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Reference FOI 22-084

16 January 2023

RE: Freedom of Information Request

Thank you for the freedom of information request received by the British Business Bank (BBB) on **14 December 2022** where you requested:

I would like to request under the freedom of information act the criteria you use to allow a limited company with a Bounce back loan to be dissolved (striked off) from the companies House register.
I request the following information:

1. *criteria to allow a limited company with a BBL to close by striking off*
2. *why the BEIS continue to object against a strike off after 1 year which is against the process*
3. *How many BEIS objections to company dissolution remain after 1 year after the strike off application was submitted.*
4. *How many BBL schemes have the government repaid to banks through dissolution Closures?*
5. *the average time the BEIS take to make a guarantee claim payment once assessed properly*
6. *where banks have been found to not correctly follow AML/KYC procedures, thus, the government guarantee is not claimed/payable what happens to the debt*
7. *any communications between the BEIS and the government departments as to the action to be taken with regards to dead inactive companies remaining on companies house register because of BBLS defaults.*
8. *any communications between BEIS and government departments and insolvency practitioners outlining the process to follow where companies are truly insolvent with Bounce back loans and unable to afford liquidation fees*
9. *a list of MP's and their company names that have taken advantage of the BBLS.*

Response:

Under the Freedom of Information Act 2000 ('FOIA'), you have the right to:

- know whether we hold the information you require, and
- be provided with that information (subject to any exemptions under the Act which may apply).

I can confirm that BBB holds some of the information within the scope of your request.

1. **Criteria to allow a limited company with a BBL to close by striking off; and**
2. **Why the BEIS continue to object against strike off after 1 year which is against the process**

   The decision whether to strike off a company rests with the Registrar of Companies, not BEIS. The Registrar has a discretion, not a duty, to strike a company's name off the Register upon its application - s1003(1) of the Companies Act, 2006, which can be found here: https://www.legislation.gov.uk/ukpga/2006/46/data.pdf

A company must notify its creditors before striking off (s1006(1)(c) of the Companies Act 2006). Any interested party may object to the application for striking off. See https://www.gov.uk/government/publications/company-strike-off-dissolution-and-restoration/strike-off-dissolution-and-restoration#objecting-to-a-companys-dissolution for more information about striking off, and the objections process.

BEIS is an interested party for the purposes of this process. It will object to an application to strike off which is made by any company which owes money under the Bounce Back Loan Scheme (or various other schemes). The government guarantee under the Bounce Back Loan Scheme is a guarantee to the lender that in respect of qualifying claims the lender will be reimbursed for the outstanding guaranteed facility balance of a Bounce Back Loan. The guarantee does not affect the ongoing liability of the borrower to repay the loan and any interest. Therefore, whether or not the lender has made a successful guarantee claim is not relevant to the status of the objection to striking off of the borrower, because the debt is still owed by the borrower.

BEIS removes objections to strike off where the borrower has repaid its Bounce Back Loan.

Any borrower who is facing difficulties in repaying their Bounce Back Loan should contact their lender to discuss the various options available. See the following link for more information: https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/

3. **How many BEIS objections to company dissolution remain after 1 year after the strike off application was submitted?**

As at 9 November 2022 HMG have made 80,168 objections to dissolutions of companies registered at Companies House. However, we are not the owners of this data and BEIS may be able to assist further.

If you wish to contact BEIS with your query, then you may email foi.requests@beis.gov.uk

4. **How many BBL schemes have the government repaid to banks through dissolution Closures?**

I am waiting for your response to Q.4. Once I have that I will deal with that part of your request.

FoI Officer

5. **The average time the BEIS take to make a guarantee claim payment once assessed properly**

The average time to payment once a claim is reconciled is 12 days

6. **Where banks have been found to not correctly follow AML/KYC procedures, thus, the government guarantee is not claimed/payable what happens to the debt**

   See answer to questions 1 and 2 above. The borrower remains liable for the debt regardless of whether a lender makes a successful claim under its guarantee.

7. **Any communications between the BEIS and the government departments as to the action to be taken with regards to dead inactive companies remaining on companies house register because of BBLS defaults**

   This information is not held by the British Business Bank. If you wish to contact BEIS with your query, then you may email foi.requests@beis.gov.uk

8. **Any communications between BEIS and government departments and insolvency practitioners outlining the process to follow where companies are truly insolvent with Bounce back loans and unable to afford liquidation fees**

   This information is not held by the British Business Bank. If you wish to contact BEIS with your query then you may email foi.requests@beis.gov.uk

9. **A list of MPs and their company names that have taken advantage of the BBLS.**

   This information is not held by the British Business Bank. If you wish to contact BEIS with your query then you may email foi.requests@beis.gov.uk . However, the lenders own the relationship with the borrowers.

If you have any queries about the handling of your request, please let us know.

Your right to an Internal Review under the Freedom of Information Act

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to: FOI Officer, British Business Bank, Steel City House, West Street, Sheffield, S1 2GQ or foirequests@british-business-bank.co.uk.

Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office (ICO) for a decision. The ICO cannot help you until you have completed our internal review procedure. The ICO can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF or see their website for alternative contact details: www.ico.org.uk.

Yours sincerely,

FoI Officer

British Business Bank