

COVID-19 GRANT – DECISION PAPER INELIGIBILITY OF PERSONAL BANK ACCOUNT

INTRODUCTION

The COVID-19 Grant Working Group had to confirm whether having a business bank account would be a requirement for eligibility for the Hardship Grant and the Pivotal Enterprise Resilience Fund or whether a personal bank account could be acceptable. The decision was required to ensure that the system could be appropriately designed within the timescales available.

This was an open question because it is understood that some Micro Businesses do not operate with business bank accounts, and so would be excluded from receiving support from these grants if personal bank accounts were not acceptable.

This paper provides the rationale for the decision and will be provided for noting to all Enterprise Agencies and Scottish Government.

Decision: To be successful in a grant application for the Hardship Grant or the Pivotal Enterprise Resilience Fund the applicant must have a business bank account.

RATIONALE

The Working Group concluded that the requirement to have a business bank account will be part of the eligibility criteria for both funds for the following reasons:

- The vast majority of banks state as part of terms and conditions for personal accounts that business transactions are not allowed.
- There is an increased and unacceptable fraud risk in allowing personal accounts.
- Agencies and their delivery partner have no established mechanism for checking personal accounts.
- We have no additional checks such as premises (rates) for these schemes through which to verify business details.
- Individual reviews as part of the appeals process can be done manually as an exception should this be necessary.
- In addition, and particularly for the Pivotal Enterprise Resilience Fund, we are targeting established businesses who had been trading and should therefore have business bank account in terms of common and best practice.

CONCLUSION

This decision was discussed at length in the Working Group which includes membership from SE, SOSE, HIE and the Scottish Government, and was made on the basis of a judgement of acceptable levels of risk for the partnership. The decision has now been communicated to the delivery partner and the in-house delivery teams and the system has been designed on this basis. Any further challenge to this decision will need to be handled manually through an exceptions process.