

# A Guide for Small & Medium Enterprises in or Facing Financial Difficulties

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# Information for SME's in or facing financial difficulty

Many businesses throughout Ireland can face numerous challenges from time to time which can put financial pressure on the day to day operations of a business.

In some cases this can mean cash flow difficulties and where the business has loans or credit facilities, arrears can sometimes arise.

This booklet sets out details of PTSB's framework for assisting SME customers who are currently having difficulties making their repayments or, for those customers who anticipate that they may have difficulties in the future. This framework forms a part of our obligations under the Central Bank of Ireland (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015.

## We're here to help so talk to us today

If you have a business account with PTSB and are in arrears, or worried that you soon might be, talk to us today before a small problem becomes a big one.

PTSB encourages you to get in contact with us as early as possible if you're concerned. This will give you and PTSB time so we can begin planning a workable solution to your financial difficulties or arrears.

Please refer to page 15 of this booklet on how you can get in touch with PTSB today.

# Contents

Definitions	5
Helping SME Customers in or facing Financial Difficulties	7
Assessment and Decision	10
Making an Appeal	11
Making a Complaint	12
Other Information	14
Contacting Us	15

## Central Bank (Supervision & Enforcement) Act 2013 (Section 48) (Lending to Small & Medium Sized Enterprises) Regulations 2015 (SME Regulations)

1. Central Bank (Supervision & Enforcement) Act 2013 (Section 48) (Lending to Small & Medium Sized Enterprises) Regulations 2015 - available in the Financial Regulation Section on [www.centralbank.ie](http://www.centralbank.ie).
2. The Central Bank of Ireland has also published A Guide for Micro and Small Enterprises and Guarantors: Regulations on Lending to Small & Medium-Sized Enterprises - a copy of which is available in the Public Information Section on [www.centralbank.ie](http://www.centralbank.ie).

# Definitions

## Micro and Small Enterprises

Micro and Small Enterprise means an enterprise which employs fewer than 50 persons and which has either or both of the following:

- a. an annual turnover which does not exceed €10 million;
- b. an annual balance sheet total which does not exceed €10 million.

## Micro, Small and Medium-Sized Enterprise

Micro, Small and Medium-Sized Enterprise means an enterprise which employs fewer than 250 persons and which has either or, both of the following:

- a. an annual turnover not exceeding €50 million;
- b. an annual balance sheet total not exceeding €43 million.

## Arrears

Arrears arise when a payment or part of a payment due in accordance with a credit facility agreement or alternative arrangement has not been paid by the borrower by the scheduled due date for payment and, in the case of an overdraft facility, where the borrower's overdraft limit is exceeded for 30 consecutive days, and "in arrears" means a situation in which arrears have arisen.

## Financial Difficulties

Financial Difficulties means a situation in which one or more of the following apply to a credit facility agreement or alternative arrangement:

- a. the borrower is in arrears under the credit facility agreement or alternative arrangement for 3 consecutive months;
- b. where the credit facility agreement is an overdraft facility, the approved limit on the overdraft is exceeded for 90 consecutive days;
- c. Following an assessment PTSB has determined that the borrower is in financial difficulties

## Not Co-operating

Not co-operating is a situation in which:

- a. the borrower has failed to make a full and truthful disclosure to PTSB of the information required by PTSB to assess the borrower's financial situation, within the timeframe specified and,
- b. the warning letter outlining the action or actions required to be carried out by the borrower within specified time frame has been issued and,
- c. the borrower has not carried out the specified action or actions within the time frames specified in the warning letter.

## Alternative Arrangement

An alternative arrangement in respect of a credit facility agreement means an agreement to discharge the borrower's debt obligations to PTSB which is entered into in order to address arrears or financial difficulties and which is a variation or alternative to the terms and conditions of the credit facility agreement.

