

Starting a franchise

Getting up and running



HSBC UK

| Opening up a world of opportunity

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Buying a franchise

Buying a franchise is probably one of the most important decisions you'll ever make and could be the beginning of an exciting journey for you.

With many years of experience, working with franchises of all shapes and sizes, our dedicated in-house team can provide the specialist support you may need as you buy and then grow your franchise.

We also understand that your franchise will be unique, so we'll tailor our services to meet your needs, providing the right financing to help you make those all-important connections.

As you consider your options and explore the opportunities and potential challenges of owning a franchise, this guide should give you all the information you need to make the right decision.

To find out more about our support for franchises:



Click on business.hsbc.uk/franchising



Email us at franchiseunit@hsbc.com



Call us on 0121 455 3438¹

1. Lines are open 9am to 5pm Monday to Friday, excluding public holidays. To continually improve our service and in the interests of security, we may monitor and/or record your telephone calls with us.

What is franchising?

Franchising is a 'joint venture' between an independent person (the franchise owner) and a business owner (the franchisor) who both want to expand their activities. The venture is governed by a legal agreement (or contract).



Business format franchising

This gives the franchise owner the right to operate using the franchisor's trade name/trademark, in accordance with their business format, for a specific period of time. All aspects of the franchise owner's business are strictly controlled and include image, products or service, systems and administration.

This method is usually known as 'business format franchising'.

A well-established and proven business format franchise should provide:

- an established market for the franchisor's products or services
- proven sales, marketing and operational procedures
- the benefit of an established business name
- training (ongoing support and help in running the business)
- where appropriate, help in finding, fitting out and furnishing premises

In return, you pay the franchisor an initial franchise fee to 'buy in' to the franchise. You will also pay ongoing management service fees or a mark-up on the goods and materials supplied by the franchisor.

You may also be asked to contribute to national advertising costs.

The advantages

- **Proven format** You enjoy many of the advantages of an established business, such as a tried and tested product or service, a set of established operational guidelines and, in most cases, a pretty good idea of whether or not the format will work in a chosen area or location. You can also call on the experience and expertise of both the franchisor and other franchise owners.
- **Advertising and promotional support** Undertaken by the franchisor both locally and nationally. This means that your business can be promoted in a way not normally available to the small business proprietor, for example, via TV and national press. Promotional support may include leaflets, 'freebies' and special offers. You may have to pay a small levy to the franchisor for these services.
- **Trade name** Particularly where a franchise operation is well established, potential customers will be familiar and comfortable with the product or service you are offering and it should take less time to establish your business.
- **Training and support** You will be trained in all aspects of the operation including product knowledge, customer service standards, book-keeping, VAT returns and legal matters such as health and safety. It is these areas that can cause the newly self-employed the greatest difficulty and are often neglected because of the day-to-day pressures of running and expanding a business.
- **Bulk purchasing and negotiating power** You may receive your supplies from the franchisor. Because all purchases for the operation are being made through a central point, significant discounts can often be negotiated.
- **Research and development** No business can afford to stand still. If it doesn't develop change, in the long run, it's likely to decline. A successful franchise operation will have the resources to devote to research and development.
- **Finance** Because you have the benefit of a proven business format behind you and projections which are normally based on reality and experience, your bank is more likely to look favourably at your lending request.

The disadvantages

- **Lack of independence** The franchisor will control many aspects of your business and receive a proportion of your sales income.
- **If the franchisor fails** This could have major implications for you and the other franchise owners. If many of the other franchise owners fail, again, this could damage your business.
- **Devaluation of trade name** If, for instance, a widespread outbreak of food poisoning is traced back to one of the outlets of a well-known franchise and given national media coverage, you and all the other franchise owners may suffer accordingly.
- **Restrictions on sale of business** A franchisor should take great care to ensure that franchise owners are 'right for the business' and will not allow you to sell without approval. Nevertheless, the franchise contract normally allows you to sell your business, subject to the conditions of the agreement.
- **Restrictions on business activity** The franchisor will not normally allow you to become involved in activities outside the agreement. This may mean you are unable to exploit profitable business opportunities within your franchise operation.





How do I find the one for me?

Look at your own skills, your background, training and qualifications and build these factors into your choice of franchise. The franchisor will in turn be looking at the qualities you possess to ensure that you are a suitable franchise owner for their network.

