

Pawnbrokers gain in lending squeeze

Financing

By Jonathan Moules

The struggle to raise working capital from banks is pushing some business owners to hock Rolex watches, Ferraris and Henry Moore sculptures in return for cash.

Paul Aitken, founder of Borro.com, an online pawnbroker, claims that the volume of business customers coming to his website has increased "several 100 per cent" in the past 10 months.

One hedge fund owner borrowed £100,000, although most are looking for a few thousand pounds in return for some jewellery, according to Aitken.

"It is a bit more difficult when it comes to art," he said, adding that Borro has lent money against sketches by Picasso and Henry Moore sculptures.

One serial entrepreneur, who wished to remain

anonymous, recently borrowed £6,500 on his gold Rolex in order to seed fund an internet venture.

"My bank wouldn't give me a business loan because I did not have an asset to lend against," he said, adding that he had already put the maximum amount on his credit cards and was unable to borrow against his property.

Boudicca Sherezade, a specialist antiques dealer in West London, said going to a pawnbroker is easier than asking for a bank loan or an overdraft extension.

"I have never got money in the bank but I have money in my stock," she said.

The move towards pawnbrokers is partly a result of disaffection with the banking sector.

Henry Ejdelbaum, managing director of ASC Finance for Business, an independent broker, said he had heard of upmarket pawnbrokers benefiting from this trend.