

Customer Accounts Policy

Credit Limits

It is our company policy to credit check our customers on a regular basis. These company credit checks give us an indication on the Trading Credit Limit for limited companies, partnerships and sole traders.

This limit is based upon the latest available financial information, i.e. the last 'filed' audited accounts and any other positive (or negative) information they may have access to.

This credit limit we set for each account is based upon the limit we are given, *see also discretionary limits (below)*.

Once a limit has been set, if the level of trading increases to or beyond the limit, we (*on the instruction of our Managing Director*) are still able to increase the Credit limit.

At this time, NBM will review the latest financial information available, and are likely to increase the limit, unless, we originally applied for less than were available, or we can submit copies of new unaudited/management accounts. If there are new accounts, which show an improvement, we may agree to increase the limit.

It is also possible that if the latest accounts show a poor result, our request can trigger a reduction or zero rather than the increase hoped for. Please note that NBM do monitor companies and if at any time they receive good, or adverse trading information, we can occasionally receive an increase/a reduction, or zero 'out of the blue'. If the limit is increased, we will then advise our customer's accounts department by fax or email of the change and our account system will be updated accordingly.

If the limit is decreased or removed, we will review the account. If we are unable to provide a discretionary limit, we will call to advise the client personally before we email the advice.

Accepted Methods of Payment

- Cheque We do not accept post dated cheques
- BAC's Please allow 2/3 days to clear. Please advise us by email
- CHAP's Same day. Please advise us by email
- Debit Card Switch, Solo, Visa Delta, Maestro or Visa Electron
- Credit Cards No fee

New Customers

If a new customer places an order, the first question we will ask, is; do they want a credit account? If they prefer not to have one, we will give them an account reference with a credit limit of zero and will treat them as a 'Proforma' account (see below).

If they do wish to open an account we will email the appropriate application form and follow the procedure. If the first order is a proforma basis either by choice, the order is so urgent that it cannot wait for the account application process, or we are unable to obtain a credit limit and the order value (gross – with VAT) exceeds £5000, then we will require cleared funds before we can dispatch the goods. To speed things up, we can suggest a CHAP's payment (same day, but we might not be able to find out until 5pm, after our couriers have gone).

Account Application

Once we have established what type of business we will be trading with, Limited Company, Partnership or Sole Trader, we will email the appropriate account application form. Once we have received the completed form, which must be signed by an appropriate signatory to accept our terms, we will then apply to our Credit facility requesting a limit based on likely turnover.

Once a credit limit is established, we will then email our customer to advise them of their credit limit and account reference. Please note that we do unfortunately get lower limits than we have applied for and sometimes zero.

This is because the business has not been trading for long enough to have 'filed' and accounts, because they are late filing accounts, their accounts show a poor result or there is some form of adverse trading history. In this case the application and all other relevant paperwork will be passed to our Financial Director for a discretionary decision (see below). If we are unable to give discretionary limit, we will write to the customer advising of our decision. The account will then be treated as Proforma (see below).

Payment Terms

Our standard terms are Month End + 30 days. For customers who do not have a credit account, please see 'New Customers' (above) or Proforma accounts (below).

Prompt Payment

By negotiation.

Proforma Accounts

Once we have received payment we will allocate/order the goods and dispatch/invoice the goods as soon as possible.

Overdue Accounts

Customers will be placed on 'Credit Hold' by our accounts department for invoices that have not been paid within terms. We allow a maximum of 5 working days for delay in the post etc. then an account will automatically go on Delivery Hold. If at this time, there are any outstanding orders that may be affected we will advise the person who placed the order.

If the account is still overdue and we have not received a satisfactory explanation, 14 days later a final demand will be faxed or emailed.

If in the unlikely event that further 7 days elapses and we still have not received settlement or a satisfactory explanation, we will then pass the paperwork to our solicitors who will pursue the debt on our behalf. At this point we will automatically remove the customer credit limit. We will only re-instate it when the debt is paid and we can satisfy ourselves that the situation is not likely to re-occur. If it does re-occur and we have to involve solicitors for a second time, the credit facilities will not be re-instated.

Please note that if a customer is on hold, we will still accept new purchase orders. When the account comes off hold, the goods will be allocated/ordered to be shipped as soon as possible. Please note that if a customer is on credit hold, we will accept payment for the overdue amount (not for new orders) by credit card or debit card. If a credit card is used, we will require a faxed order to authorise us to raise an invoice for the 2% credit card fee plus VAT. Debit cards do not carry a fee and no new order will be required.

Discretionary Limits

If we are unable to obtain a sufficient insured limit, we are quite willing to add our own temporary or long-term limit. The decision can only be made by our Finance Director and will be based on a combination of our history of individual accounts, long standing relationships, previous good payment records, trade references and close communication.

Statements

Are sent by email or post as payment becomes due. Or by request.

A handwritten signature in blue ink, appearing to read 'Danny Kindell', with a stylized flourish at the end.

Danny Kindell
Managing Director