Credit monitoring

Customer outcome: business customers will be supported by pro-active and reactive measures designed to identify signs of financial stress. [4]

Firms will achieve this: with systems and controls that are capable of identifying, across the relevant products held, where customers may be showing signs of financial stress at any point in the customer life-cycle, and pro-actively engaging with the customer to agree an appropriate solution.

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1. Firms should ensure that the customer understands what information will be required to allow the firm to monitor the business' performance and how and when this should be provided.
2. Firms should provide customers with the ability to opt-out of any unsolicited increase in their borrowing limit(s).
3. Firms should ensure that a sufficient level of monitoring, underpinned by appropriate triggers and processes, of a customer's borrowing is undertaken to help determine if the customer is exhibiting signs of financial stress. Where relevant, firms should engage with these customers in a sensitive and supportive manner.
4. Where appropriate, firms should initiate a timely review of the customer's re-financing needs and an assessment of what needs to be in place ahead of any term loan expiry to maximise the prospect of successful re-financing.
5. Firms should ensure that relevant customer facing employees and relevant third parties are sufficiently trained and skilled to help them to identify and deal with those customers who may be showing signs of financial stress.
6. Firms should undertake monitoring and assurance work to ensure that their policies and processes are designed and are operating effectively in identifying and supporting customers who are showing signs of financial stress.

[4] The customer has not yet defaulted but information available to the firm suggests that the business may be showing signs of being in financial difficulty.