

News

Graydon launches a “world first” service - 12/10/2009



Commercial credit reference agency Graydon has launched what it claims will be the world's first credit report service based on monthly company financial information.

The announcement follows repeated calls from across the credit, banking and insurance industries for credit reference agencies (CRAs) to base their recommendations on validated up to date financial information.

Graydon said the launch means that UK companies will no longer have to rely solely upon historic annual statutory accounts, filed at Companies House, as the main basis for assessing companies' strength and viability.

This data, which has been central to decisions over granting credit, can be up to 22 months old, unaudited and highly abbreviated, leaving it unreliable as an accurate portrayal of a company's trading status.

Graydon's new credit report is driven by technology and data provided by CreditPal, a joint venture between Graydon UK and Future Route, an accounting software specialist. CreditPal allows businesses to upload monthly management account information, free of charge, online at www.creditpal-online.com.

This data is then standardised and validated by Credit Pal and displayed to the user for approval, before relevant financial extracts are sent to Graydon UK's credit database for use as part of the new credit report service. Insurers recommend that businesses using credit insurance should encourage their small and medium-sized enterprise (SME) clients to use the CreditPal website to improve the amount of cover insurers will provide on buyer risks.

Martin Williams, managing director of Graydon UK, said: "Basing lending decisions on the most accurate, up-to-date financial information available has become critical for companies in all industry sectors during the economic downturn.

"Credit professionals are facing immense pressure to price default risks accurately as

businesses demand the best possible commercial terms. The enhanced credit information report will help them satisfy this demand by providing the insight and information they need to ensure all risks are priced appropriately."

Marc Henstridge, head of risk for the UK and Ireland at credit insurer Atradius, said: "Getting getting clear, regular, up to date financial information from businesses can make the difference between us being able to offer trade credit insurance cover or having to withdraw it.

"In the current economic climate, it is becoming increasingly important for businesses to be able to provide a real time snapshot of their management accounts, particularly if they are trading in a volatile sector."

He added: "We welcome Creditpal, which addresses some of the issues faced by businesses trying to do the right thing but with little time or adequate resource."

MACM is the distributor of Graydon International Credit Reports in Malta.

The Malta Association of Credit Management (MACM) is a not-for-profit organisation, providing a central national organisation for the promotion and protection of all credit interest pertaining to Maltese businesses.

MACM represents the credit profession across all economic sectors. It is a centre of expertise for all matters relating to credit management in Malta. MACM offers a range of services to the local creditors, including, credit management information systems, credit management education, training, conferences, seminars, and lobbying activities. It is the ICM (UK) accredited Training Centre for Malta. MACM is a member of the Federation of European Credit Management Associations – FECMA.