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| CreditsafeCaspian Point One, Pierhead StreetCardiff Bay, CF10 4DQ• 02920 886500• ukinfo@creditsafeuk.com• www.creditsafeuk.com**Registered Name**Creditsafe Business Solutions Ltd**Registered in Wales**Company Number 03836192*The world’s most used supplier**of company credit reports* |  | Dear Amy,Further to your recent letter, we wanted to address a number of the concerns you raised on behalf of your members. In late August 2014 Creditsafe did indeed introduce an enhanced ratings model incorporating more than 88 million trade payment experiences, which feed into our overall algorithm to establish a business’ financial health and propensity to enter insolvency in the next 12 months. Our solutions help companies assess the likelihood of trading partners entering insolvency.  The enhanced model includes extensive new data compared to the previous iteration and the scoring mechanism has been rebased.  It would not be accurate to make a direct comparator between the assigned scores in our previous ratings model and our new enhanced solution. The ratings bands have been rebased in line with a revision of the company ratings, a change implemented alongside adding new variables and data streams to improve the accuracy of our solution still further. Companies may therefore receive a lower score than previously on our 1-100 scale, but it does not automatically mean there is a greater risk of the company defaulting. We categorically do not apply a ‘blanket’ 30 days payment cycle when analysing late payment.  Every single invoice is tracked against the creditors’ agreed payment terms be they 30, 60, 90 days, or any other period. Trade data experiences are sourced from suppliers’ ledger systems and feed into the system directly from a client’s accounting software. The data is processed utilising comparable security links to those employed by the banking industry. Payment experience data is only integrated as a variable into the ratings algorithm when multiple payment experiences are available.  Across all industries, these changes have seen Creditsafe recommend increases in total aggregate trade limits across all categories of company, from small to medium sized enterprises (SMEs) through to major multi-national corporations. There was no specific upgrading, or downgrading, of company ratings or limits assigned on the basis of firms coded as operators within the print industry. Analysis of the companies Creditsafe classifies as small reveals almost half a million more businesses have been placed into the lowest risk banding and cumulative credit trade limits for this market have been extended by £22 billion.  If companies have specific concerns we would recommend they contact Creditsafe via the contact email address ratingenquiries@creditsafeuk.com. Ratings and suggested credit limits, as with all providers of these business intelligence solutions, are indicative guides based on the available information. They are designed to help companies make informed business decisions. We always endeavour to engage with customers to discuss any individual concerns they may have.  Yours faithfully,Mr Cato Syverson,**Chief Executive Officer, Creditsafe Group**  |
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