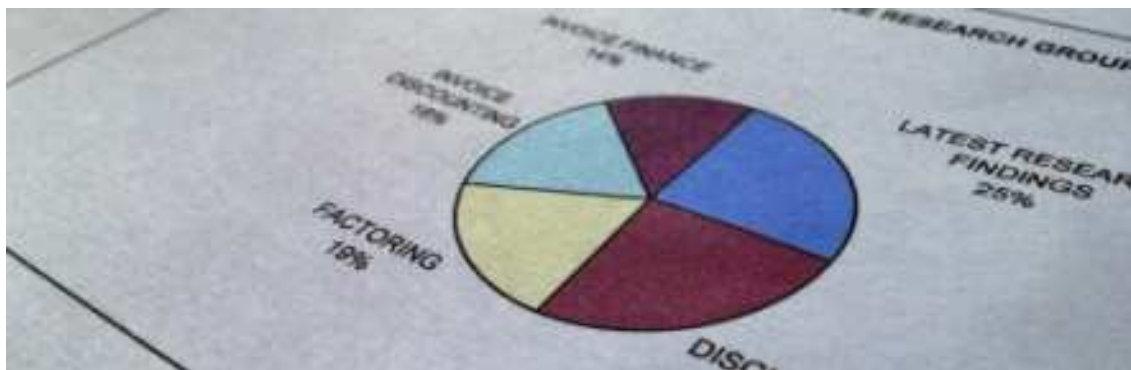




## **INVOICE FINANCE MYSTERY SHOPPER REPORT**

**August 2014**



**FundInvoice LLP**  
**PO Box 281, St Leonards on Sea TN38 1HS**  
**Phone: 03330 113622**  
**Fax: 01424 236446**  
**Email: [info@fundinvoice.co.uk](mailto:info@fundinvoice.co.uk)**  
**Web: [www.fundinvoice.co.uk](http://www.fundinvoice.co.uk)**

---

## FUNDINVOICE & BACKGROUND

FundInvoice LLP offer the UK's 1st research based, business finance advice and quotation search service. We handle the whole of the UK and have access to all the key finance providers.

We have been **able to save money for 4 out of 5 businesses** who had received quotations elsewhere

We were able to find clients an **average cost saving of 37%** of the fees they would pay elsewhere

We have conducted, and shared, an extensive catalogue of market and customer research centred around the invoice finance sector. All our findings are published on our website. The "mystery shopper" study was completed in August 2014.

IT SHOULD BE NOTED THAT THE QUOTATIONS PROVIDED FOR THIS STUDY WERE FOR SPECIFIC CUSTOMER SCENARIOS AND OUR FINDINGS DO NOT GUARANTEE THAT ANY PARTICULAR PROVIDER WOULD DELIVER THE CHEAPEST QUOTATION IN ALL CIRCUMSTANCES. ALSO THE PRICING APPROACH OF PARTICULAR PROVIDERS MAY HAVE CHANGED SINCE THE TIME OF OUR STUDY

---

## OBJECTIVE

The purpose of the "mystery shopper" study was to determine which of our panel of invoice finance companies would quote the finest rates when faced with various typical customer scenarios.

---

## METHODOLOGY

The study encompassed three product areas:

- Confidential Invoice Discounting
- Recourse Factoring
- Non Recourse Factoring

In each case a customer scenario was developed and each of our panel of invoice finance companies were invited to provide a quotation. It was not disclosed to the providers that the quotation was for a mystery shopper exercise.

Quotations were requested for the following customer scenarios:

**Confidential Invoice Discounting:**

- Annual turnover: £1.2M
- Funds in use: £175K

**Recourse and Non Recourse Factoring:**

- Annual turnover: £1.32M
- Funds in use: £200K

The providers were asked to quote and the total cost was calculated as a total of the following components:

- Service or administration charge (typically a percentage of the annual turnover).
- Discount charge (typically a margin over base rate charged in respect of the funds in use).
- Debtor protection element (either a percentage of turnover or a fixed fee for the non recourse product option).
- Renewal fee (where appropriate this was added to the overall cost).

NOTE THAT OUR STUDY DID NOT ACCOUNT FOR ADDITIONAL CHARGES THAT MIGHT BE LEVIED BY A PROVIDER, OFTEN IN RESPECT OF SPECIFIC TRANSACTIONS SUCH AS REQUESTING PAYMENTS BY CHAPS

---

## **FINDINGS**

From our analysis of the quotations received, we were able to determine an overall cost for each facility, as described above. We were then able to tabulate the quotations and identify the 3 cheapest quotations for each product.

The 3 cheapest invoice finance quotations that we received for each product are listed in the tables below.

Three cheapest quotations received for Confidential Invoice Discounting:

<b>CONFIDENTIAL INVOICE DISCOUNTING</b>
ABN AMRO Commercial Finance
GE Capital Commercial Finance
Metro Bank SME Finance

Three cheapest quotations received for Recourse Factoring:

<b>RECOURSE FACTORING</b>
Five Arrows Business Finance
ABN AMRO Commercial Finance
Leumi Invoice Finance

Three cheapest quotations received for Non Recourse Factoring:

<b>NON RECOURSE FACTORING (WITH BAD DEBT PROTECTION)</b>
ABN AMRO Commercial Finance
GE Capital Commercial Finance
Metro Bank SME Finance

It is also clear from the tables above that within our study there was no single invoice finance company that provided the cheapest quotation in all product scenarios.

---

## **CONTACT FUNDINVOICE**

We will happily put you in contact with any of the invoice finance companies mentioned in our survey or we can conduct a free, independent quotation search based on your particular circumstances.

You can call us in confidence and without obligation on:

**03330 113622**

or email: [info@fundinvoice.co.uk](mailto:info@fundinvoice.co.uk)

or visit our website for more information and to request a quotation search online: <http://www.fundinvoice.co.uk>