
We adhere to The Standards of Lending Practice which details how we can best work together to deal with problems of financial difficulty. The Standards of Lending Practice can be downloaded from the Lending Standards Board at **www.lendingstandardsboard.org.uk**

Any property given as security which may include your home, may be repossessed if you do not keep up repayments on your mortgage or other debts secured on it.

All lending is subject to a satisfactory credit assessment and we will need your permission to carry out a credit check on you and your business. You should not apply for an amount that you cannot comfortably afford to repay now and in the future to avoid the possibility of legal action.

Our service promise

If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff. Our complaints procedures are published at **lloydsbank.com/business/contactus**.

Find out more



Visit lloydsbank.com/business

Please contact us if you would like this information in an alternative format such as Braille, large print or audio.

If you have a hearing or speech impairment you can use the Next Generation Text (NGT) Service (previously Text Relay/Typetalk) or if you would prefer to use a Textphone, please feel free to call us on 0345 601 6909 (lines open 7am–8pm, Monday–Friday and 9am–2pm Saturday).

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Lloyds Bank plc Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 2065. Telephone: 020 7626 1500.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 119278.

We adhere to The Standards of Lending Practice which are monitored and enforced by the LSB: www.lendingstandardsboard.org.uk

Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.

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LLOYDS BANK

COMMERCIAL BANKING

YOUR GUIDE
TO FINANCIAL
ASSESSMENT
AND DIFFICULTIES



LLOYDS BANK

Financial assessment

There may be times when you want to borrow money from us, or increase your overdraft or borrowing limit. Before we can arrange this we need to assess your ability to repay the money.

Also, before we can provide you with merchant services, we need to assess whether we can meet your card-processing needs.

We may assess the following:

- Information you give us, including information to prove your identity and why you want to borrow the money or use merchant services.
- Your business plan and accounts, including cash flow, profitability, existing and future financial commitments, financial plans (business and personal) and anything you foresee which may affect your ability to repay.
- Any personal financial commitments which may affect the business.
- How you have handled your finances in the past.
- Information we get from credit reference agencies and, with your permission, others, such as other lenders, and your landlord.
- Credit assessment techniques, such as credit scoring.
- Any security provided.

Security for your borrowing

If we ask you for security to support your borrowing or other liabilities, we'll tell you why we need this security and we will confirm what we need in writing. We'll make sure that any documents are easy to understand by avoiding technical language whenever possible. We'll make sure that you have the opportunity to discuss with us anything you're not sure about.

You should read the documents carefully and feel free to ask us questions and get independent legal advice, particularly if you are not sure about your liability. By law, we both must keep to the responsibilities set out in the documents, and you should only sign them if you understand them.

If you ask us, we will tell you under what circumstances we will agree to release the security.

We may agree to accept security provided by another person to support your business's liabilities. If you want us to accept a guarantee or other security from another person for your liabilities, we may ask you for your permission to give confidential information about your finances to the person giving the guarantee or other security, or to their legal adviser.

If the guarantee or other security is provided by an individual rather than a business, we will also:

- recommend that the person providing the guarantee gets independent legal advice to make sure that they understand their commitment and the possible consequences of their decision (where appropriate, the documents we ask them to sign will contain this recommendation as a clear and obvious notice);
- tell them that by giving the guarantee or other security they may become liable instead of, or as well as you (the guarantor will be treated as a customer when it comes to arrears or defaults);
- tell them what their liability will be;
- tell them that we will assess the guarantor's commitments to ensure that any new commitment as guarantor does not negatively effect their financial situation; and
- tell them we will reassess when we need new guarantees.

We will not take an unlimited guarantee from individuals other than to support liabilities under a merchant agreement. We can accept unlimited guarantees from companies.

Financial difficulties

We will consider cases of financial difficulty sympathetically and positively. You'll usually spot problems first and should let us know as soon as possible. If we become aware of problems, we'll let you know in writing. If speed seems to be important, we may try to contact you by phone, fax or email (please remember we cannot guarantee security of messages sent by email).

This list gives a few examples of what may concern us, particularly if you do not explain what is happening.

- If you go overdrawn without our agreement.
- If you go over your agreed overdraft limit, especially more than once.
- If there are large increases or decreases in your business's turnover.
- If you are trading at a loss.
- If you suddenly lose a key customer or employee.
- If you sell a large part of your business.
- If you use a facility for purposes other than those agreed with us.
- If you fail to make a loan repayment.
- If you do not keep to conditions set out in the loan agreement.
- If you do not supply information on time.
- If another creditor brings a winding-up petition or other legal action against your business.

We'll do all that we can to help you overcome any difficulties. We'll develop a plan with you for dealing with your financial difficulties, and we'll confirm in writing what we have agreed.