

BACKBENCH MPs CALL FOR EVIDENCE IN INVESTIGATION INTO SCALE AND PRACTICE OF BANKS SUMMARILY CLOSING ACCOUNTS

FOR IMMEDIATE RELEASE

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NOTE TO EDITORS | This is a call for evidence, so for any coverage we would be grateful if you could include my email address (laurie.woodiwiss@parliament.uk), or a direction to [our website](#), so that your readers have some way of contacting the APPG with their case studies.

The [All-Party Parliamentary Group on Fair Business Banking](#), supported by City law firm [Humphries Kerstetter LLP](#), has launched an investigation into the scale and practice of banks freezing, withdrawing or withholding bank accounts.

In a call for evidence, the APPG is asking companies, individuals and banking professionals to come forward with case studies about how and why banking facilities are being denied and what impact this is having on businesses and the wider economy.

The investigation comes after businesses, industry groups and individuals have made representations to the APPG about the manner in which they have had their bank accounts closed down by mainstream banks, with little or no explanation.

William Wragg MP, Co-Chair of the APPG, stated:

“The banking industry holds a unique position in our economy, sitting between a service provider and a utility company. This position comes with unique responsibilities, to support economic activity but also to fight financial crime. Navigating what can be competing priorities is not easy and is therefore something that merits input from a wide variety of players, something we are calling for today.”

The issue of how banks deal with customers they consider to be high risk or otherwise undesirable is something that has been dominating the news agenda for some weeks following the decision by Coutts to ‘debank’ Nigel Farage. However, it is an issue the APPG and Parliament has been aware of for some time. In July 2021 the Treasury Committee wrote to the Financial Conduct Authority about the issue of ‘blanket de-risking’ and how banks were freezing bank accounts for ‘no apparent reason’. A growing number of complaints about similar issues have been registered with the Financial Ombudsman Service in recent years.

James Russell, Managing Partner at Humphries Kerstetter, said:

“We are aware of a number of cases of companies having banking facilities withdrawn on short notice with no reason given by their banks. The apparent increase in this practice is having wider repercussions, including for companies who fear being ‘de-banked’ in the context of potential disputes.

Whilst we accept that account closures may be justified for legitimate confidential reasons, such the fight against financial crime, we have concerns about the scale of the practice and the way in which banks are closing such accounts. We were pleased to be asked to assist this with investigation. It will

provide a timely opportunity to explore exactly how widespread this problem is, the factors underlying it and whether regulatory or other action is needed to address the issue.”

As part of the research phase of the investigation, the APPG is sending out a call for evidence. Anyone who feels they have information which might be relevant to the investigation is invited to email laurie.woodiwiss@parliament.uk setting out a brief summary of the matter.

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For further information or for press queries – contact:

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