

CORONAVIRUS

Companies could wait weeks for rescue loans

[James Hurley](#), Enterprise Editor

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This restaurant in Covent Garden, central London, shows the impact on the leisure sector of the fight against the spread of the coronavirus



Emergency loans for companies hit by the Covid-19 pandemic could take more than a month to process, experts have warned, after frontline staff told customers that they were not ready to process applications.

Staff at Natwest, part of Royal Bank of Scotland, Britain's biggest banker for small companies, have told [struggling business owners](#) that they have not yet received instructions on how to deal with the government scheme.

Other lenders have turned away businesses eager to access the credit because they are taking applications only from existing customers owing to high demand.

Ian Cass, managing director of the Forum of Private Business, said: "There seems to be confusion at most of the banks who were approached, with our members being told that they don't know how the loans will operate and can they ring back next week. The government needs to act quickly to ensure that its announcements are being matched by actions on the ground, or delays could cause many small businesses to collapse."

The [coronavirus business interruption scheme](#) provides loans of up to £5 million to companies with annual sales of up to £45 million. The government underwrites 80 per cent of the risk on individual loans, which are being provided by about 40 banks.

The scheme was launched on Monday, but there are signs that lenders have struggled to get frontline staff prepared. One Natwest customer was told yesterday that relationship managers “haven’t been given any instructions regarding how customers can apply” and are not expecting them until the end of the week.

Natwest said that relationship managers had received guidance and added that training sessions were being provided yesterday.

Rangewell, a business finance intermediary, warned borrowers that the process would take four to six weeks, but it expected lenders to try to expedite urgent cases. It told the government and banks to ensure that directors understand that they remain liable for the full amount of any loan and would be pursued before the state guarantee was called on.

The British Business Bank, which operates the scheme, has opened applications to more lenders, including non-bank lenders such as Funding Circle and Iwoca.