# Helping SME Customers in or facing Financial Difficulties

1. Contact us as early as possible if you anticipate that your business may be facing financial difficulties which may impact on your ability to meet financial commitments to PTSB.
2. You will be offered a review meeting to discuss the financial position of your business with a view to agreeing a solution to the arrears / financial difficulty situation. Before the meeting we will ask you to provide up to date business information. We will also designate a point of contact for you and will confirm these details to you.
3. If you fall into arrears, and you remain so for 15 business days after the arrears first arose, we will promptly (a) contact you to confirm that you are in arrears and, where possible, to identify the reason why you are in arrears, and (b) based on the information available to us, assess whether your circumstances are such that you should be classified as being in or at risk of financial difficulty.
4. If you are being assessed for an alternative arrangement, we will undertake a full assessment, and may require up to date business information from you. We will complete this assessment within 15 business days, and where we do not, we will write to you to confirm the reason why, and an expected date of the outcome of this assessment.
5. Where a business enters financial difficulties, we will provide you with a designated point of contact. This will include the relevant contact details of that designated point of contact.
6. You may employ the services of a third party advisor to assist you in your discussions with PTSB, regardless if these discussions are face to face or in another medium.

7. If you are not satisfied with the outcome of the assessment you will have a right to appeal the decision within 22 business days of the receipt of our correspondence. Further information on making an appeal can be found on page 11 of this booklet.

We recommend those customers who are in or facing financial difficulty engage as early as possible with us so that we can jointly discuss and agree a potential solution.

## Impact on Credit Rating

Your credit rating may be affected by arrears on your account. Where applicable, records for credit reference agencies or any other credit register, where permitted by contract or required by law, are updated when arrears arise on accounts. This may also have an impact on your ability to avail of additional credit products in the future.

## Not Co-operating

It is essential that you co-operate with PTSB in relation to your arrears or financial difficulties. If you fail to co-operate with us, you will be classified as 'not co-operating', which may impact on our consideration for an alternative arrangement on any accounts you have with us, may impact on our consideration of exercising any existing legal or contractual rights we have to enforce security over borrowings, and where any security is realised, you will remain liable for any outstanding debt.



## Business Information that may be required

Where we have scheduled a review meeting with you to discuss the financial position of your business, there are certain documents required to allow us to carry out the review of your position.

The type of information required will vary by individual SME but it may include the following:

- Up to date financials including annual audited (or draft) quarterly management accounts
- Cash flow projections for the next 12 months
- Up to date business plan including details of your trading performance in the last 12 months plus outlook for the next 12 months
- Up to date list of debtors and creditors
- Estimate or independent report on property valuation (if applicable)
- Six months current account bank statements for the business if current account is held outside PTSB
- Up to date Statement of Affairs for all named borrowers, material shareholders or guarantors as required
- Confirmation that the tax affairs of the business and named borrowers and/or material shareholders are up to date and in order
- Completion of a PTSB Standard Financial Statement (SFS) where you have being advised to do so
- Any other information we feel is relevant for the review and the assessment. Where we require additional information, we will communicate this to you in advance of any meetings scheduled with you to discuss your situation.

# Assessment and Decision

Following receipt of the required information, we will complete a full assessment of your situation with the view to providing you with an alternative repayment /payment option or alternative arrangement appropriate to your circumstances. Any offer we may make to you for an alternative repayment/payment option or any other alternative arrangement will be subject to you meeting our assessment criteria which determines the affordability and sustainability of your situation.

Please note there may be cases where PTSB will be unable to provide an alternative repayment arrangement.

We will communicate to you in writing details of the outcome of the assessment based on the information provided by you within 15 business days of receiving all of the requested information. We may write to you requesting additional information, which we may need in order to complete our assessment.

Where we are unable to make a decision within 15 business days, we will write to you outlining the reason why and confirmation of a revised timeframe for making a decision to you.

# Making an Appeal

PTSB has an appeals process in place for customers who wish to appeal one of the following outcomes:

1. A special term or condition which is required by us in order to provide an alternative arrangement
2. The refusal to offer an alternative arrangement
3. The classification of a borrower as not co-operating

## Our Appeals Process:

If you decide to appeal, you will need to send your appeal in writing within 22 business days from the date of our correspondence to you for which you are making your appeal against.

The appeal letter should be sent to;

SME Appeals Panel, c/o Customer Resolution Centre, PTSB  
Church Yard Lane, Douglas, Co Cork

PTSB will consider any appeals made in full and will respond to you within 15 business days of receiving your appeal. In some circumstances, we may require additional information from you in support of your appeal.