Ask yourself the following questions:

- are you a hard worker?
- is your health good?
- does your family support your plans to go into business?
- can you make tough decisions?
- are you able to take responsibility?
- do you relate well to people?
- are you keen to provide good customer service?
- have you got personal savings or assets to put into the business?
- do you think buying a franchise means that you won't have to work so hard?
- would you resent being told how to run your business?

The following are the main business categories that lend themselves to franchising. All have franchises at varying stages of maturity, with varying start-up costs.

- Building and maintenance services.
- Catering and hotels.
- Cleaning and renovation services.
- Commercial, industrial and home services.
- Direct selling, distribution, etc.
- Domestic, personal and caring services.
- Employment search, training, etc.
- Estate agents, business transfer agents.
- Parcel and courier services.
- Printing, copying, graphic design.
- Retailing.
- Vehicle services.

Within those business categories, there are different types of franchises, including:

- **'Management' franchise** Often taken on by people who were formerly professional or 'white collar' employees, e.g. printing/copying, sign production
- **'Van' or 'job' franchises** Usually undertaken by one person and often from home, e.g. van-based distribution
- **Investment franchises** Higher cost investments where the investor does not normally get involved in the day-to-day operations, e.g. hotels, restaurant chains
- **Retail and fast food** Although franchise owners will often work in the business, they will normally also employ staff, and may eventually run more than one outlet

One of the best places to start is with the British Franchise Association (BFA). The BFA was formed in 1977 by leading franchisors. It established a code of conduct for franchisors and ensures that the code is strictly enforced.



Find out more at thebfa.org



Ask the right questions

When you take up a franchise, you are entering into a long-term business relationship with the franchisor – so it's extremely important that you check the background and business performance of your prospective franchisor.

However enthusiastic you are, don't rush. Be wary of franchisor pressure to sign up, particularly the "If you don't sign now you won't get another opportunity" approach. Work through the following checklist to satisfy yourself that you are entering into a sound business venture:

The Franchisor

- How long has the franchisor been in franchising?
- What is the background of the directors?
- How much expertise/experience do the directors have in the business they are franchising?
- Is the franchisor a member of the British Franchise Association?

If not, why not?

- If the franchise is new to the market, what pilot scheme did the franchisor operate?
- Remember that when buying a new franchise, you should get a proven business format and as much information as possible on the pilot operations.

Finances

- Is this business financially sound? Ask for three years' audited accounts and current management accounts if possible. Ask your local HSBC UK manager to review them.
- How much does the franchise cost and what does the price include? How does this compare with other franchises?
- How much will you have to pay on an ongoing basis? (This is normally a percentage of turnover or a mark-up on goods supplied).
- Have you been given any financial projections for your business? Have you seen any actual trading figures from existing franchise owners that show whether these projections are realistic?
- Do you have to achieve minimum levels of turnover or buy minimum amounts of stock? What will happen if you don't achieve this?

The market

- Is there a market for the franchise's goods or services? Has there been any market research carried out?
- Who are the main competitors and how do they compare, in terms of price, quality, delivery and service?
- Is there a long-term market for your goods or services or is the franchise operating in a market subject to changes in fashion? Is the business seasonal?
- What sales area is being offered? Is it postcode-based or geographically based? Is there a set territory?

Other considerations

- How long is the term of the legal agreement – can you renew it?
- Can you sell the business in due course? What restrictions are there on sale?
- How many previous franchise owners have failed? Why?
- What initial and ongoing training is offered? How much support is given in choosing and fitting out premises?
- How many existing franchise owners are there? A good franchisor should be happy to provide you with a list of the names and addresses of all existing franchise owners and for you to talk to them. Visit and maybe spend a day with two or three franchise owners. You will get much closer to the reality of the business and gain a clearer understanding of what is involved.

Work through the following checklist of questions with the existing franchise owner:

- did the opening of your business go according to plan, or were there unexpected problems? If so, how did the franchisor help you to solve them?
- how effective and useful was your initial training? Were there any hidden or unexpected costs?
- how much support does the franchisor give you on a day-to-day basis? Has the franchisor been helpful and supportive of you through any difficulties?
- does the franchisor visit you regularly?
- were the operations and training manuals well written and useful?
- if products are supplied by the franchisor, is delivery prompt and quality consistent?
- how long did it take to break even and was that longer or shorter than expected?
- has turnover and profitability been in line with initial projections?
- does the franchisor arrange meetings and conferences for the franchise owners? Is there a regular newsletter or other form of communication within the network?

Please note:

This is not an exhaustive list. There may be other aspects of the business you will want to explore.

