



ACT PRESS RELEASE

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Association of Corporate Treasurers respond to BBC story regarding cash flow of UK small businesses

In response to a [BBC News report](#) this morning suggesting 'a fifth of smaller UK firms will run out of cash', Caroline Stockmann, Chief Executive, Association Corporate Treasurers said:

"Clearly, the business community welcomes the co-ordinated approach by the Bank of England and HM Treasury to get liquidity into the banking system, but there are naturally teething problems in getting initiatives to work as intended.

"For example, on the Coronavirus Business Interruption Loan Scheme (CBILS), there are situations where businesses have suddenly been hit badly by COVID-19, but they are being told apply for a normal commercial loans, with a securitisation or personal guarantee. There needs to be more clarity around guidance.

"There is also a fear factor at play here too. Businesses will naturally be anxious when they hear that after a year, an interest-free loan might become subject to interest rates of up to 20%. This might be necessary from a bank perspective, but under the current uncertainty where, for instance, you've had to close your small high street fashion business - and by the time the crisis is over, all your stock will be old and you'll be building from nothing. This may only be in a year's time, then there doesn't seem to be a viable option for you right now.

"Some businesses are right to be concerned and importantly it shouldn't mean that well-run businesses go to the wall because they fear the long term consequences of this support."

ENDS

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ABOUT THE ACT

The Association of Corporate Treasurers (ACT) is the only professional treasury body with a Royal Charter. We set the global benchmark for treasury excellence and lead the profession through our internationally recognised qualifications, by defining standards and by championing continuing professional development. We are the authentic voice of the treasury profession representing the interests of the real economy and educating, supporting and leading the treasurers of today and tomorrow.

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Should editors wish to commission an article or comment from the ACT, please contact Anne Hogarth, as above.