

# Banks pledge their support to SMEs through Brexit and beyond in new Charter

- Banks and lenders make concrete pledges to continue supporting British businesses seeking finance to get ahead
- pledges include that banks are 'open for business and ready to lend'
- commitment comes following first meeting of the new Business Finance Council, made up of government, lenders and business representative organisations

In a new [SME Finance Charter](#) published today (Wednesday 9 October), Britain's top banks and others reaffirmed their commitment to back British business through access to finance, helping SMEs plan for the future ahead of Brexit on 31 October and beyond.

The Charter was adopted at the first meeting of the new [Business Finance Council](#), co-chaired by Business Secretary Andrea Leadsom and Economic Secretary to the Treasury John Glen today. The Council was attended by representatives from Britain's leading banks, alternative lenders and representatives from the British Chambers of Commerce and the Federation of Small Businesses.

The SME Finance Charter is made up of 5 overarching pledges that provide a framework for lenders to set out their own individual commitments to SMEs in the coming weeks. In order to become signatories to the Charter, each lender will need to demonstrate what specific actions they are taking to deliver on the pledges.

Business Secretary Andrea Leadsom said:

I have met many businesses since my appointment as Business Secretary and access to finance is a common cause of concern. We want to see the banks and lenders back our small and medium sized businesses, and this commitment is the first step in giving them the confidence they need to invest and grow.

Finance is available, and I would urge SMEs to talk to their providers and get the advice they need to scale up on a truly global stage ahead of us leaving the EU and into the future.

The 5 pledges made by finance providers through the SME Finance Charter include:

- confirming they are 'open for business and ready to lend' which includes specific funds they have set up for SME lending

- helping SMEs to prepare for Brexit and beyond by setting out the resources that they can provide
- providing clear and accessible information for SMEs seeking finance, including expectations around the management of accounts, cashflow projections and security, explaining options if initial applications are declined
- treating all customers fairly, explaining how they will resolve any disputes that may occur
- working with the government-owned British Business Bank to signpost their guidance and to help businesses secure a loan or overdraft even if they lack the security for the borrowing, giving SMEs the ability to invest and expand

These 5 areas were identified by the Council as significant to ensure that the SME finance market works effectively and coupled with the cross-sector backing for the Charter secured today, demonstrates the attention and support that the UK gives to its SMEs.

Small Business Minister Kelly Tolhurst said:

As a former small business owner, I understand the challenges involved in securing finance. The banks have said that they are open for business and ready to lend, with today's Charter underlining that commitment, something that should be a great encouragement to our fantastic British SMEs.

The Economic Secretary to the Treasury, John Glen, said:

I want to see our small and medium-sized businesses seize the opportunities of Brexit – expanding, creating jobs and boosting our economy.

Today's Charter shows that lenders are backing businesses and stand ready to provide advice, guidance and financial support to help them prosper. I will continue to work closely with lenders and business representatives to ensure our SMEs have everything they need as we get ready to leave the EU.

UK Finance CEO Stephen Jones said:

The SME Finance Charter reiterates the banking and finance industry's commitment to support SME customers throughout the UK's departure from the EU and beyond.

Banks and lenders stand ready to support viable businesses whatever the outcome, and continue to provide guidance to help smaller firms plan for the opportunities and challenges ahead.

Through our Let's Talk Business campaign, we are encouraging all businesses to contact their finance providers now to discuss how best to prepare and consider any additional financing needs.

The Council will continue work to identify and address any barriers faced by small and mid-sized businesses on an ongoing basis, with a focus on securing finance and getting ready for Brexit on 31 October. The Council membership is made up of major lenders and alternative finance providers, as well as ministers, UK Finance and the Finance and Leasing Association, the British Business Bank and business representative organisations.

The secretariat for the [Council](#) is provided by the Department for Business, Energy and Industrial Strategy, HM Treasury and UK Finance, ensuring that British business gets the support it deserves across government and the financial sector.

The full list of signatories to the Charter, together with links to their individual statements, will be published on the [Charter page](#). The need for the Business Finance Council will be reviewed after 6 months.

£1.3 billion is available to lenders through the government-owned [British Business Bank](#) so they can enable their SME customers to invest in capital, increase export capabilities and manage cashflow: £300 million headroom available this financial year through the [Enterprise Finance Guarantee](#) which helps viable smaller businesses that lack sufficient security against which to borrow; and £1 billion available over the longer term under the ENABLE Guarantee, which helps reduce the amount of regulatory capital lenders need to hold against loans to small businesses. The British Business Bank is already supporting over £6.6 billion of finance to almost 90,000 SMEs.