Franchisor support

Having established the soundness of the franchisor and the business, you should then look at the strengths and weaknesses of the franchise operation. The level of support and training available from the franchisor both at start-up and later on will be crucial to the success or failure of your business. Support can include accountancy packages and advice, holiday cover, national and local advertising, regular communication through a newsletter, new products, services and market information and ongoing training.

Many franchisors run, at their own expense, annual national franchise conferences and franchise owner associations.

There should be a comprehensive operations manual to give you guidance on all aspects of running the franchise. For example, what help, if any, does the franchisor give with any recruitment and training you may have to undertake? Some franchisors will train your staff for you. Some will train you to train them. Others give little or no help.



Another important factor is the regulatory aspect of the franchise operation – particularly insurance, health and safety, tax and local by-laws in relation to the public and employees. Your franchisor should help you deal with all these matters and advise you on any changes in the law that might affect your business. Remember, you need to be happy with the results of your research before entering into any agreement.

Frequently asked questions

These are some of the questions we are often asked by prospective franchise owners:

Do I need legal advice?

Yes. We strongly recommend that you have your legal agreement vetted by a lawyer specialising in franchising. Further details can be found at the end of this guide.

You are unlikely to get a franchisor to amend the contract, as franchise owners should be operating on the same terms. However, you do need to be fully aware of what your obligations are and the penalties you may incur if you do not meet these obligations.

How much can I borrow?

For an established franchise with a good track record you may be able to borrow up to 70% of the start-up costs including working capital. For a newer franchise it is likely that you will have to put in at least 50% from your own funds. It is very important that you do not over-borrow but it is also crucial that you are not under-funded.

Your personal and domestic outgoings will obviously determine the level of drawings you would need to take from the business. We recommend that you complete a personal budget schedule to help you establish exactly how much you ought to allow for your needs.

Do I need a business plan/cash flow forecast?

Yes, even if you do not need to borrow, a business plan is vital to help establish where you are, where you are going and how you intend to get there. It is a statement of your objectives, estimates and financial forecasts and it should also contain cash flow forecasts that your franchisor will often help you with.

The banks will need to see your business plan to help assess any request for finance and HSBC UK's Starting a Franchise Guide will help you through the process.

What rate of interest do you charge?

Interest rates vary depending on the amount borrowed, how much stake you have, what security is available, etc.

However, we see franchising as a less risky way of starting a business; it is likely that interest rates for a franchise owner of an established franchise would be lower than those for a stand-alone business. Some of the more established franchises have special terms with HSBC UK.

Do I need security? What security will the bank require?

The need for security also depends on the amount borrowed and how much stake is available, but will normally be required. This is often going to be a charge over the domestic property although there may be business assets that could be taken as security.

Does it matter if my franchisor is not a member of the British Franchise Association (BFA)?

HSBC UK is an affiliate member of the BFA, which was formed in 1977 to establish a code of ethics for franchisors and to ensure that the code is adhered to. Membership of the BFA does not guarantee the success of your franchisor but does indicate that the franchise has been accredited by the Association and meets its ethical guidelines.

Where can I go for more information?

Business Link may be able to assist locally with business planning and you may want to speak to your local HSBC UK manager about your business plan. Of course, your local HSBC UK manager will be happy to discuss your business plan and discuss a tailored finance package for your needs.

See the 'Useful Contacts' on [page 25](#) for details of publications and websites providing more information about franchising.

The legal agreement

The agreement (or contract), which will be legally binding once it is signed, is a vital aspect of the franchise operation. It should cover issues such as:

- obligations of the franchisor
- obligations of the franchise owner

-
- right to renew
 - training
 - fees and payment
 - insurance
 - trademarks
 - sale of the business
 - death or incapacity of the franchise owner
 - termination

Ethical franchising requires that all franchise owners are treated fairly. No franchise owners should be treated more favourably than others in their network. This means that the franchise contract should be the same for all franchise owners. It is therefore unlikely that a franchisor will amend the terms of the contract. However, having a contract vetted is extremely valuable.

As a prospective franchise owner you should always take legal advice from a lawyer with a specialist knowledge of franchising, preferably one who is an affiliate member of the British Franchise Association.



Financial aspects



Setting-up costs

The cost of taking up a franchise will vary according to the nature of the business and the size and location of your premises.

