

Questions for businesses

1. What is your experience of seeking debt finance? Please specify the type of debt finance you are referring to.

- Why did you choose to seek debt finance (for example for investment, cashflow or other reasons)?
- Do you typically look to your existing bank for credit, or do you approach a variety of lenders for finance in the first instance? And if rejected, do you approach other providers of finance?
- What channels do you use when seeking finance (for example digital applications, third party platforms, brokers)?

2. What has your experience been of using a commercial finance broker?

3. How could the Business Growth Service best encourage business finance readiness, including signposting and facilitating access to appropriate financing options at the right time?

Questions for general response

4. Do you believe that there are any barriers to demand for debt finance? If so, what are the main barriers?

5. Do you believe that financial education or knowledge and availability of information are barriers to demand? If so, to what extent?

- In your view, how can these barriers best be addressed?
- Are there examples of support and advice frameworks in other jurisdictions you believe could benefit the UK?

6. Why are some small businesses permanent non-borrowers?

- Should this be considered a problem?
- How can policy intervention support small businesses in this category, who have ambitions to grow, to seek finance?

Questions for businesses

7. What factors do you consider when selecting finance provider(s)?

8. Are there sources of support or advice, or both, that you use to access finance? To what extent do these meet your needs?

Questions for general response

9. In your view, what would help to encourage the volume of small business lending in the UK?

10. Do you have experience or knowledge of successful lending market interventions in other jurisdictions that have helped meet an identified debt market gap?

11. What role do personal guarantees (PGs) play when seeking debt finance? Specifically, we would welcome the following evidence:

- data (over a period of at least 12 months and no more than 36 months) on:
 - (i) the nature and/or size of lending for which a PG is required
 - (ii) the typical borrower characteristics where a PG is required
 - (iii) the proportion of lending to limited companies where a PG is used
- data (over a period of at least 12 months and no more than 36 months) on the extent to which the requirement for a PG has prevented an SME taking up credit when it has been offered to them (and the relative importance to other factors, such as overall loan cost)
- evidence on the role PGs play in credit provision, including the extent to which the requirement for a PG has enabled access to credit by SMEs
- evidence of the extent to which issues relating to the calling of PGs have been experienced, what these were and where in the lifecycle of the loan these have arisen – please specify when this occurred

12. In your experience, what are the barriers to borrowing to finance intangible investments relative to tangible investments?

13. What is the experience of businesses seeking to use intangible assets as collateral for borrowing?

14. Do you believe that regulatory change has affected business lending? If so, how?

Question for businesses

15. Have you worked with a non-bank lender, such as a Community Development Finance Institution (CDFI), to secure finance? If so, what has been your experience?

Questions for general response

16. Do you believe there to be any barriers to the adoption of cooperative and mutual models by finance providers? If so, what are they?

- How could these barriers be overcome?
- What would greater adoption of these alternative models offer to businesses?

17. Are there alternative approaches in other jurisdictions that could address gaps and difficulties experienced by smaller businesses seeking finance in the UK? If so, please provide specific examples.

- What are the characteristics of those approaches that make them distinct from the current UK model?

18. Should the government implement policy measures to stimulate more competition in provision of finance? If so, what could this include?

19. How can the CDFI sector be supported more effectively?

Questions

For the questions in this section, we are particularly interested in responses from under-served entrepreneurs, specifically:

- women entrepreneurs
- disabled entrepreneurs
- ethnic minority entrepreneurs
- entrepreneurs in deprived areas

20. To what extent does the UK's current lending environment meet the finance needs of under-served entrepreneurs?

21. What could encourage under-served entrepreneurs to apply for loans to support business growth?

22. Are there any other groups under-served in access to finance that should be considered beyond those discussed in this call for evidence?

23. What role could banks and other financial institutions play in improving access to finance for under-served groups through CDFIs?

24. In order better understand the lending outcomes of different groups, would you be willing to disclose information such as your gender, ethnicity and whether you have a disability to your lender?

25. Do you have experience of any initiatives, either government or private sector-led, that have been or could be beneficial for access to finance for entrepreneurs from under-served groups?