

# Banks take longer than ever to approve loans

**BANKS** are slower than ever in processing loans, adding to the pressures on small business.

Henry Ejdelbaum, managing director of ASC Finance for Business, says not only are banks turning down many applications for finance, but the process is taking 'significantly' longer than 18 months ago.

'While we understand that banks must assess applications carefully, and two years ago it was too easy to borrow money, now they have gone to the other extreme,' he says. 'In many cases they are being too tough in asking for reams of information.'

Ejdelbaum, based in Regent's Park, central London, says lenders now commonly ask to see a business owner's personal bank records, which rarely happened before, and this can delay a loan application.

Valuations on commercial property are now only valid for three months so if a lender takes a long time to make an offer, it can result in a valuation expiring before a loan is processed.

The time taken can also cost business owners money, both in having to pay for new valuations and through lost business opportunities.

Ejdelbaum says: 'If banks keep increasing the restrictions like this, they are just reducing the chances of lending.'

'How are small businesses supposed even to try to

grow under such conditions?'

Stephen Alambritis, chief spokesman for the Federation of Small Businesses, says:

'Unfortunately, applying for finance from the banks has become a tortuous process because of the often overly cautious approach.'

'In fact, accessibility to money is much improved. Last week Barclays announced a further £88 million in funding through the Enterprise Finance Guarantee for small businesses, but firms have to jump through hoops to get it and this can cost them money.'

'We urge the banks to ensure applications are dealt with in a thorough but timely manner.'

» *Have you been affected by loan application delays? Email [enterprise@financialmail.co.uk](mailto:enterprise@financialmail.co.uk).*

**HELEN LOVELESS**