

TBOS

Total Back Office Solutions Ltd.

ROYAL BANK OF SCOTLAND INVOICE FINANCE FACT SHEET

- The service charge is based on the projected annual turnover figure and can vary between 0.2% and 2% and dependent on a number of factors:-
 - Size of Turnover
 - Industry Type
 - Clients to be Billed
- RBS will fund a minimum of 70% and a maximum of 90% of the debt
- The bad debt protection varies between 0.6% and 1.5% (with a £4k minimum) but is not an insurance policy so no IPT
- The calculation of minimums is 80% of the annual service charge and is charged on a monthly basis
- Setup charges range from £500 - £2500 depending on size of the turnover and are used to register 1st charges with Companies House
- All RBS deals are for a minimum period of 12 months
- The only other charge is a £25.00 CHAPS fee per drawdown per currency - No other hidden charges
- The Interest rate (or Discount rate as they call it) is charged on funds borrowed and varies between 2.5%-3.5% above the Bank of England Base Rate and is based on turnover
- RBS will fund invoices for a period of 60 days from due date (not 90 days from date of invoice)

PITFALLS OF OTHER FACTORING COMPANIES

- Audit Fees are payable on some companies and can be as much as £250.00 per audit and they can have as many audits as they would like to make up any shortfall in annual fees - RBS has no charge for audits
- All other banks and factoring companies will charge transmission costs onto the company for funds received and payments made - RBS has no transmission charges
- Software costs (often as licensing fees) can be charged - RBS has no software charge
- Some factoring companies will charge for every credit check completed - RBS has no charge for credit checks
- Some factoring companies will use the LIBOR rate above their Interest rate, which is higher than the Bank of England base rate - RBS use the Bank of England base rate
- Some factoring companies will use a post-dated Bank of England base rate above their Interest rate which can be any rate over the past 18 months - RBS use the current Bank of England base rate
- Most factoring companies will tie you into a minimum 24 month deal - RBS is a minimum of 12 months
- Some factoring companies will charge you additional interest for funds sent to you early - RBS charges interest based on the day sent
- Some factoring companies will charge a bank charge for sending non-priority international transfers - RBS does not charge for non-priority international transfers
- Some factoring companies will take an extra day to transfer funds to you on a BACS transfer claiming a processing day - RBS is a 3 day BACS period
- Most factoring companies will entice you in with reduced rates and reduced minimums and put hidden costs in the agreement but do not disclose them on the quotation or schedule

For more information contact Stewart Roberts
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