



Department for
Business, Energy
& Industrial Strategy

Paul Scully MP
Parliamentary Under-Secretary of State

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Susan Hall AM
Chairman of the Police and Crime Committee
London Assembly
City Hall
Kamal Chunchie Way
London E16 1ZE

By email only.

Dear Susan,

Thank you for your letter of 24 March to the Secretary of State, Kwasi Kwarteng, requesting an update on frauds committed under the Bounce Back Loans Scheme (BBLs). I am replying as this matter falls within my Ministerial portfolio.

Your letter seeks information on action being taken to address fraud committed via online applications to the BBLs. I confirm this was a scheme where all applications were made through digital platforms operated by lenders.

We are committed to recovering money from fraudulent applications under the BBLs. However, it is important to note that lenders are responsible for undertaking recovery action in the first instance, whether fraud or otherwise. Lenders are expected to use all appropriate means at their disposal to recover outstanding Bounce Back Loan monies in line with their existing practices and wider regulatory obligations. Lender's recovery activity is monitored via the British Business Bank (BBB) through a programme of audits.

Whilst lenders are the first line of defence the National Intelligence Service (NATIS) supplements our capacity to investigate the most serious cases of fraud. In the current financial year, NATIS (for all matters including BBLs) has already recovered over £3 million. It has also made 49 arrests. We expect these numbers to rise as these investigations are completed and as further cases are opened.

Further to the government update on 3 March, the Treasury has announced an additional £13.2m for NATIS which will double their investigative capacity on Bounce Back Loans and accelerate the pathway for cases to be presented to the Crown Prosecution Service. This funding will also support a bespoke NATIS project team that will support a data analytics programme run by the Cabinet Office. In addition, NATIS works closely with the National Crime Agency (NCA), police forces and others such as HM Revenue and Customs (HMRC) in collaborating on prosecutions and intelligence exchange.

Further, our enforcement strategy includes utilising the Insolvency Service (INSS) which investigates and prosecutes criminal offences and takes civil and criminal enforcement action in respect of misconduct occurring in relation to insolvency and corporate abuse. For cases arising out of Bounce Back Loan abuse this includes director disqualification, bankruptcy restrictions, winding up companies operating against the public interest and criminal prosecution.

Whilst we have already made significant progress in tackling fraud in Bounce Back Loans, we are also currently updating the BBLs strategy to ensure that moving forwards we take all additional opportunities to maximise both recoveries and deterrent to those seeking to abuse the scheme.

Finally, you refer in your letter to the Taxpayer Protection Force and request information as to the amount recovered thus far. However, this relates to HMRC schemes only.

Thanking you for taking the time to write. I hope this information is useful to you.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Scully', is positioned above the printed name.

PAUL SCULLY MP

Minister for Small Business, Consumers & Labour Markets
and Minister for London