

Scottish Financial Enterprise
24 Melville Street
Edinburgh, EH3 7NS

23 April 2020

Dear MP/MSP,

These are very challenging times for society as a whole and our overwhelming gratitude and thoughts continue to be with those staff in the NHS, social care sector and emergency services who are very much at the frontline of the COVID-19 pandemic. How we all behave in the weeks and months ahead will make a material difference to the wellbeing of our fellow citizens.

Scotland is home to a diverse and successful financial services industry which employs over 160,000 people across banking, life and pensions, asset management, and professional services and serves the needs of millions of customers and clients in Scotland, the UK, and across the world.

As an industry we recognise our vital economic role and our societal responsibilities in supporting our customers, clients, and communities during these difficult times. On behalf of Scottish Financial Enterprise (SFE) I wanted to outline the approach of our member firms to the current crisis.

Our Customers

SFE member firms are acutely aware of the levels of anxiety being experienced by people over their personal finances currently. The financial services sector has an important role to play in offering practical help and advice, as well as someone to talk to for vulnerable people or those facing financial difficulty.

Our members are working extremely hard to ensure millions of personal and business customers continue to have access to financial services in its many forms. The exceptional rise in demand for services combined with colleagues being personally affected by the crisis and having to take time off work has compounded challenges for individual firms.

For personal customers, banks have been; keeping branches open for those who need them; offering repayment holidays on residential mortgages – over 1.2 million mortgage payment holidays have been offered by lenders - with the option to switch capital repayment holidays to interest only; waiving overdraft fees for all customers; ceasing late payment and cash advance fees for credit cards; removing penalty charges to access fixed savings accounts early; support with unsecured debt through reduced payments; established customer helplines for NHS and elderly customers and additional digital support.

Firms have also developed support mechanisms for business customers that go beyond the government schemes. These include repayment holidays on existing loans; access to funding through pre-assessed lending limits so funds can be accessed quickly and easily; free banking for SMEs; the removal of overdraft fees; support with working capital, liquidity, supply chains, and FX; new or extended lending facilities; and revolving credit arrangements, asset finance or trade loans to allow stock to be held for longer.

The banking sector is working closely with the UK Government to implement emergency business finance schemes such as the Coronavirus Business Interruption Loan Scheme (CBILS), which is aimed at small and medium sized companies, the Coronavirus Large Business Interruption Loan Scheme, aimed at larger businesses with turnover of more than £45 million, the Covid Corporate Financing Facility (CCFF), which provides finance to larger corporates and the Future Fund to support innovative UK businesses.

Life and pensions members are working hard to maintain the payment systems and other services to ensure that customers continue to receive their pensions and other incomes from savings products. Insurance companies continue to handle claims on policies and make payments across personal and commercial lines from motor, pet, and travel cover to weddings, health, and income protection insurance.

As long-term investors in the economy, asset managers are committed to supporting the corporate sector and the wider economy during this unprecedented period of upheaval. Asset managers have recently made clear their support for company boards focused on leading their business through the crisis, looking after their employees, suppliers and customers: investors expect them to take a long-term approach to running their business and want to see the businesses they invest in do well in the months and years ahead. To this end asset managers have encouraged an open dialogue over the coming weeks and months with a view to supporting those companies seeking additional capital from their shareholders during this time of crisis.

We understand customers and businesses may be uncertain as to what financial support may be available to them. SFE members contributed to the findbusinesssupport.gov.scot website, which offers a comprehensive overview of the measures established by both the UK and Scottish Governments and how to access them. This information is also readily available on our Coronavirus Hub (sfe.org.uk/coronavirus).

Our Colleagues

While SFE member firms have shown operational resilience during the pandemic the physical and mental wellbeing of colleagues has remained a top priority. Firms have made great strides in a very short period of time so that thousands of employees can work from home. This has meant developing new methods of working and bringing online new technologies almost overnight.

At the same time, comprehensive measures on social distancing, physical protection and hygiene have been implemented along with financial, wellbeing, medical, and child support for staff undertaking essential roles in branches, contact centres, and in head office locations. These are roles, identified by our regulators, as key in securing the financial stability of the country and are critical in supporting vulnerable customers and keeping the lights on in businesses across the country. We are grateful to each and every one of our essential workers for their commitment during this difficult time.

Our Communities

Our members understand their responsibility to the communities they serve and support. This responsibility goes beyond commercial or contractual considerations. Our members know that the vulnerable in society are most at risk from coronavirus and its economic impact.

They are able to see at first hand that this crisis is putting enormous pressure on individuals and their families and increasing the number of vulnerable people. A key priority for our members is providing financial and other forms of

support to charities and community groups who are best placed to provide the practical and emotional support required by those in need. Please see our Coronavirus Hub (sfe.org.uk/coronavirus) for examples.

On behalf of our members, SFE will offer every assistance to the Scottish Government's independent Economic Recovery Advisory Group to help Scotland recover as quickly as possible. There is no question that COVID-19 will continue to impact on the economy and society well into the future – perhaps for longer than we can fully appreciate at the moment. Whatever challenges lie ahead you can be certain SFE and its members will continue to work constructively with both the UK and Scottish governments in the interests of our customers, colleagues and the communities we serve.

Please feel free to share this letter with constituents and if they would like to get in touch with SFE contact our Head of Communications Bronwyn Torrie, btorrie@sfe.org.uk.

Yours faithfully,
Philip Grant

A handwritten signature in black ink, appearing to read 'Philip Grant', with a long horizontal stroke extending to the right.

Chairman, Scottish Financial Enterprise