Swoop Guide to Loans and other debt products

Find out everything you need to know about the lending marketplace and how Swoop can help. This includes:

- A list of the main types of debt products available on Swoop
- A summary of how Swoop can help you access funding
- Tips for getting your business ready for financing

A list of the main types of debt products available with Swoop

The platform offers customers a comprehensive range of loan and other debt products, including:

Unsecured term loans – unsecured business term loans. Find out more

Secured term loans – business term loans secured by company or director's personal assets. Find out more

Cash advances or revenue finance – these types of funding include merchant cash advances (i.e. finance secured against future card receipts via a card terminal) and e-commerce funding against future revenue. Find out more

Property-backed finance – finance where a business uses property (commercial, residential or mixed use) as security, including bridging, investment, development, secured loans and commercial mortgages

Credit cards – business credit cards to help manage monthly cash flow

Overdrafts and revolving credit facilities – flexible shorter-term facilities that allow regular drawdown and repayment based on working capital needs

Asset finance – either hire purchase or leasing to help a business access either hard or soft assets. Find out more

Invoice finance – a type of asset finance that enables you to borrow money based on accounts receivable (selective or whole of book options are available). Find out more

Broadly speaking you're likely to encounter three different types of security:

Specific asset-secured finance – this is when a specific asset is pledged as security against a facility

Non-specific secured finance – this is when a general charge over a business is required in support of a facility (this can limit a business's options for securing additional finance elsewhere)

Unsecured finance – this can be completely unsecured, i.e. no personal guarantee, or a lender may still require a personal guarantee, but with no security specifically pledged against that guarantee.

How Swoop can help

Understanding and adapting to the changing landscape of the UK debt market is what we do every day. Some brokers work with funders on the basis of "don't ask, don't tell" – that's not the Swoop team's approach. We ask you questions because we want to understand your particular needs so that we can help find the right funder.

Funders assess affordability in different ways. Some are more interested in cash availability and bank statements; others might use an adjusted profitability measure. We can match you with funders that have the most appropriate affordability measure for you.

You might be in a sector that a particular funder has chosen not to support currently. Our team keeps up-to-date with lenders' preferences on a daily basis. This helps us to give you the best possible chance of securing funding.

We are not just an online platform. We have a team of experienced funding managers who support business owners throughout the funding journey. We want to work with you to find the right solution for your business.

Tips for getting your business ready for financing

1. Make sure the directors of your business have a good knowledge and understanding of their personal credit scores. Most credit reference agencies will allow individuals to access their own credit rating for free – with no impact on their rating.

2. Be aware of requirements! Some lenders can't lend to a business whose directors are not homeowners. Others struggle if directors are not UK residents.

3. Protect your business credit score. Every application for lending impacts your business's credit score. Swoop will of course aim to protect your business's score by minimising the impact of multiple loan applications. We allow you to mull over all your options before actually applying, meaning there is no impact to your credit score.

4. Make sure the directors within your business are aligned on financing preferences and that you're aware of any hard nos, for example:
    - Product type – some directors have fixed ideas about what types of product they'll consider, but if you can be more flexible it'll be easier for the Swoop team to find a solution for the business
    - Security – knowing if personal guarantees are a hard no or just a preference can make a big difference in number of options and price
    - Pricing – funding in the alternative finance space is likely to be more expensive than bank funding and annualised APRs, in particular, can be significantly higher. These of course depend on the product type and the term, Swoop will of course guide you here

5. Funding requirements do vary, but most lenders will ask for the following:
    - Up to 12 months' bank statements
    - Year-end accounts with detailed profit and loss statements (typically two sets of year-end accounts)
    - Management information (within about 30 days of the month-end if prepared monthly or 45 days if prepared quarterly)
    - A schedule of outstanding debt
    - Lenders may also request documents such as quarterly tax returns, an aged debtor report, a list of creditors and personal asset and liability statements from each director

If you haven't already, register an account for free to review the funding options available to your business, or sign in to get started on the application process and speak to the team of experts at Swoop.