You could invest as little as £10,000, or as much as £500,000. You will have to pay some or all of the following fees and costs:

- **Initial franchise fee** This is a one-off fee to 'buy in' to the business. It reimburses part of the franchisor's costs in developing the franchise operation, recruiting you and, where appropriate, helping you find suitable premises. The fee is normally 5-10% of the total investment cost, although the percentage may be higher for a low-cost franchise. The fee should not include a large profit element for the franchisor
- **Training fees** Usually included in the franchise fee, but sometimes itemised as a separate charge
- **Premises** Occasionally, the franchisor may take the head lease and grant you a sub-lease. There will sometimes be a premium and/or advance rent to pay
- **Shopfitting** The franchisor may have arranged for a specific firm to fit premises out in a standard format
- **Vehicles** Choose to purchase outright or to take out a lease or hire purchase agreement. If so, the setting-up costs will include an initial deposit only
- **Initial stock** May be purchased from the franchisor or from an approved supplier. You should have help from the franchisor in establishing how much initial stock is required
- **Equipment** May be purchased from the franchisor, although you may be able to hire or lease it
- **Working capital** To cover the initial salaries and other business expenses until cash is generated
- **Promotional costs** The cost of local advertising, mail shots, etc. These may be covered by the franchisor and included in the franchise fee

Ask yourself the following questions:

- what is the total cost of the franchise and what contribution can you make from your own resources? Prepare a full list of your personal expenditure. This will show you how much money you will need to take out of the business in order to live.
- will you need to borrow and, if so, how much?
- do you need an overdraft to assist with working capital, a loan for the purchase of fixed assets or both?
- what security can you give to back up your borrowing?
- how long do you need to repay the loan? Remember that any loan will need to be repaid by the end of the franchise term

Borrowing money

Having worked out the start-up costs and how much you need to borrow, look realistically at the potential profits of the business. Is the level of investment justified and can you recover the money you have put into it?

It is important to know how much cash you can put into the business and you must be realistic when borrowing. You will always be expected to put in a proportion of the start-up costs – as low as 30% for some of the more established franchises but nearer to 50% for many others. Ask the franchisor the following questions:

- on what basis have the financial forecasts been calculated? They must be based on the performance of the pilot scheme or existing franchise owners
- do the figures allow for drawings, taxation and any depreciation?
- how much is the initial franchise fee and what does it cover? Training, market research and sales promotion, for example
- how much is the monthly management service fee? What does this cover? What do you get for this?
- are goods supplied to you at cost or is a mark-up charged?
- is there a minimum fee or sales level? What happens if this is not achieved?

Start preparing your business plan – this is a vital document to obtain finance from the bank. Your chosen franchisor will often help you with this.

Briefly, your business plan should cover:

- details about yourself and the background of the business, as well as some information about the franchise.
- break-even analysis, profit projections and a cash flow forecast all demonstrate the viability of the business and its ability to meet all its commitments, including the repayment of the borrowing.
- details of your personal finances, it is important that you do a full assessment of your personal financial requirements and make sure that your chosen business is capable of generating enough income to cover these.

It is useful to provide your local HSBC UK manager with a copy of the business plan before your meeting. We use the following approach to assess your request for finance:

- **Person** We carry out a full review of your background, your training, qualifications and track record, financial resources and suitability to run the business. A franchisor will also look at this to ensure that you are a suitable franchise owner.
- **Amount** We also look at the purpose for which the money is going to be used and its effect on your business. Is there sufficient demand for your product or service? (The fact that you are going to be investing in a tried and tested franchise format helps here.) How will the money borrowed benefit the business? What type of finance are you looking for: overdraft, loan or a package of financial services? How much are you investing in the business? Normally you are expected to contribute towards the total start-up costs from your own resources; have you asked for the right amount or is it too much or too little?
- your franchisor will normally assist with setting out details of start-up funds required and help with the preparation of cash flow forecasts.

- **Repayment** It is not in our interest – or yours – to lend you money unless we think that you can repay it. Where is repayment coming from: future trading profits, after allowing for all your other financial commitments, or from the sale of an asset? Does the cash flow forecast show that you can afford to repay? What assumptions have been made in the cash flow forecast? What level of sales are needed to break even and is it achievable? Is there a contingency plan for any setbacks?
 - **Security**² We assess the risk of lending to you and decide whether security is required. This will depend on our evaluation of your business as a whole; the primary source of repayment will be cash generated by your business. No amount of security will justify us lending to you if we feel that your business is not viable. The last thing we want to do is rely on the sale of security for repayment. We would much rather see a successful business continuing to trade. If a business runs into difficulties, the earlier the bank is told of any problems, the more likely it is that we can help.
 - We always recommend that you take independent advice from a solicitor before you provide security.
 - **Interest and fees** When we set an interest rate we take into account a number of factors. These include your stake in the business, security deposited and our evaluation of the risk involved. There may be some special terms for some of the larger, well-established franchisors. We may also charge a fee to cover the costs of setting up new borrowing and completing the security arrangements.
2. If the security arrangements include a property that is currently, or is intended to be used as a domestic dwelling, either wholly or in part, please remember that your home may be repossessed if you do not keep up repayments on your lending facilities.



