under the Government schemes, with confidence that they are acting in a manner that the FCA deem a proper standard of market conduct.

The recognition comes at a time when, in just a matter of months, over a million loans have been approved through the Bounce Back Loans Scheme (BBLs) and over 50,000 lending products have been approved under the Coronavirus Business Interruption Loan Scheme (CBILS).

As the UK's economy continues to recover from the economic shock caused by the pandemic, the LSB's Standards will provide vital protections for those businesses whose borrowing is otherwise unregulated.

The Standards will help ensure that firms take fair and appropriate steps to support those customers who may find themselves in financial difficulty during these challenging times. The recognition will, therefore, also provide further comfort and reassurance to business customers who have accessed, or who are applying for, products offered by [LSB registered firms](#) under either the CBILS or BBLs.

In response to the FCA recognition Emma Lovell, Chief Executive at the LSB, said *"We welcome the FCA's recognition of this update to our Standards. The Standards for Lending Practice for business customers are, now more than ever, key to upholding high standards for firms lending to business customers.*

"In an unprecedented environment, the LSB has been able to take quick action to ensure our Standards are applicable to the two new major government lending schemes, CBILS and BBLs.

"Our approach to self-regulation continues to provide business customers with the assurance that our registered firms will go the extra mile to make sure they treat their customers fairly and appropriately, and to place good outcomes for customers at the heart of their operations."

If you are interested in finding out more about how you can become a registered firm, please contact [Insight & Support](#).

ENDS

Notes for editors

- The FCA has issued the following update: 'As a result of the Covid 19 pandemic and Government support measures for business customers the LSB have made changes to the Standards. These

changes include consideration of the impact of those support measures (Bounce Back Loans Scheme and Coronavirus Business Interruption Loan Scheme). The FCA has agreed to maintain our recognition of the Standards and the changes that have been made.'

Further details can be found here: www.fca.org.uk/publications/feedback-statements/fs20-1-recognition-codes-feedback-qcp-25-cp19-27

- The Standards of Lending Practice for business customers became a FCA recognised industry code in February 2020. Read the full FCA statement here: www.fca.org.uk/publications/feedback-statements/fs20-1-recognition-codes-feedback-qcp-25-cp19-27
- The LSB's mission is to drive fair customer outcomes within financial services through independent oversight.
- The protections of the Standards of Lending Practice for business customers apply to businesses/organisations, which at the point of lending, have a consolidated turnover of up to £25m.
- You can find information about the Standards of Lending Practice for business customers, including the updates to the Standards in regards to the CBILS and BBLS, here: www.lendingstandardsboard.org.uk/the-standards-for-business-customers/
- A list of firms signed up to the Standards of Lending practice for business customers, can be found here: www.lendingstandardsboard.org.uk/registered-firms/
- The LSB's statement in response to the introduction of the BBLS and CBILS can be found here: www.lendingstandardsboard.org.uk/response-to-the-launch-of-bounce-back-loan-scheme-bbbs/
- The latest government figures for lending under CBILS and BBLS can be found here: www.gov.uk/government/collections/hm-treasury-coronavirus-covid-19-business-loan-scheme-statistics