

# Bad Debt Protection (BDP)



## How can SBF help your business?

Customers failing to pay the money owed to you is a risk that every business faces, with the consequences often being detrimental. Bad Debt Protection (BDP) is a sensible choice for any business wishing to safeguard against these potential losses. Skipton Business Finance clients can apply for BDP as an add-on service to their existing Invoice Finance facility.

## Bad Debt Protection at a glance



Secure



Fast



Trade with confidence



Funding



Insight



Business on your own terms

**Secure** - you can be protected for up to 95% of the value of an invoice, should your customer fail to pay or go into administration.

**Fast** - in most cases, the bad debt protection limit decision will be within 24 hours.

**Trade with confidence** - knowing you're protected and that you will receive payment for the work you've done, or products you've sold, allowing you to develop and grow your business in-line with your plans.

**Funding** - if BDP is in place on a customer, this often means we can increase that customer's funding limit in-line with the agreed BDP limit.

**Insight** - BDP gives you access to greater customer intelligence that leads to balanced risk decisions. We can help you spot a potential credit risk before it becomes a bad debt. Understanding a customer's credit risk means that, armed with this knowledge, you can act before they become a bad debt.

**Business on your own terms** - choose the service that suits your business needs by protecting all of your customers, or just a selection.

# Is Bad Debt Protection right for my business?

BDP can provide you with peace of mind if:

- ▶ you want to protect your cashflow
- ▶ you want to grow, knowing your sales ledger is protected
- ▶ you have had one or more previous bad debts
- ▶ you want to mitigate the risk that a small number of customers represent a large percentage of your sales ledger



## How much will it cost?

We will provide competitive and transparent charges. The costs will be outlined in your facility offer letter and the BDP Client Guide will also detail any additional fees.

## How does it work?

1. You can choose to protect the whole of your sales ledger or selected customers.
2. We will confirm a BDP limit for the customers you requested limits on. If we cannot provide a limit, we will confirm the reason why.
3. We can provide up to 95% of the debt outstanding, excluding VAT, as long as the balance exceeds £500.
4. BDP can protect both UK and export customers.
5. It compliments your Invoice Finance facility, with minimal additional administration for you.

## Why choose us?

With over 20 years' experience, we have a business finance solution to suit any type of business, offering speed of delivery and unrivalled flexibility. We employ specialist staff and have multiple locations around the UK, which enables us to have even closer relationships with our clients. We help businesses in finding the right funding options for them, providing flexible finance solutions tailored to their businesses.

## See how we've helped our clients grow...

Visit our [website](#) to find out more about our products and how we can help.

*Bad Debt Protection (BDP) provides protection on qualifying factored invoices, against debtor insolvency, or protracted default. We are not providing you with insurance, BDP is not insurance, or an insurance product.*

*A BDP payment is subject to an agreed BDP limit being in place and subject to compliance with the receivables finance agreement and in particular the BDP conditions.*

*You should always refer to your receivables finance agreement and BDP conditions for the full terms and conditions.*