

Secure your business against unpaid invoices

Did you know that, to recover a £25,000 bad debt, a business with a 5% net margin would need to find an additional £500,000 in sales?

Debtor Protection can shelter you from this impact, giving you peace of mind that your cashflow is safe.

Debtor Protection from Ultimate Finance

This optional service works alongside your Invoice Financing facility, and could help you recover **up to 90% of unpaid invoices** in case of customer default. Our team of experts handle all of the admin associated with recovery, so you can focus on running your business with confidence.

Who is Debtor Protection for?

Debtor Protection is for businesses who sell to other businesses on credit, and use Invoice Finance as a funding line. It can be added to an existing facility, or started on the first day of a new facility.

Why add Debtor Protection to your Invoice Financing facility?

Our clients mainly choose to add Debtor Protection for peace of mind when offering their customers credit terms.

In times of economic uncertainty and rising insolvencies, it makes good sense to protect what is often the largest asset on a business' balance sheet – trade debtors.

Key benefits of Debtor Protection



Flexible

Cover all customers or key clients, and request limits 24/7



Seamless

Our team helps manage overdue reporting, chasing, and legal follow-up



Fast

Limit decisions are usually made within 24 hours



Peace of Mind

Recover up to 90% of unpaid invoices



Enhanced

We can normally backdate cover 60 days from sign-up



Expertise

Support from Ultimate Finance's team of experts

How Debtor Protection works

Debtor Protection transfers the risk of non-payment to us. This way, your business can confidently – and safely – extend credit to customers, knowing that invoices are protected should the worst happen.

Without Debtor Protection, your business may have no alternative but to write off an unpaid invoice. Choosing to add Debtor Protection to your facility means that you can claim against it – and recover up to 90% of its net value.

What is covered by Debtor Protection

Debtor Protection applies to invoices that go unpaid because a customer has **become insolvent**, or is in **protracted default** – meaning they've gone more than 120 days without paying [depending on the terms of your invoice].

What isn't covered by Debtor Protection

Debtor Protection won't cover unpaid invoices if the issue is caused by:

- Disputes – If the customer challenges the invoice
- Government bodies – Invoices owed by government entities
- Trade issues – Problems related to trade regulations
- Damages, penalties, or compensation – Payments tied to claims or fines
- Fraud – If the invoice is fraudulent
- VAT – VAT charges are excluded
- Payment terms over 120 days – Invoices with very long payment terms

Types of Debtor Protection

There are two types of Debtor Protection: **Selective Debtor Protection**, where the service only applies to a selected number of debtors [subject to an agreed limit], and **Whole Turnover Debtor Protection** where the service applies to all debtors [subject to an agreed limit].

Debtor Protection limits: your safety net if invoices go unpaid

Limits are the amount Ultimate Finance will agree to cover in case of customer default. To ensure an invoice is protected, your business will need to apply for limits using our online platform – which is available 24/7.

Once you've arranged a limit, you can request to change it at any time using the same platform. We usually make decisions on whether we can provide cover for that amount within 24 hours.

Limits are not guaranteed, and depend on several factors. Make sure you request and agree limits with us in writing before supplying any goods and/or services to your customers. If you don't get an agreement in place first, the invoice won't be covered.



Debtor Protection costs

Debtor Protection costs a fixed percentage of your total invoices (plus VAT), based on whether you're covering all customers (Whole Turnover) or just selected ones (Selective).

There's also a set monthly fee (plus VAT) for any active protection limits. If you need to claim, Ultimate Finance will keep a minimum of £1,000 or 10% of the unpaid invoice – whichever is greater. Full details of charges are outlined in your agreement with us.

Not just cover: expert support

In addition to the peace of mind Debtor Protection offers, Ultimate Finance also provides the support of a dedicated team on hand to help clients with any queries and access to a user-friendly online portal that can be accessed anytime, anywhere.

Add Debtor Protection to your facility at any time

You can add Debtor Protection at any time: whether you're brand new to Ultimate Finance or have been using your Invoice Financing facility for years.

Any invoices raised in the 60 days before your facility starts may be covered at an additional cost, as long as the debt is not seriously overdue.

Your Ultimate Finance Relationship Manager can explain these options in full.

Start protecting your business' cashflow

Speak to your Relationship Management team to find out more, and to add Debtor Protection to your Invoice Finance facility.

