



## Guide to the Creditsafe Contract

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## Information about the Creditsafe Contract

### What do credit reference agencies do?

All credit reference agencies essentially operate in the same way. They analyse available business information obtained from official filing resources, such as Companies House to produce reports about the performance of individual companies. The underlying objective is to take the huge amounts of business information, (from annual reports and accounts to payment histories or other commercial intelligence), and consolidate this data into a simple report for the layman.

### Who are Creditsafe

The Information within Creditsafe Company Reports is taken directly from a number of sources including Companies House, The London and Edinburgh Gazettes and the Registries Trust. Creditsafe employs a number of analysts to both digitise the data and constantly analyse the data to ensure it is up to the highest standard. Creditsafe claims to have one of the most up to date and predictive credit scorecards in the industry. Creditsafe are approved by all leading UK credit insurers.

### About the Creditsafe contract

NEUPC has negotiated a contract with Creditsafe for the provision of company reports and other associated services. The contract was competitively tendered amongst leading credit reference agencies on behalf of the English National Purchasing Consortia. The contract is managed by Debbie Shore ([d.shore@leeds.ac.uk](mailto:d.shore@leeds.ac.uk)) and Jonny Turton ([j.p.turton@leeds.ac.uk](mailto:j.p.turton@leeds.ac.uk)). The contract expires 30th September 2017

The key products available to contract users are:

- Free of charge and unlimited Creditsafe analysis of UK company performance through Creditsafe Company Reports
- Free of charge and unlimited Continual monitoring of suppliers with e-mail alerts via Creditsafe Risk Tracker
- Free of charge access to Companies House documents using Creditsafe View Image account for up to 2500 companies
- Free of charge and unlimited Creditsafe reports on mainly EU and USA companies as well as Worldwide PLC company reports
- Up to 250 free of charge Creditsafe reports on other European and Canadian companies
- Up to 50 pre-paid rest of the world reports recharged to individual users at £50 per report
- Access to no-win, no-fee debt collection from RSM Tenon
- Access to Creditsafe Prospects for targeted marketing campaigns

### Which institutions are able to access the Creditsafe Contract?

Any institution that is a member of LUPC, NEUPC, or SUPC can use the Creditsafe contract.

### Savings

The participating consortia provide member access to the Creditsafe Contract as a value-add service. Many institutions have used Creditsafe in the past under their own contracts, typically at a cost of £3000 per year. Whilst this is exceptional value when compared to other well known credit reference agencies, the provision of a single contract for all institutions to use can potentially save the HE sector hundreds of thousands of pounds



## The Creditsafe Products explained

### Company reports

Company reports are presented on-line, and are 'tabbed', much like an Excel Workbook, into different pages ([See company reports restrictions](#))

#### Summary

This page contains a quick reference 'dashboard' summarising the key findings of Creditsafe following their analysis of the company. There is an overview of the basic company information, registered address and company number etc. Here you will find the ratings ([see ratings explained](#)). Included in the summary page is a trend synopsis of the company's accounts, and, becoming increasingly available is payment data information, that is how long it takes this company to pay invoices received, and how this compares to the days beyond terms in the company's industry sector. Additionally, information about CCJ and writ details, plus any mortgage arrangements are contained within the summary page.

#### Financials

Presentation of the last five years accounts for the company, as filed at Companies House etc. The displayed data is also extended through a range of accounting ratios

#### Group structure

The group structure will reveal where the company you are researching fit in to a wider group structure or hierarchy. This page also has information on companies that are linked though don't have a direct parent/child hierarchical relationship, for example, sharing a common director.

#### Directors / Shareholders

This page provides information on who the registered directors and secretary of the company are, and also shows if these people are linked to other directorships. The top twenty company shareholders are listed with their respective interests displayed.

#### Event history

This page provides a chronology of information analysed against the company, and also shows previous Creditsafe ratings, therefore allowing a swift trend analysis. The event history page is especially useful when receiving an e-mail alert on risk tracker, as it is here detail is shown about what has caused the alert e-mail to be dispatched. ([See Risk tracker](#))

### Image accounts

If you need a copy of the actual documents that are filed at Companies House, these can be downloaded from the Creditsafe website by clicking "view image".

([See image accounts restrictions](#))

### Risk Tracker

Risk Tracker is a monitoring service that allows you to monitor changes to companies that you are dealing with. You choose the companies and the changes you wish to monitor and Creditsafe will send an email notification straight to your inbox.

If you deal with companies on a regular basis you need to be aware of any changes that may occur within their credit report. Risk Tracker saves you the time it takes to manually check these companies and ensures the information you are basing decisions on is always up to date



The risk tracker also enables a number of suppliers to be grouped together in portfolios. The purchasing consortia have a portfolio of suppliers for each framework agreement they have awarded, and the relevant Agreement Manager will receive the e-mail alerts. Institutions are able to create their own risk tracker portfolio, for suppliers to their own local contracts. Institutions are requested only to create one portfolio, and they should not include suppliers to framework agreements (as there is an upper limit on the number of risk trackers we can have). Should you wish to receive alerts on framework suppliers, this can be facilitated by your purchasing consortium adding your e-mail address to the consortium risk tracker portfolio.

