Barclays customers to receive up to £1m for PPI breaches

The CMA has written publicly to Barclays after the bank failed to send a reminder to customers of payment protection insurance (PPI) policies.

Under the Competition and Markets Authority's (CMA) PPI order, PPI providers must send annual reminders to customers that set out clearly the cost of their policy, the type of cover they have and remind them of their right to cancel. Barclays breached the order by failing to send reminders to up to 1,306 of its former Mortgage Payment Protection Insurance policy holders between 2014 and 2017.

These customers, who held both a mortgage and an associated PPI policy with Barclays, had moved house and notified Barclays of their new address. Barclays failed to act properly on this information, with affected customers not receiving reminders.

Barclays only discovered this breach in late 2021. Failure to provide these reminders meant that customers may have kept their policies for longer than they needed or stopped checking for cheaper or better alternatives, and this may have cost them money.

The payout, of up to £1m is made up of refunds and goodwill payments, and comes after Barclays reported the breach to the CMA in October 2021, which it is required to do under the PPI order.

Adam Land, Senior Director of Remedies, Business and Financial Analysis at the CMA, said:

> Barclays will pay customers up to £1 million after breaching the CMA's PPI Order. That's an average payment of around £750 per customer, which is particularly important as the cost-of-living crisis bites. We will now work with Barclays to ensure these payments are made to customers.
>
> It's important that all PPI providers take notice – we won't hesitate to take action, as we have done here, if customers have lost out.

The CMA cannot currently impose financial penalties on businesses for breaches of this kind but has called for the power to do so.

Imposing fines would allow the CMA to take quicker and stronger action against companies that break the law. It would also allow the CMA to increase the deterrent effect of its enforcement and help ensure businesses take the obligations which the CMA imposes on them seriously for the benefit of UK consumers.

1. This is not the first time Barclays has breached the order. Find out more about previous breaches and the CMA's enforcement here

2. We refer to 'up to' 1,306 customers because Barclays is still investigating the breach and may find that a small number of these 1,306 customers have in fact received the information they should have done.

3. The CMA does not currently have the power to impose financial penalties for breaches of this kind. The CMA has called for such powers in order to increase incentives for businesses to comply with market and merger remedies. The Government is set to consult on whether the CMA will be given such powers.

4. The CMA's public letter to Barclays ensures that the bank will contact all customers with a PPI policy, who were affected by the most recent breach, and make payouts to compensate for the missing reminders

5. These breaches will also be logged on the CMA's register of breaches, which records all breaches of market and merger remedies and is updated quarterly with the next update being January.

6. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk

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10-year ban for Plymouth print boss on top of 5-year bankruptcy restrictions

Simon Paul Inglis King, 65, from Plymouth, has been disqualified as a company director for 10 years after an investigation found he had claimed two Bounce Back Loans for his business totalling £80,000 – an amount of £30,000 more than the maximum allowed by the scheme.

His ban comes on top of an existing 5-year bankruptcy restriction, also for Bounce Back Loan abuse.

Simon King was the director of Blackfriars Contracts Ltd, which was incorporated in 2012 and ran as a printers in Plymouth until the company went into liquidation in December 2020. The business had been part of a long-running family printing operation in Plymouth, referred to as a “hidden treasure” in the city's business world.

At the point of liquidation, the company had debts of more than £230,000. King later had a bankruptcy order made against him personally in July 2021, owing more than £100,000 and leading to bankruptcy restrictions of 5 years when it was found that he had abused another Bounce Back Loan.

In that instance, he had exaggerated his income as a sole trader in another business, Blackfriars Contracts Division, to claim a £50,000 loan to which he hadn’t been entitled.

King’s repeat abuse of the scheme came to light through an audit of Blackfriars Contracts Ltd, which uncovered records of the separate Bounce Back Loans, and triggered an investigation into his conduct as the firm’s director.

