

## Process for member companies whose credit rating falls below 30

(Per CreditSafeUk.com)

All members to be informed in writing of this new criteria and the change of process and for it to be made available to them at all times within the member zone [www.essa.uk.com/members-home](http://www.essa.uk.com/members-home).

1. Credit check of all members to take place each quarter, starting from October 2018. The process of credit checks on their own do not adversely affect a company's credit rating.
2. Upon identifying a company whose credit rating has fallen below the agreed threshold of 30, ESSA will write to the company's registered main contact informing them of our findings. This communication will simply act as a general awareness of our findings. Our research has shown that quite often a company is unaware of its credit rating and the potential negative effect it can have on trading.
3. At the point of the next quarterly full credit check report, if this company remains under the threshold of 30, ESSA will proceed to write a further letter to the company's registered main contact on our member database, making them aware of our further findings and inviting them to engage positively in a process of trying to improve the situation.
4. If at the next quarterly full credit check the member having engaged with ESSA continues to return a credit rating of below 30 and shown no improvement in this area, (this would be 3 consecutive quarterly reports), the member will be written to again and informed that a full review of their membership eligibility will now be conducted. This review will include the submission of a report to the next available ESSA Board meeting. At all times, an open dialogue will be kept with the member in question and the opportunity to provide information supporting their continued membership actively sought.
5. The ESSA Board on review of ESSA's report can at this point decide upon two courses of action.
  - (i) Allow company to remain in membership whilst communicating a requirement for the member to provide evidence/plan that it has identified what key elements have contributed to their low credit rating and that it is on course to improve its current credit rating at the next period of reporting.
  - (ii) Suspend membership pending further investigation and to seek evidence from member that it is on course to improve its current situation at the next period of reporting.
  - (iii) The decision to suspend membership in the most severe cases would see the temporary removal of access to key member benefits and services until the suspension ends. Membership fees remain payable during any period of suspension.
6. At the point of the 4<sup>th</sup> quarterly full credit check of below 30 credit score, no indication of improvement or no positive response to improving current situation, the ESSA Board can take the decision to terminate membership, in accordance with Article 12 of the Company's Articles of Association and for breach of the ESSA Code of Conduct in reference to business trading ethics, expected industry standards and the risk of lower business standards that might bring ESSA and its members into disrepute.
7. At all times, the member will be communicated to in writing with regard any decisions made and at all times a member will have the ability to appeal any decision to the ESSA Director and Board in writing. During any appeal, a company's membership will remain suspended.

ESSA strongly believes the introduction of these additional checks are a positive step towards notifying our members of something they might be oblivious to that may be severely hampering the everyday running of your business and secondly, looking at supporting our members to make positive steps towards improving their companies financial health and ultimately their own performance.

Full details of how to appeal any decision made by ESSA can be requested in writing from  
ESSA Director, ESSA Ltd, 119 High Street, Berkhamstead, Herts HP4 2FDJ

To view the ESSA Code of Conduct and Quality Charter  
please visit your private member zone on the ESSA website [www.essa.uk.com/members-home](http://www.essa.uk.com/members-home)