Where we are unable to adjudicate on your appeal within 15 business days and require additional time, we will write to you within the timeframe of 15 business days of receiving your appeal to advise the reason why, and when we expect to communicate our decision to you.

## Credit Review Office:

Having gone through our internal appeals process described above and if your appeal has not been successful, you may have the right to refer our decision to the Credit Review Office (CRO). Full details of the CRO process, their contact details and information requirements are outlined on their website [www.creditreview.ie](http://www.creditreview.ie) or, they can be contacted at: Credit Review Office, The Plaza, East Point Business Park, Dublin 3.

In all cases, your appeal must first go through the PTSB internal appeals process, and where this is unsuccessful, you can make your appeal to the Credit Review Office.

# Making a Complaint

We are committed to providing you with the highest standard of service. If you believe we have not been compliant with the SME Regulations, or, have not treated your case fairly, we will address the issue as quickly and as fairly as possible.

## How to make a complaint

- Phoning our Arrears Support Unit (ASU) on 1800 855 010 or +353 21 601 3800
- Visiting, phoning or writing to the relevant branch
- Contacting our Customer Resolution Centre in writing to Customer Resolution Centre, Churchyard Lane, Douglas, Co. Cork. By phoning 0818 818 700 or by completing and submitting an online complaint form available on [ptsb.ie/online-complaint-form](https://ptsb.ie/online-complaint-form)
- (Please provide your phone number so we can discuss your complaint with you if necessary)

## Handling your complaint

We will do our best to resolve the matter to your satisfaction through our internal complaint procedures.

If you are still unhappy with the outcome of your complaint, you may refer the matter to the Office of the Financial Services and Pensions Ombudsman for arbitration.

The Ombudsman is an independent adjudicator whose services are available free of charge to customers who have unresolved complaints with their service provider.

The Ombudsman will only become involved after the matter has gone through our internal complaint procedures so it is important that you firstly give us the opportunity to resolve your problem.

### **The Ombudsman may be contacted at the following address:**

Financial Services and Pensions Ombudsman  
Lincoln House,  
Lincoln Place,  
Dublin 2,  
D02 VH29

Phone: 01 5677000  
info@fspo.ie  
www.fspo.ie

# Other Information

## Fees and Charges

Where a scheduled payment is not made to a loan account by the due date or where a current account is overdrawn by an unauthorised amount an additional interest may apply to the arrears or unauthorised balance amount. The additional interest is applied in addition to the annual interest rate applicable to the individual account. Please note that in some cases, referral item or unpaid charges may also apply if an account is in arrears or exceeds an agreed credit limit.

In accordance with the terms and conditions of a credit facility agreement, PTSB may be entitled to impose additional fees and charges on borrowers in financial difficulties.

Further details on fees and charges for business customers are available in the 'Personal and Business Banking Charges' brochure which is available on our website at [www.ptsb.ie](http://www.ptsb.ie) and in our branches.

## Right of Set-off

PTSB has a right of set-off to any credit balance held by a customer to reduce the arrears balance. Please refer to the terms and conditions for any account(s) you hold with us.

# Contacting Us

If you are in financial difficulties or you think you are about to go into arrears on your credit facility or loan agreement, contact us today so we can work together to find a workable solution for you.

## Branch

Visit or call your local PTSB branch to make an appointment to speak to one of our advisors. To find the address and contact details for your local branch check out our branch locator on our website: [www.ptsb.ie](http://www.ptsb.ie).

## Phone

For customers who are in arrears on their loan repayments currently or anticipate difficulty in making these repayments in the future

**1800 855 010 or +353 21 601 3800**

(Lines open Monday to Friday, 8:45am to 6pm).

## Post

Our postal address is Arrears Support Unit, PTSB, 56-59 St. Stephens Green, Dublin 2.

**WARNING: MISSED PAYMENT DATA WILL BE REPORTED TO THE CENTRAL CREDIT REGISTER (CCR), AS REQUIRED BY LAW, IN THE LEGITIMATE INTERESTS OF PTSB AND THE CCR. THIS MAY AFFECT YOUR FUTURE ABILITY TO BORROW.**

Call us on 0818 200 100 or +353 1 215 1363  
+353 21 601 3801 from abroad

Drop into any PTSB branch  
Or visit [ptsb.ie/business-banking](https://ptsb.ie/business-banking)

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