

CREDIT LIMITS

We want to support and maximise your growth by providing you with the best available credit limits. We use multiple insurers in an attempt to achieve the highest possible limits.



Our insurers will assess your client's creditworthiness by reviewing; profit & loss, turnover, balance sheet, company structure and adverse information (CCJ's & overdue debts).

A credit limit provides you with **Debt Protection**, which insures you against client insolvency. We will fund your payroll up to the value of the credit limit. ****Subject to applicable excess and terms and conditions****

Once you've set up a new client & booking on GEMS, our Legal & Risk Team will carry out their due diligence and provide you with an initial credit limit. A message will appear in your **Notification Centre** confirming the credit limit applied.

You may request an increased credit limit via GEMS; **Clients > Details > Accounts > Request New Credit Limit**

A screenshot of the GEMS web application interface. The top navigation bar includes tabs for 'Client Details', 'Accounts' (which is selected), 'Client Login', 'Client Site(s)', 'Rate Card(s)', 'Worker History', and 'Reminders / Change'. Below the navigation, the 'ACCOUNT OPTIONS:' section is visible. It contains a 'Credit Limit' field with a currency symbol (£) and a value of 30,500.00. A blue button labeled 'Request New Credit Limit' is positioned below the field.

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If we are unable to support the requested credit limit, there is no debt protection to trade. However, we can explore alternative options;

- **Obtain Up to Date Accounts** – Request up to date accounts from your client for the past three months to include the profit and loss sheet.
- **Exposure Pot** – You can put funds into a pot which will allow us to place a funding limit on the client's account. Invoices raised would not be insured and would still be at risk should the client not settle the invoices.
- **Money on Account** – The client could place extra funds on their account, which would enable you to trade by utilising the additional funds held on account. Meaning you would not go over the credit/funding limit as the balance would be less than the money saved on account.
- **Xtra Credit** - This allows us to potentially use a second insurer, giving you access to an additional credit limit on your client.
- **Reduce payment terms** – Speak to your client about reducing the payment terms; You could reduce them to as little as seven days. This option works well as invoices raised one week will be paid the next.
- **Cross Guarantee** – This is when we obtain a guarantee from a parent company or stronger subsidiary. Which, if agreed, can give a substantial increase to a credit/funding limit.



KEEP IT SIMPLE. GET IN TOUCH.

Should you have any questions regarding credit limits please contact the Legal & Risk Team on 01594 372 111 (opt 4) or email legalandrisk@simplicityinbusiness.com