Insolvency Service investigators discovered that King had applied for a £50,000 Bounce Back Loan for Blackfriars Contracts Ltd, and once the company had received it he applied again for another loan for the business – this time of £30,000 – which had been paid into a different bank account belonging to the company.

Under the rules of the Bounce Back Loan scheme, which was set up to support companies through the pandemic, businesses could apply for loans of up to 25% of their previous year’s turnover, up to a maximum of £50,000. Businesses were not allowed to apply for an additional loan unless they had originally borrowed less than the maximum amount.

The £80,000 of BBL money was outstanding when the company closed in December that year, as part of around £230,000 owed to creditors.

The Secretary of State for Business, Energy and Industrial Strategy accepted a disqualification undertaking from Simon King after he didn’t dispute that he’d breached the conditions of the Bounce Back Loan Scheme by applying for two separate loans totalling £80,000

His disqualification is effective from 7 November 2022 and lasts for 10 years.

The disqualification undertaking prevents King from directly, or indirectly, becoming involved in the promotion, formation or management of a company, without the permission of the court.

Martin Gitner, Deputy Head of Insolvent Investigations at the Insolvency Service, said:

> Bounce back loans were introduced to help viable businesses through an extremely difficult period, providing them with the financial support during the pandemic to protect jobs and return to prosperity.
>
> The conduct of Simon Paul Inglis King fell extremely short of the standards required of company directors and he has been removed from the corporate arena for a significant amount of time. His ban

> should serve as a clear warning that if you abuse Government support schemes you should expect to be caught and punished.

Simon King is of Plymouth. His date of birth is February 1957

Simon King initially signed and received a 5-year Bankruptcy Restrictions Undertaking for similar misconduct in relation to his bankruptcy pertaining to the fact that he obtained a Bounce Back Loan as a sole trader after overstating his turnover.

Blackfriars Contracts Ltd (Company Reg no. 08276301)

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a range of restrictions.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct.

You can also follow the Insolvency Service on:

Skills Bootcamps will help plug skills gaps, but improvements are needed

Ofsted’s survey found that, while learners value the opportunity to develop their skills and knowledge on Skills Bootcamps, there are a number of areas that need to improve.

Skills Bootcamp courses run for up to 16 weeks and form part of the government’s commitment to helping adults learn the necessary knowledge and skills for new jobs in expanding sectors, such as digital, engineering, construction, manufacturing and green technologies.

Ofsted’s report finds that, overall, leaders have developed a wide range of digital and technical Skills Bootcamps to help people move into sectors where there are skills shortages. In most cases, they are responsive to meeting employers’ skill needs.

Most providers organised the curriculum appropriately and used learning resources and materials of a high quality. They included opportunities for learners to develop their personal and professional behaviours and gain a range of skills, in addition to learning the vocational content of the course.

However, we found that the quality of teaching was not consistently high and assessment practice was often weak. Too many providers did not carry out rigorous initial assessments, meaning leaders and managers cannot fully or accurately measure learners’ progress.

Among the other concerns identified, there were a minority of providers that were planning courses that do not allow learners enough time or opportunity to master skills or develop their understanding to a suitable level. Some leaders had not made sure that each learner was guaranteed a job interview. At a few providers, the overall purpose of the programmes was unclear.

Today’s report was commissioned by the Department for Education (DfE) to help understand how well Skills Bootcamps are delivering a good-quality education. The report draws on findings from visits to 14 providers that were delivering the accelerated skills programme. The survey visits took place between January 2022 and March 2022.

We have agreed with the DfE to inspect Skills Bootcamps as part of our regular inspection of further education and skills providers, from April 2023.

His Majesty’s Chief Inspector, Amanda Spielman, said:

> These courses provide good opportunities for adults to learn new skills in sectors vital to our economy, but it is important that all courses are of high quality and that they lead to jobs.
>
> I welcome the DfE’s agreement for Ofsted to inspect Skills Bootcamps as part of our regular inspections. This will support the government’s approach to tackling skills shortages in England by ensuring that learners and employers benefit from well-planned and effective programmes.

