

RBS earmarks £2bn fund for small business

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Royal Bank of Scotland has set aside £2 billion in additional funding, which it said would be used to help small companies deal with Brexit uncertainty.

Britain's biggest lender to small and medium-sized businesses said it will contact 2,000 customers that it thinks might benefit from having additional finance to help with contingency plans.

It said the funds would go towards services such as trade finance to assist companies whose supply chains may become strained.

The Federation of Small Businesses warned that it is looking increasingly likely that "traders will face delays for goods crossing the border, while also being hit with extra costs associated to new customs arrangements and tracking requirements" in the event of Britain leaving the EU without a deal.

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Separately, representatives of small companies have expressed disappointment at recommendations to help businesses resolve disputes with banks. Simon Walker, former head of the Institute of Directors, told MPs yesterday that the Financial Ombudsman Service should be beefed up but rejected plans for a new tribunal system.

SME Alliance, which supports businesspeople in their disputes with banks, said Mr Walker's report — commissioned by UK Finance, the trade body for British banks — is “out of sync with what businesses want and need”.