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United Auctions and Lloyds TSB launch new HP credit line for farmers

United Auctions (UA) and Lloyds TSB Commercial Finance have launched a new credit line to help farmers buy cattle more easily.

A Hire Purchase (HP) facility has been developed to offer UA customers finance for buying livestock through their network of auction marts across Scotland.

The extended credit line is thought to be unique in the UK, as it provides financing for farmers at the time of purchasing livestock, to simplify the process. As well as providing a cash flow boost, the facility's interest rates are fixed at the time of purchase, meaning the marginal cost of financing cattle is easily identifiable.

Repayments are carefully scheduled to coincide with the sale of livestock, meaning the credit deal remains cash flow positive for the farmer.

The new product is available exclusively to UA customers.

In a move that shows their continued investment in the sector, Scotland's leading livestock auctioneers and procurement specialists have been working with LTSB Commercial Finance since the summer on the new arrangement.

Neil McLean, Group Joint Managing Director of United Auctions, said: "We're delighted to put this new deal together with the Commercial Finance team at Lloyds TSB that delivers an important source of finance for livestock farmers."

David Leggat MBE, Executive Chairman of UA, commented: "In challenging times like these, it's more important than ever that we do everything we can to help our customers - the extended credit limit from Commercial Finance is a huge vote of confidence in the future of Scottish agriculture."

Alastair Gray, Operations Manager at Lloyds TSB Commercial Finance said: "This innovative funding facility is great news for the farming community as it gives farmers the option of spreading the cost of buying cattle at auction, as well as freeing up working capital to enable them to grow their business."

"We worked closely with the team at United Auctions to structure this complex and novel deal and look forward to continuing our long-standing relationship with the firm."

The new arrangement replaces a financial arrangement with NFU Mutual, which recently came to an end.

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