



# Call for Mayor to hold back banks

THE Mayor of London must pressure high street banks to stop terminating overdraft agreements and demanding loan payments before they are due from businesses which are facing bankruptcy.

That was the message from a meeting of south London business leaders last week — where it emerged in an effort to prop up their own position, some banks are even forcing companies to pay back the total amount owed on loans despite monthly agreements being in place.

Peter Pledger, chief executive of South London Business, which represents businesses across south London, and which organised the meeting, said the banks' tactic was jeopardising perfectly solvent firms.

He said: "There were concerns from members banks calling in these debts before they are due could cause some businesses to go bankrupt.

"We are also seeing overdraft facilities being stopped immedi-

ately, which is obviously causing trouble too. It differs from bank to bank and branch to branch."

Mr Pledger says the Government's VAT cut — which reduced the rate from 17.5 per cent to 15 per cent — had made little impact on businesses, and London Mayor Boris Johnson needed more practical solutions.

He said: "While the credit crunch has proved an interesting exercise for some senior civil servants, for some businesses it is a matter of survival or disruption.

"We have had some helpful announcements from the Mayor but he has to do more.

All the initiatives by national and regional Government are rehashing of existing schemes.

"These are extraordinary times and we need extraordinary policies."

A multi-million pound boost for small and medium sized businesses was announced by Mr Johnson at the London Development Agency's (LDA) annual public meeting last Monday.

**Listen to Business**

The Mayor said £20m would be spent on providing business with access to finance programmes.

The money will also help start-up and small and medium sized businesses which regenerate communities and on hosting business seminars.

Some £500,000 will go to promoting London overseas and £2m will go to the upgrading of the Dockland Light Railway to Beckton.

● **Is Boris Johnson doing enough to help businesses through the current crisis? Let us know your thoughts at [newsshopper.co.uk/news/business](http://newsshopper.co.uk/news/business)**

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