

Press release: Multi-million package of support for lending to small businesses and workers affected by Carillion liquidation

- British Business Bank to support up to £100 million of lending to small businesses through its delivery partners
- UK Finance confirms an additional multi-million pound package for SMEs and extra help for customers concerned about their mortgage or credit card payments
- industry and government continue to work together to ensure businesses and workers are supported following Carillion's liquidation

A further package of support for the businesses and workers affected by Carillion's liquidation was welcomed today (Saturday 3 February) by Business Secretary Greg Clark.

Through delivery partners that include all the major high street lenders, the [British Business Bank](#) will provide support to make available up to £100 million of lending to small businesses who may not have the security otherwise needed for conventional bank lending using its Enterprise Finance Guarantee programme.

This will be of benefit to small businesses, including the chain of subcontractors to Carillion, who may not have sufficient assets as security to access conventional loans. These guarantees can be used to support overdraft borrowing and refinancing of existing debt.

The UK's leading banks have also furthered their commitment to provide support to those affected with UK Finance confirming additional support for [personal banking](#) customers concerned about overdraft, mortgage or credit card repayments, as well as further financial support for [small businesses](#) to provide short-term relief to help keep them afloat.

Business Secretary Greg Clark said:

We want to signal very clearly to small and medium sized businesses who were owed money by Carillion that they will be supported to continue trading.

The banks have responded to my request by agreeing to support businesses and individuals affected. This further guarantee will help those businesses who may not be able to provide the usual security for a loan.

I will continue to work closely with business organisations, trade unions and banks to actively support those affected by Carillion's

insolvency.

British Business Bank CEO Keith Morgan said:

The Enterprise Finance Guarantee (EFG) is an important option for smaller businesses who need access to finance, but may not be able to meet a provider's normal security requirements. To help in these exceptional circumstances, we have designed additional flexibility into EFG that could be particularly suitable for firms in the Carillion supply chain. We would encourage lenders to work with their customers to use these new flexibilities to meet their needs.

UK Finance Managing Director, Commercial Finance Stephen Pegge said:

UK banks are working with government to support customers and businesses who have been impacted by the Carillion liquidation. The enhancement of the Enterprise Finance Guarantee by the British Business Bank will help those facing temporary cash flow issues to access the finance they need to support their businesses through this period.

This package is in addition to the more than £200 million [already announced](#) by Lloyds Banking Group, HSBC and RBS.

1. More than 40 accredited lenders provide finance to their SME customers under the British Business Bank's Enterprise Finance Guarantee (EFG) scheme. The Business Secretary has written to all accredited Enterprise Finance Guarantee (EFG) lenders to draw their attention to this additional support, and expects them to ensure that they are actively engaging with SME businesses in Carillion's supply chain so they can give them the support they need. Accredited EFG lenders are listed on the [British Business Bank website](#).
2. The Business Secretary has written to all accredited Enterprise Finance Guarantee (EFG) lenders to draw their attention to this additional support, and expects them to ensure that they are actively engaging with SME businesses in Carillion's supply chain so they can give them the support they need. Accredited EFG lenders are listed on the [British Business Bank website](#).
3. Information on how the Enterprise Finance Guarantee scheme operates and supports businesses can be found on the [British Business Bank website](#).
4. The [British Business Bank](#) is the UK's national economic development bank. Established in November 2014, its mission is to make finance

markets for smaller businesses work more effectively, enabling those businesses to prosper, grow and build UK economic activity. Its remit is to design, deliver and efficiently manage UK-wide smaller business access to finance programmes for the UK government.

5. On Thursday 18 January the Business Secretary chaired the first meeting of a taskforce set up to monitor and advise on mitigating the impacts of Carillion's liquidation on construction firms, particularly SMEs and those working in the sector. This meeting builds on a series held by the Business Secretary last week with trade associations, unions and banks.