

# EXPOSURE ANALYSIS: THE TRUE COST OF BBLS TO BRITISH FINANCIAL SERVICES



The Bounceback Loan Scheme (BLS) was launched at pace to keep British Business afloat throughout the Covid-19 crisis. Backed by the government, and with a focus on speed of payment, the true picture is only just emerging.



**1.5 MILLION**  
BLS loans issued



**£12.1 BILLION**  
estimated value of credit defaults



**£47 BILLION**  
value of loans issued



**£4.9 BILLION**  
estimated fraudulent loans

Over the last 12 months we've conducted post-award exposure analysis for two Tier 1 lenders to identify their full risk exposure to BLS fraud defaults.

Both delivered approximately 3,000 loans, with values totalling in excess of £100 million each.

Using a unique blend of our public and private datasets we were able to identify systematic and casual fraud on an incredible scale:

- 45% of applications were for businesses who showed **no evidence of trading at all** - before or after March 2020.
- 14% were trading post March 2020, but not before.
- 6% had no evidence of the BLS applicant company trading before or after the qualifying date of 2nd March 2020, BUT they did have other businesses active in this period - **raising concerns the money may be siphoned off to the other companies.**
- 18% showed fraud indicators associated with the applicant business or person, namely: Local Stop File, Cifas and/or National SIRA Fraud or Inconsistency matches. **A clear red flag.**
- Organisations flagged at the higher end of the risk spectrum were also almost entirely seeking near to / the full available £50k loan amount.

**When the stakes are this high, having a robust exposure analysis tool is critical.**

Understanding your exposure is the key to prioritising collections and recoveries. So how does it work?

- 1 You submit your BLS (or CBLS) loan book to us. We'll run the file against our datasets to confirm the applicants eligibility for the loan provided.
- 2 We'll provide you a report of the outcomes of the data wash, including details of any that require further investigation by our Special Investigations Unit.
- 3 SIU will conduct full scale investigations into any applicant that did not meet the eligibility criteria. Individual reports will be provided to you for each applicant.
- 4 You use the insight provided by our investigations and reports to prioritise your recoveries and collections operation. You'll also have all of the information necessary to report to Government and the regulator on your true exposure to potential BLS losses.

Understanding the scale of your exposure is the first step to managing it. Ask us about a free proof of concept.

**01782 664000**  
**info@synectics-solutions.com**