

# Statement of Strategy for the Credit Review Office

## Our Objectives

### *Our Mission:*

The mission of the Credit Review Office is to encourage and increase the supply of credit to viable borrowers for business purposes.

### *Our Values:*

We are Independent, Straight Talking Lending Experts, who Champion viable SMEs and Farms seeking credit

### *Our Vision:*

**We provide Simple, Accessible, Tenacious, and Solution Focussed, service for viable or potentially viable borrowers who have been refused credit.**

The strategic objectives of the Credit Review Office are defined by the Statutory Instrument No. 127 of 2010. This SI defines the Credit Review Office and gives two powers to the Credit Reviewer:

a) To review of decisions of participating institutions to refuse credit facilities of up to €3M to SME and Farm borrowers which consider themselves viable, and which apply for a credit appeal to the Credit Review Office.

The participating Institutions are AIB and Bol; with PTSB and Ulster Bank also voluntary participants in this scheme.

b) To review the lending policies of each participating institution, including the perspective of particular SME and Farm sectors, and report to the Minister for Finance on whether those needs are being met.

We will improve the channels to ensure the Credit Review Office service is visible to SMEs and Farms, and through which SMEs and Farms can access the Credit Review Office service.

We will continue to work with the banks to ensure that lending appeals are dealt with expeditiously.

Where we are unable to support borrowers' appeals, we will recommend remedial actions, and any other suitable alternative sources of finance to help ensure borrowers' gain the support they need to grow and develop their businesses.

Our ongoing key objectives are to:

- Continue to support viable SMEs and Farms to access credit.
- Provide excellent service to our clients.
- Improve the Credit Review Office website.
- Implement Social Media Channels to improve accessibility and information on the Credit Review Office.
- Provide specific guidance to SMEs and Farms on emerging market challenges, such as self-financing projects and re-financing loans which have been sold-on to Investment Funds.
- Continue to provide market feedback and general banking assistance to the Minister and Officials in the Department of Finance.

## **Objective 1: To facilitate access to credit for viable SMEs and Farms**

- a) The Credit Review Office will provide SMEs and Farms which have been refused credit by their bank, and which consider themselves viable, with an opportunity to have their lending proposal reviewed by a panel of experienced independent lenders.
- b) Any bank credit decision may be appealed. The existence of the Credit Review Office acts as a moderating influence on Banks' lending behaviours, as potentially any Banks' SME or farm lending decision could be subject to an independent review by a team of experienced Credit Reviewers.
- c) The Credit Review Office will ensure the Appeals service will be easily accessible, and dealt with expeditiously by a team of caring and solution seeking experienced lenders.
- d) The Credit Review Office will Take time to listen to applicants in person, or over the phone. We will get to know the business, to understand the challenges faced in obtaining credit.
- e) From time to time the Credit Review Office will respond to requests for assistance on banking matters from the Department of Finance, or the Department of Enterprise, Business and Innovation.
- f) From time to time, the Credit Review Office issues information notes and papers to assist SMEs and Farms in dealing with specific lending market challenges, contributing to many SME and farm trade journal.

## **Objective 2: To improve the visibility of the Credit Review Office for SMEs and Farms**

### **The Credit Review Office will:**

- a) Improve the Credit Review Office website to make the application process more visible, and improve the access to information notes for SMEs and Farms.
- b) Develop a social media presence to make information on the Credit Review Office more visible and accessible.
- c) Continue to contribute to trade journals and other Media, and to attend SME and Farm trade events as presenters and to interact with individuals who have queries on credit matters.

**Objective 3:** To monitor and comment on the SME and Farm banking market, and also the lending policies of individual banks.

**The Credit Reviewer:**

- a) Issues regular formal reports which provide a commentary on current and emerging trends in the credit market for SMEs and Farms.
- b) Receives lending approval figures, and monitors lending to SMEs and Farms each month to report to the Minister on progress.
- c) The Credit Review Office and Department of Finance Officials meet with the participating banks (AIB and BoI), quarterly to discuss their lending performance, and their views on the economy and other matters which may affect SME/Farm lending.
- d) From time to time the Credit Review Office recommends specific actions to address challenges in the SME credit market
- e) Liaises with other Government Agencies including SBCI, MicroFinance Ireland, ESRI, and the CBol Economics Section to share market intelligence.
- f) Liaises with the Banking and Payments Federation of Ireland as the trade body for the Banking Industry.

## Intended Outcomes

The Intended outcomes for the Credit Review Office are:

- That 80% of the Credit Appeals upheld, obtain credit from the Banks.
- That the number of Credit Appeals should not fall below 1% of the declined loan applications to the banks.
- That we receive less than 4 complaints on the Credit Review Office service annually.
- There are no upheld complaints to the Ombudsman.
- An improved website and Social Media presence is achieved by the end of Q4 2018.
- That the Credit Review Office recognition score in the bi-annual SME demand survey does not fall below 50%.
- There are no data breaches.
- All Credit Reviewers attend the annual training seminar.