

Minutes – SME Advisory Group

**10 April 2025, Meeting held at The Financial Ombudsman Service,
Exchange Tower, London, E14 9SR and on Microsoft Teams**

Internal attendees	External attendees
Andy Wright (chair) James Mycroft Rebecca Ellis James Hand Dara Meunier Maya Eyre	John Davies , Chairman, Association of Alternative Business Finance (AABF) Agata Gorecka , Policy Adviser, Association of British Insurers (ABI) Jonathan Fong , Senior Policy Adviser, Association of British Insurers (ABI) Richard Bearman , Co-Chief Banking Officer, British Business Bank (BBB) Simon Goldie , Director of Business Finance & Advocacy, Finance and Leasing Association (FLA) Liz Barclay , Small Business Commissioner (SBC) James Jeffreys , Commercial Finance Principal, UK Finance Sean Breen , Director of Financial and Postal Services, Consumer Council for Northern Ireland (CCNI) Stuart Morrison , Research Manager, British Chambers of Commerce (BCC) Kanya Paramaguru , Senior Policy Adviser, Federation of Small Businesses (FSB) Sumayah Mubirigi , Strategic Policy Adviser, Charity Commission Sarah Fortt , Senior Associate, Redress & CMC Policy, Financial Conduct Authority (FCA) Elliot Lang , Senior Associate, Redress & CMC Policy, Financial Conduct Authority (FCA)

Item	Agenda
1.	Welcome and introductions
2.	Key updates from the Financial Ombudsman Service
3.	Joint Call for Input
4.	SME casework update

5.	Current issues facing small businesses
7.	Closing remarks and AOB

1. Welcome and introductions

1.1 The chair (Andy Wright) welcomed attendees to the meeting and gave a brief update from the Financial Ombudsman Service.

2. Key updates from the Financial Ombudsman Service

2.1 The Financial Ombudsman Service highlighted:

- Despite demand for our service being higher than expected, we are continuing to improve the pace of our service while maintaining quality.
- We have expanded our presence through our regional hubs and continued to invest in our digital journey, with our business portal now being live for many firms.
- In our plans for 2025/26, we are anticipating lower demand, partly due to the introduction of charging professional representatives. However, we are continuing to expand our capacity to achieve even higher levels of resolutions.

3. Joint Call for Input

3.1 The Financial Ombudsman Service provided the following updates:

- Alongside the FCA, at the end of last year we issued a 'Call for Input' to seek views on how to modernise the redress system and make it fit for the future.
- We want to come out of these reforms better able to deliver on our remit, with a package of measures that enables us to do more for the people we serve.
- We have gathered a wide variety of views on what should happen to make the improvements.
- Together with the FCA, we are now working through the views expressed by stakeholders to design the changes to make the system work better.

4. SME casework updates

4.1 The Financial Ombudsman Service provided the following updates:

- Each year, we resolve around 7,000–9,000 complaints from businesses, of which around 1,200 come from the larger small businesses which came into our jurisdiction in 2019.
- The uphold rate on our business casework is typically very similar to our consumer casework. In 2024/25, the uphold rate in our small business team was 37%.
- Currently, the largest category of complaints we receive are about administrative problems, arising mainly in relation to business current accounts.

- We have been in a 'business as usual' state for a while, with complaints from small businesses at consistent levels across all products and services and no live issues driving increased volumes.
- Some observations to note:
 - Covid-related projects: the volume of complaints about Business Interruption Insurance is now very small – those that are left tend to have particularly complex circumstances. Complaints about the Bounce Back Loan Scheme are now quite regular – on average we receive around 20-40 complaints per month, mainly on recovery issues or account administration. The uphold rate continues to be low, at 25% in 2024/25.
 - Personal guarantees to support business lending: numbers remain very low; however, we have seen a steady increase since 2019. In 2024/25, we resolved 94 cases on their merits, and more which we did not have jurisdiction to consider. The uphold rate on these complaints remains low, at 18% in the last year.

5. Industry insights

5.1 The group shared insights on issues affecting small businesses. Members had a wide-ranging discussion, which included the following:

- Businesses are facing a challenging period, with changes to tariffs, National Insurance and the National Living Wage causing a decline in business confidence. Tax is a large concern for small businesses and many firms will be looking to put up prices to account for rising costs.
- A low percentage of small businesses applied for credit in the last three months, and the percentage of unsuccessful applications has grown substantially. There is a sizeable proportion of the SME population who don't have or want any external finance, however there is scope for the government to improve awareness and understanding of the range of products and providers available.
- Small businesses face several challenges when accessing insurance, including a lack of available options, limited understanding of policies and low trust in insurers and brokers. Insurance representatives set out the efforts being made to tackle these issues.

6. Closing remarks and AOB

6.1 The chair thanked everyone for contributing their insights to the discussion and closed the meeting.