



HAMILTON BRADSHAW

Press Release

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British entrepreneur James Caan calls for ‘greater transparency’ from banks over lending to SMEs

British Entrepreneur and former BBC Dragons' Den star James Caan has called for ‘greater transparency’ from Britain’s banks regarding their lending to Small and Medium Sized Enterprises.

Mr Caan, who is working with Vince Cable’s Entrepreneurs’ Business Forum to consult with Barclays, Santander, Lloyds, HSBC and RBS on the lending issue, believes that banks should make a greater effort to communicate their lending strategy to small and medium sized (SME) businesses.

“Many people automatically approach banks when it comes to raising finance for business, often on the strength of a business plan.” said Mr Caan. “However, there are so many other sources of finance out there including the Government-backed Loan Guarantee Schemes, Venture Capital Funds and Institutional Funds.”

“Partnerships must be forged between the banks and these other organisations so that business owners have a greater awareness of what help is available”, said Mr Caan.

“The reality is that banks now generally require security to lend to businesses in the form of property, and even then most are only willing to lend up to 60% of the value of the property. Often this isn’t enough to finance the enterprise”.

“Banks are not equity investors, they are not able to access the viability of a business on the strength of it’s IP or marketing strategy. But they could do more to communicate this message more effectively and assist customers in forging alliances and seeking other sources of income”.

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