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# Focus Insolvency News

- 1st choice for debt and cash flow problems

Issue 17: May 2013



**Hello**

A very warm welcome to the May issue of Focus Insolvency News.

The most recent insolvency stats were released last week and showed a fall not only in the number of personal insolvencies in the first quarter of the year, but also in the number of corporate insolvencies as well. This on the surface appears to be good news but as can be seen in our first story this month, it's still not all plain sailing for struggling businesses in the current financial climate.

We'd also like to invite you along to our monthly Focus Business Club, details of the next event can be found below, we look forward to seeing you.

Remember if you have any suggestions, ideas or comments on the stories and information we feature then please do get in touch, we'd love to know what you think, drop me an email, or you can contact us on our [twitter](#), [facebook](#) or [Google+](#) pages.



**Anthony Fisher MIPA, FABRP**  
*Licensed Insolvency Practitioner  
Managing Director*



## RBS 'desperate' to lend to UK businesses



Royal Bank of Scotland Chief executive Stephen Hester has claimed that the bank is 'desperate' to lend to UK businesses.

In an interview with the Sunday Times Hester said that the bank had £20 billion in cash but economic woes were preventing businesses from borrowing.

"We are lending as much as we can," he said, adding that the bank could not "force companies to borrow".

Quarterly results out last Friday showed that part state owned RBS had returned to profit. Its pre-tax profits were reported as £826 million. RBS also said it lent £13.2 billion in the first three months of the year, £7.8 billion of it to small businesses.

The government and Bank of England recently announced an extension to the Funding for Lending Scheme, a system designed to provide cheap financing to banks in the understanding that they pass this on to small businesses.

Banks are being encouraged to support an economic recovery by increasing the amount they are lending but Mr Hester's comments suggest that businesses will not start to borrow again until an economic recovery has occurred. Official estimates put current UK growth for the first quarter of 2013 at 0.3%

"We are lending as much as we can... we are not constrained by either capital or funding.

"The only way I could see for us to lend more would be for someone to say we did not have to operate by any commercial standard - that we could undercut everyone because we did not have to make a profit."

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## CAB criticises payday lenders failing to check customers can afford loans



CAB criticises payday lenders failing to check customers can afford loans

The citizens Advice Bureau (CAB) has criticised the payday loan industry after it discovered that lenders had failed to check the financial circumstances of borrowers in two thirds of cases.

The CAB has also accused the industry of failing to stick to its customer charter produced in November 2012. The charter is voluntary but those lenders that sign up must provide clear information on loans, carry out thorough affordability checks and notify customers 3 days in advance of recovering any payments.

A survey of 1,270 loans taken out between 26 November 2012 and the 31 March 2013 by the CAB found that in 65% of cases no financial checks were made leading to 7 in 10

people being unable to repay their loan.

Of those that experienced repayment problems, 85% said they were not offered the option to freeze the interest and charges when repayment was agreed. 71% said that it was not explained to them how much it would cost to extend the loan and 84% of borrowers did not feel they were treated sympathetically.

CAB chief executive Gillian Guy says: "Payday lenders are not standing by their word to treat people fairly by checking they can actually afford the loans on offer. The knock-on effect of their irresponsible lending is devastating for families as they become consumed with debt. Many find they have no money to put food on the table, pay the bills or get to work as lenders drain their bank account in a bid to claw back the debt.

"Payday lenders need to prove their charter is not just an empty gesture by making sure they check the loan is affordable and help those who struggle to pay back the loan."



### **FIG Blog: The pitfalls of insolvent trading**

Trading while insolvent can be a grave concern for directors in the current financial climate; there are many dangers that can affect directors of insolvent companies, some of which can lead to very serious and life altering consequences. It is important to be able to recognise the signs of insolvency and act upon them immediately in order to limit any damage to the business and director.

You can read the [full article](#) and all our past articles on the [Focus Insolvency Group blog](#)

### **Focus Business Club**



**FOCUS**  
BUSINESS CLUB

The Focus Business Club is a monthly hospitality event hosted by Focus Insolvency Group. Please take the opportunity to join us for a relaxed chance to catch up and meet our team, along with other like-minded professionals. Feel free to bring along a colleague or business contact.

Our next meeting will be on Thursday 23rd May from 4pm onwards at our Appley Bridge Office in Wigan.

Refreshments will be served so we would appreciate if you could rsvp to confirm how many will be attending. Contact Andy Platt by email on [a.platt@focusinsolvencygroup.co.uk](mailto:a.platt@focusinsolvencygroup.co.uk) or phone on 01257 251319.

We look forward to offering you a warm welcome to the business club.

### **Digital Company Brochure Available**

We would like to draw your attention to our digital company brochure. It can be viewed on our [website](#) or be downloaded as a PDF by clicking the icon on the right. We hope you find it a useful source of information about the services Focus Insolvency Group can offer to you and your clients.



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## Contact Focus Insolvency Group

If any of your clients have been affected by the stories in our newsletter or need advice on any other matters, please feel free to contact us on 01257 251319 or email [a.fisher@focusinsolvencygroup.co.uk](mailto:a.fisher@focusinsolvencygroup.co.uk)

Focus Insolvency Group deals with corporate matters, whilst Debtfocus helps struggling businesses and consumers and Moneyfocus raises finance on the general market. Our restructuring arm, Phil Stone Consultancy, can help businesses internally to restructure the company with or without formal insolvency proceedings.

We pride ourselves on being the experts of choice for anyone struggling in business or with debt.

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