Prime Minister announces crucial winter kit delivery for Ukrainian Forces as he meets NATO Chief

- The Prime Minister will welcome the NATO Secretary General, Jens Stoltenberg, to Downing Street today
- Ahead of the UK’s Integrated Review refresh, the visit will cement the UK’s ongoing support for NATO and discuss how the alliance can evolve to meet continued and new threats
- It comes as the Prime Minister announces the UK will send a further

> 12,000 extreme cold weather sleeping kits and 150 heated tents to help the Armed Forces of Ukraine as the temperatures plummet in the country

Prime Minister Rishi Sunak will host the NATO Secretary General in Downing Street today (Wednesday) to discuss the future of security and deterrence in the Euro-Atlantic area.

Jens Stoltenberg will be the first international leader the Prime Minister has hosted at 10 Downing Street since he took office last month.

The leaders are expected to discuss the ongoing war in Ukraine and how best allies can support their courageous defence. They will also look to the future of the NATO alliance and how we can ensure it is fighting fit for generations to come.

The meeting will be an opportunity for to discuss the UK's ongoing update to the Integrated Review. The update builds on the strategy published last year which highlighted NATO's central role in the UK's defence. The UK is the largest European contributor to NATO, and has committed both our aircraft carrier and our nuclear capability to the alliance.

Ahead of the visit, the Prime Minister has announced the UK will provide a package of winter kit to the Ukrainian Armed Forces to assist as they defend their country in gruelling winter conditions. NATO allies have been at the forefront of global support for Ukraine, after Russia's invasion permanently shifted the dial on both Euro-Atlantic security and global relations.

Prime Minister Rishi Sunak said:

> NATO is the cornerstone of our security, and the security of our allies. As the war in Ukraine continues to rage, we must not take peace at home for granted.
>
> I am determined the UK will be the bedrock of NATO for generations to come. But in order to face the challenges future we must evolve as an Alliance to meet, and remain ahead of, the threat from our adversaries.
>
> We must also continue backing the Ukrainian people in their resistance to Putin's brutality. I'm pleased that UK-donated kit will be keeping the Ukrainian Armed Forces warm and safe as they face a perilous winter fighting for their country.

The Secretary General will arrive at Downing Street after visiting Ukrainian troops at Lydd Army Camp as part of Operation Interflex – the training programme for the Ukrainian Armed Forces pioneered by the UK. The recruits are being put through their paces by UK military trainers, ensuring they are front-line-ready as the Armed Forces of Ukraine continue to push back Russian invaders.

The Secretary General's visit comes as the Prime Minister announces that the UK will send a further 12,000 sleeping kits and 150 heated tents to help Ukrainian troops fight through the winter.

The UK is set to deliver more than 25,000 sets of extreme cold weather clothing by mid-December, ensuring troops are able to operate and survive the plunging temperatures in Ukraine.

The extreme cold weather kits are in addition to more than 7,000 sets of normal cold weather kit distributed to recruits on Operation Interflex.

Defence Secretary Ben Wallace said:

> With winter fast approaching, this equipment will ensure that the Armed Forces of Ukraine are able to operate effectively through the next few months. Alongside our training programme and the provision of lethal aid, it demonstrates our commitment to making sure that the basic Ukrainian soldier is well trained, well equipped and given the best possible chance to fight and determine their own future.

UK Export Finance launches new debt solution to help developing countries with climate shocks

- Announced on Finance Day at COP27, UK Export Finance (UKEF) will become the first export credit agency in the world to offer Climate Resilient Debt Clauses (CRDC) in its direct sovereign lending.
- The clauses will offer low-income countries and small island developing states the ability to defer debt repayments in the event of a severe climate shock or natural disaster.
- This announcement is part of the UK Government's wider objective to help improve the financial resilience of vulnerable countries in the face of severe climate shocks.

