



The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London, SW1A 2HQ

22 September 2020

Dear Chancellor,

Our trade associations represent a wide range of specialist lending companies across the lending and credit sector. As you consider the content of your Comprehensive Spending Review (CSR) and Budget this Autumn, we would urge you not to prematurely bring to an end the support schemes the Government has put in place which have provided a lifeline to businesses across the UK. As a result, lately we have seen the economy start to recover. Lending to businesses has increased from its low point in the Spring, the housing market is strong, and the motor market is returning to pre-crisis levels.

Nevertheless, we are still in very difficult circumstances. We simply do not know what course the pandemic will take. Whilst we may not face another national lockdown, we do face a series of local and tailored restrictions. These damage very large numbers of businesses and, by adding to uncertainty, deter investment. Now is not the time for the British Business Bank to curtail its support schemes, not least because its schemes, unlike the Bank of England's, channel funding and risk reducing guarantees through non-bank lenders. These lenders have a strong track record of serving SMEs before and during the crisis and need to keep doing so. The Bank of England's scheme for banks runs into the Spring. The support for non-banks should do likewise.

In the Spring, economic conditions will remain challenging. TheCityUK, for example, suggests 780,000 SMEs will have unsustainable levels of debt. Not all can or should be saved. However, many businesses do deserve to survive, and the economy needs them to do so. Longer term schemes are needed to help those we need most.

In devising such schemes, it is beholden on Government to set out the national priorities: rejuvenating our economy and society by raising productivity and innovation,

by taking on the challenge of net zero, and by helping to rebuild our less prosperous regions. The role of Government is not to pump money into a chosen few sectors and companies. In the CSR, we would urge you to make clear what you want to achieve through your support for lending and leave it to lenders to do what they do well i.e. support those businesses that have promise and most to contribute – with understanding and forbearance that is now best practice.

We would be happy to discuss our ideas in more detail with you and your officials.

Yours sincerely,



**Stephen Haddrill**  
**Director General, Finance & Leasing Association**



**John Davies**  
**Chairman, Association of Alternative Business Finance**



**Gerry Keaney**  
**Chief Executive, British Vehicle and Rental Leasing Association**



**Doug Martin**  
**Director, Consumer Credit Association**



**Chris Leslie**  
**CEO, Credit Services Association**



**Charlotte Crosswell**  
**CEO, Innovate Finance**