

30 May 2026

Affordability policy

Affordability Policy and Assessment Criteria

Reference: CONC 5 (parallel application)

Version 1.0 - last revised 25 May 2026

We only want to lend what your company can repay without distress. This policy sets out the criteria we apply to reach that judgement. It is the company-side counterpart to our Responsible Lending & Affordability Policy, which covers the wider lifecycle; read the two together.

1. We assess the company, not the director personally

The borrower is the company, so affordability is assessed on the company's finances. We do not assess the director's personal income or any benefits they receive. The one eligibility question about a director's income is a test that they genuinely run the company - not a personal affordability test.

2. The evidence we use

- Bank activity. We analyse the last 90 days of the company's nominated UK business bank account - by Open Banking (read-only, via a regulated provider) or from statements you upload.
- Trading picture. Management figures or filed accounts where available, and the company's record at the business credit reference agencies (Experian Business, Creditsafe, Equifax Business).
- Companies House. Registration, active status, filing history, and that the company is not in liquidation, administration or strike-off.

3. The serviceability test

A single scheduled repayment must not exceed 30% of a typical individual inflow in the period we review. Where it would, we decline, reduce the principal, or extend the term until it does. We size a facility to comfort, not to the maximum the model allows, and we look for headroom

against a slow week rather than an average one - turnover is lumpy for small companies.

4. Proportionality

The depth of checking is proportionate to the amount, the term and the risk. A small first facility to an established trading company is assessed more lightly than a maximum facility to a thin-file company. The principle does not change: lend only what can be repaid without harm.

5. The decision is made by a person

An automated model scores creditworthiness and affordability and produces a recommendation, but a person always takes the final decision - the model never auto-approves. When the evidence is incomplete or contradictory, we decline. Every decline carries a categorised reason so we can review declines in aggregate for fairness. If a decision is made with the help of automated processing, you can ask for it to be reviewed by a person and for an explanation of the main factors.

6. If circumstances change

Affordability is a point-in-time judgement. If your company's position changes after drawdown, contact us early - our Hardship & Forbearance Policy sets out the support available.

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