Finance options for your franchise

Choosing the right type of finance is important. Your local HSBC UK manager will be happy to tailor a finance package to match your needs.

Business Overdraft

- Borrowing to help you manage your cash flow.

Small Business Loan

- Borrow between £1,000 and £25,000.
- Repayments and interest rate fixed for the life of the loan.
- Repayment terms between 12 months and 10 years.

Flexible Business Loan

- Loan amounts available from £25,001.
- Maximum loan amount is subject to status.
- Interest rates are charged at an agreed margin over a reference rate or the cost of funds for fixed rate loans.
- Interest payable monthly or quarterly.
- Repay the loan over a term of up to 20 years.
- Capital repayment holiday options available subject to status.

Invoice finance

- Free up cash invoices and improve your cash flow.

Commercial Mortgage

- Designed to help you buy property, extend or develop your own business premises.
- Borrow up to 75% of the purchase price or professional valuation, whichever is the lower.
- Minimum loan amount is £25,001, there is no maximum.

- Repayment period is between two and 30 years.³
- Choose to pay interest either monthly or quarterly.
- Capital repayment holiday is available for all or part of the first 24 months.⁴
- Choose to defer up to two repayments in any year.⁵
- Select a fixed or variable rate mortgage – the choice is yours.

Not available on fixed rate loans. All these products incur an arrangement fee.

Your property may be repossessed if you do not keep up repayments on your lending facilities.

3. If the loan is repaid early then an early repayment fee will be payable.
4. Taking a capital repayment holiday or deferring repayments will increase the total interest charged and the total amount payable over the full term of the loan.
5. Taking a capital repayment holiday or deferring repayments will increase the total interest charged and the total amount payable over the full term of the loan.



Up and running

It's day one in your new business. You've probably spent a long time getting to this point, from first thinking about going into business to researching and choosing your franchise. Then, perhaps, finding premises, undergoing training, getting the business set up – and now you are open for business.

This may well be a difficult time as you wonder if the customers will ever appear and whether you can make a success of this new business.

But don't panic – your franchisor should be there to guide you and help you through the crucial initial trading period. Follow the system and don't be tempted to do things in a different way – remember, your franchisor has probably spent years refining and improving the systems and the way the business is conducted.



If you need help, ask for it – most franchisors will keep in close contact in these early days. Other, more experienced franchise owners may also be a good source of help.

One of the most important issues for a new business is managing money. You may have heard of the saying: turnover is vanity, profit is sanity, CASH is reality. The cash flow of a business is vital and, in order to manage it, you have to know where it is in the business.

You should have prepared a business plan, especially if you have borrowed from a bank to start up your business. The plan will include cash flow, profit forecasts and where you think the business will end up during the first couple of years.

Don't just put the plan away in a drawer – monitor those figures so you have early warning of any unforeseen problems. If you have projected that turnover will be £5,000 in your first week, and it is only £1,000, you will need to take some action. If you are expanding faster than you anticipated, you may well need extra working capital to keep the business going. This is especially true where you are providing a business to business service and your invoices are paid after a certain amount of time – maybe 60 or 90 days after the invoice has been issued. In this instance, you may want to consider our specialist invoice finance service. Early warning of any problems (whether caused by not enough business or too much) will enable you to take action where needed and involve your local HSBC UK manager before there is likely to be strain on your bank account.

Expanding your franchise

Once your business is operating successfully, you may start to think about future expansion – although, you need to establish your business first and prove that it is profitable. You may want to consider buying another territory or opening another outlet in the future. Involve your franchisor in these discussions and talk to your local HSBC UK manager at an early stage.

Remember, a bank will want to see evidence that the initial business is successful and that you have considered the additional cost, both in time and money, that setting up another outlet or buying an extra territory will involve.

You may not want to expand in this way, but aim to grow and strengthen your own business. A successful business is an asset and you need to think about how this is shown in your accounts when you want to sell, either to retire or to move on to something new. Work with your local HSBC UK manager and your franchisor to optimise the business's potential.

