

1 December 2016

HSBC LAUNCHES PARENTAL LEAVE SUPPORT PACKAGE FOR SMALL UK BUSINESSES

*****More than half of small UK businesses are without a plan to deal with parental leave*****
*****Interest free overdrafts and loan repayment support among offerings in finance package*****
*****Package available for businesses with fewer than five employees and up to £1m turnover*****

HSBC is launching a support package to help small UK businesses overcome the financial challenges of parental leave, including interest-free overdrafts, repayment support for small business loans and capital repayment holidays.

The HSBC Parental Leave Support Package will be available from 9 January, 2017 for small businesses with fewer than five employees and a turnover of up to £1 million. The package will apply to employees of either gender going on parental leave, covering maternity, shared parental leave, adoption and surrogacy. The three key elements include:

- No interest charged or arrangement fees paid on new or existing business overdrafts up to £5,000 for 12 months¹
- Repayment support for customers with an existing Small Business Loan through an additional interest free limit on business overdrafts²
- A capital repayment holiday for existing Variable Rate Flexible Business Loans or Commercial Mortgages for up to 12 months

The support package aims to address a major concern among small businesses, who want more support when an employee goes on parental leave. This issue is highlighted in a new HSBC survey³ which reveals that 57 per cent of small UK businesses are without a plan to deal with an employee going on parental leave, with the financial cost their greatest concern.

The survey, conducted by *YouGov* with more than 500 senior decision makers within small businesses, also revealed that 41% would delay or cancel their business investment plans if an employee went on parental leave, with 58 per cent believing it would have a negative impact on cash flow.

HSBC's Head of Business Banking in the UK, James Cliffe, said: "Our support package is an opportunity to shape a better future for our small business customers, who require more assistance in overcoming the challenges of parental leave. Their most significant barrier is financial, with additional costs and cashflow challenges often leading to these entrepreneurs holding off on growth opportunities and limiting their investment plans.

"Through providing greater financial support we're ensuring our customers are better equipped to deal with these challenges, which we hope will further encourage small UK businesses in becoming diverse employers."

Martin McTague, National Policy Director of the Federation of Small Businesses, said: "Parental leave can present challenges to micro-businesses, many of whom find it time-consuming, complicated and potentially disruptive to how they operate.

"As well as pressing Government to minimise administrative burdens, we welcome initiatives such as this from HSBC, and want to see creative new products and services to overcome financial barriers."

Griselda Togobo, Managing Director of Forward Ladies, said: “Small businesses are the backbone of the British economy, creating two thirds of jobs and they need support to help alleviate the cost of maternity or parental leave. According to the Equality and Human Rights Commission, three in four working mothers say they’ve experienced pregnancy and maternity discrimination. We also know first-hand from feedback from our members at Forward Ladies that the cost of parental leave is a challenge that some businesses look to avoid.

“We are delighted that HSBC is leading the way with its Parental Leave Support Package, which will encourage small businesses to employ the best person for the job so they can thrive and prosper. This package will help remove one of the biggest obstacles to gender equality whilst helping small businesses. Forward Ladies is proud to be working with HSBC on the launch of this fantastic initiative.”

Customers interested in the package should contact either HSBC Business Telephone Banking, a Business Specialist at their local branch or their Relationship Manager from 9 January, 2017.

HSBC’s Parental Leave Survey – By The Numbers

- **Feeling unprepared:** 57% of those surveyed say they do not have a plan to deal with an employee going on parental leave
- **Wanting more support:** 60% of those surveyed don’t believe there is enough support given to UK businesses to help them with the overall impact of parental leave
- **Delaying planned investments:** 41% of those surveyed would be likely to delay or cancel their investment plans if an employee went on parental leave
- **Cashflow concerns:** 58% of those surveyed say an employee going on parental leave would have a negative impact on their expected cash flow
- **Financial barriers:** The financial cost (21%) is the single biggest concern when an employee goes on parental leave. This is followed by concerns around finding suitable cover to replace the employee (16%) and a lack of resource once the employee goes on leave (12%)
- **Unplanned costs:** The cost of hiring a replacement employee (79%) is the most significant financial concerns when an employee leaves on parental leave. This is followed by the cost of training a replacement employee (65%) and a loss of revenue as a result of losing an employee (50%)

Ends

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Notes to Editors:

¹ Subject to HSBC's standard credit assessment. Any overdraft balance above £5,000 will be charged at the normal interest rates. There will be no arrangement fee for a new facility up to £5,000. Customers will be charged on pro-rata basis for any limit above £5,000.

² Customers with an existing Small Business Loan will be able to increase the 0% overdraft limit (over the standard £5,000 limit) by a limit equivalent up to 12 months of their Small Business Loan repayments. Subject to HSBC's standard credit assessment.

³All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 569 senior decision makers (1 to 5 employees). Fieldwork was undertaken between 14th - 21st November 2016. The survey was carried out online.

HSBC

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