UK Export Finance (UKEF) will become the first export credit agency in the world to introduce Climate Resilient Debt Clauses (CRDCs) into its loan agreements. These will provide low-income countries and small island developing states the ability to defer debt repayments in the event of a severe climate shock or natural disaster.

This is part of UKEF's broader ambition to embed climate change into its decision-making in line with its Climate Change Strategy and net zero 2050 target.

Speaking at COP27 Finance Day, Tim Reid, UK Export Finance's Director of Business Group will say:

> Some countries are now facing tough choices between protecting their citizens as they respond to climate shocks or paying down their debts. UKEF can play an important role in helping governments navigate these decisions. By suspending the debt service payments, UKEF will enable borrowing countries to focus on responding to and recovering from a crisis.

> We encourage other official creditors to consider including similar provisions in their own lending to countries most vulnerable to climate change.

UKEF helps overseas buyers access financial support to make their projects happen, provided they commit to sourcing goods and services from the UK. This helps open new doors for world-class British suppliers to trade overseas.

This announcement is part of the UK Government's wider objective to improve the financial resilience of vulnerable countries around the world in the face of severe climate shocks. Alongside UKEF, the Private Sector Working Group chaired by the UK Treasury will also launch today a 'model term sheet' to embed climate resilient debt deferral into standard bond and loan contracts. Multilateral Development Banks will also agree to form an informal working group to further explore CRDCs and other approaches, building on the Inter-American Development Bank's leadership in this area.

Exchequer Secretary to the Treasury, James Cartlidge, said:

> Climate shocks are increasing in frequency and severity which is why we are supporting countries hit hardest. In the wake of a disaster, they face painful trade-offs between rebuilding their communities and making debt repayments.

> Today is a significant milestone in our work to find innovative solutions to these global challenges, and I am proud that UK Export Finance is the first export credit agency in the world to offer loans which suspend debt service payments for countries hit by climate catastrophes and natural disasters.

> Building on our COP26 legacy, we are committed to climate-resilient development, as the UK continues to play a leading role in reducing

carbon emissions to Net Zero by 2050.

The new CRDC are part of UKEF's commitment to a greener, more sustainable future following the launch of its Climate Change Strategy in 2021, where it committed to net zero greenhouse gas emissions by 2050 across its portfolio and operations. UKEF has provided over £7 billion of support for green and sustainable projects since 2019, and it has a £2 billion direct lending facility dedicated to financing clean growth projects overseas.

Benefits of the new debt clauses include:

- CRDC deferrals will not be considered events of default, preserving finance and project continuity while providing liquidity for the country authorities.
- In the event they are hit by a natural disaster or other climate shock, eligible countries will be able to request a 12-month suspension of all principal and interest payments due to UKEF, and deferred payments will be repayable over a 5-year period following a 1-year grace period.

CRDC will be offered in new and amended UKEF direct sovereign lending and previously restructured sovereign transactions to low-income countries (LICs) and climate-vulnerable small-island developing states (SIDS).

This announcement is part of Finance Day at the COP27 summit in Sharm El Sheikh. COP27 is bringing parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

More generally, UKEF is providing large-scale backing for sustainable projects across Africa, Asia and Europe. This includes:

On the Multilateral Development Banks's work:

- The Inter-American Development (IDB) is the only Multilateral Development Bank (MDB) to offer a form of CRDC in its lending currently, through a Principal Payment Option. Benigno López Benítez, Vice President for Sectors at the IDB, joined the panel in the UK Pavilion on Finance Day to share the IDB's experience with CRDCs.
- MDBs are vital sources of large-scale affordable finance to developing countries. Development Finance Institutions mostly provide project investment finance. The UK is calling on all MDBs, Development Finance Institutions and other creditors to explore the use of CRDCs.
- The UK welcomes the formation of an MDB informal working group to further explore CRDCs and other approaches, building on the Inter-American Development Bank's leadership in this area.