Some franchise owners reach what franchisors often call their 'comfort level' – in other words, they are making a comfortable living and do not want to grow the business. However, this can be a dangerous policy. A business that stands still can find itself going backwards.

Competitors could move in if you are not realising your full potential. If you decide to sell your business, it will not have as high a market value.

As part of our commitment to help businesses, we offer flexible finance schemes tailored to match the particular needs of your franchise operation. You can also access a full range of business services to help you both when you are starting up and as your business matures.

So, whatever stage you are at, whatever your business needs, come and talk to HSBC UK – we are here to help.



Useful contacts

thebfa.org

The British Franchise Association was set up in 1977. It established a code of business conduct for franchisors who make up its membership. The BFA holds regular meetings and acts as:

- the voice for responsible and ethical franchising
- a source of information for prospective or existing franchise owners and franchisors
- an arbitrator if there is a major problem between a BFA member company and its franchise owners

The BFA offers a comprehensive and informative franchise owner pack, which includes copies of the books 'How to Evaluate a Franchise' and 'The Ethics of Franchising'. It also runs franchise seminars throughout the year – details may be found on the BFA website.

whichfranchise.com

whichfranchise.com is a site affiliated to the BFA, offering advice and guidance to prospective franchise owners.

businessfranchise.com

Business Franchise magazine can be found on news-stands.

betterbusinessfinance.co.uk

Better Business Finance has a range of resources designed to give you practical help at whatever stage you are at in the development of your business.

franchiseworld.co.uk

Franchise World can be accessed by subscription.

selectyourfranchise.co.uk

selectyourfranchise.co.uk is a site that helps potential owners find their perfect franchise. It also contains legal and helpful financial business information.

thefranchisemagazine.net

The Franchise Magazine is available on news-stands.

venturemarketinggroup.co.uk

Venture Marketing Group, organisers of the main franchise exhibitions in the UK. These main exhibitions take place in London and Birmingham and there are also some smaller regional shows.

Various seminars take place during the shows covering topics such as franchise funding and legal issues with presentations by franchisors and franchise owners. There will also be the opportunity to speak to franchisors from a cross-section of business which will help you decide what is right for you.

HSBC UK usually has a stand at the leading exhibitions where we will be on hand to offer guidance and discuss your personal requirements.

Law firms

If you are looking to start a franchise and are seeking legal advice, you can find contact details for legal firms that support franchising by visiting any of the websites below:

The British Franchise Association thebfa.org

The Law Society lawsociety.org.uk

The Law Society of Scotland lawscot.org.uk

The Law Society of Northern Ireland lawsoc-ni.org

HSBC UK is not affiliated with and does not endorse any of the lawyers or law firms listed.

Contact us

At HSBC UK, we know the best business banking isn't about money – it's about creating strong, supportive relationships.

To find out more about franchising and the specialist support we can provide:



Click on business.hsbc.uk/franchising



Email us at franchiseunit@hsbc.com



Call us on 0121 455 3438⁶

Write to us at:

HSBC UK, 1 Centenary Square, Birmingham B1 1HQ

The Standards of Lending Practice are voluntary and set the benchmark for good lending practice in the UK, outlining the way registered firms are expected to deal with their customers throughout the entire product life cycle.

The protections of the Standards of Lending Practice for business customers apply to businesses/organisations, which at the point of lending, have a consolidated turnover of up to £25m.

The Standards of Lending Practice covers good practice in relation to loans, credit cards, charge cards and current account overdrafts. Copies of the Standards of Lending Practice can be obtained at lendingstandardsboard.org.uk.

⁶ Lines are open 9am to 5pm Monday to Friday, excluding public holidays. To continually improve our service and in the interests of security, we may monitor and/or record your telephone calls with us.

Lending Principles for Larger Businesses

In addition to the Standards of Lending Practice, the UK's five largest banks have developed a set of Lending Principles for Larger Businesses. These Principles apply to businesses with a turnover of less than £25 million but do not cover the smaller business segment, which is protected by the Standards of Lending Practice. The Lending Principles for Larger Businesses set out the minimum standards that larger firms can expect when dealing with their banks.

Accessibility

If you need any of this information in a different format, please let us know. **This includes large print, braille, or audio.** You can speak to us using the live chat on our website, visiting one of our branches, or by giving us a call.

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service, to find out more please get in touch. You can also visit: [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or: [hsbc.co.uk/contact](https://www.hsbc.co.uk/contact).

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