[\(See Risk Tracker Restrictions\)](#)

### **International company reports**

Company Reports on organisations within Europe ,USA and Canada are available mainly on a free of charge basis but rest of the world reports are mainly on a Pay As You Go basis. Prices are typically between £60 and £80 per report, and can take up to ten days to be compiled. It is our experience that reports are normally returned well within the ten day period. Within the NEUPC contract, we have pre-paid for 50 Rest of the World reports at £50 each which are then recharged to individual users on use at cost.

Institutions are requested not to order any international company reports without first contacting NEUPC on [Admin.Creditsafe@leeds.ac.uk](mailto:Admin.Creditsafe@leeds.ac.uk).

For all international reports, the following information will be required by NEUPC about the company you wish to research:

- Company Name (mandatory)
- Company full postal address (mandatory)
- Company telephone number (mandatory)

Other useful information (helpful)

- Company website address
- Contact e-mail address
- Company number



## Creditsafe Ratings explained

### Creditsafe Credit Rating

The credit rating is Creditsafe's calculated numerical representation of risk of company failure over the next twelve months. The scoring system works on a 0-100 scale. Any company with a rating of less than 30 is calculated to be at risk of failure, and the lower the score, the greater the perceived risk:

#### Rating - Key Financials Filed / Established

	Rating	Description
●	71-100	Very Good Credit Worthiness
●	51-70	Good Credit Worthiness
●	30-50	Credit Worthy
●	21-29	Credit Against Collateral
●	1-20	Caution - Credit at your discretion
	Not Rated	Please see report for description

#### Rating - Newly Incorporated

	Rating	Description
●	51-100	Low Risk
●	30-50	Moderate Risk
●	1-29	Caution - High risk
	Not Rated	Please see report for description

### Creditsafe Credit limit

This is the suggested amount of credit to be afforded to the company. Extending greater credit increases exposure to risk of not recovering the amount

### Creditsafe Contract limit

This is the suggested maximum contract value the company can undertake

### How do Creditsafe compare to other credit reference agencies?

Put simply, they can't be compared. Credit reference agencies fall in to two groups – those that calculate ratings, and those that simply resell that calculated data. Creditsafe are not a reseller. All credit reference agencies that calculate ratings use the same basic data on which to base their analyses. They do all use their own parameters and formulae to interpret the data, and therefore, no two agencies will produce the same ratings.

### How to access the Creditsafe service

Institutions need to log-in to their on-line account, on the Creditsafe website: [www2.creditsafeuk.com](http://www2.creditsafeuk.com)

### Log-in credentials

Each institution has unique username and passwords. If you do not know your username and password, please send a request by e-mail to [Admin.Creditsafe@leeds.ac.uk](mailto:Admin.Creditsafe@leeds.ac.uk)



## The use of credit reference agencies in public procurement

NEUPC does not recommend the use of a credit reference agency report be included as part of any evaluation criteria within a procurement conducted under the auspices of the EU Procurement Directives. Case law, in particular the Lianakis case (see below) would suggest that because a credit reference agency will not disclose the methods used to determine evaluation, (after all this is the magic formula, and their intellectual property), there is a risk that the contracting authority would be found to be using undisclosed sub criteria, which compromises transparency. CCS advice on the new standardised PQQ 2015 states that “Financial standing should only be considered as part of the overall selection criteria. It may not, on its own, reflect the ability to deliver.” Section 5 Economic and Financial Standing of the standardised PQQ specifies the criteria and questions that can be considered to evaluate financial standing.

<https://www.gov.uk/government/publications/public-contracts-regulations-2015-requirements-on-pre-qualification-questionnaires>

### **Information provided by Mace & Jones**

*Contracting authorities are rightly concerned about a bidder's financial strength, especially in this economic climate. Many organisations undertake some sort of credit check by commissioning a report from any one of a plethora of credit reference agencies. However this approach is now flawed.*

*Mace & Jones have been involved in long running litigation concerning the use of credit check agencies when assessing a bidder's financial strength. The argument is that such an assessment does not satisfy the transparency test mandated by the Public Contract Regulations 2006 and subsequent case law.*

*Following judgements in cases such as Lianakis, Letting International, McLaughlin & Harvey and European Dynamics the state of the law is now clear. Bidders must know all criteria, sub-criteria and weightings used in assessing their bids so that they can prepare their best bid. No surprises are allowed when it comes to the marking regime. The use of a credit reference agency does not, in any way, alleviate the stringency of this test.*

*Therefore, to resist a challenge, the contracting authority must not only disclose the fact that it will conduct a credit check, but it must also disclose what information will be assessed, and how it will be assessed. This is the formula that is used to create the credit score. Sadly, this is the intellectual property of the credit check agency and they will be very reluctant to disclose it. If the formula cannot be disclosed, such assessment will be at risk of successful challenge by those bidders excluded as a result of the assessment.*

*As far as we can see, this level of transparency may very well also extend to "part B" services.*

*The use of credit reference agencies is fraught with another risk introduced by the terms and conditions issued by the credit reference agencies. In the event that the agency makes an error in an assessment the contracting authority is unlikely to spot it as it's not in control of the process. This means that suppliers can be excluded due to the mistake of the credit agency, whose terms and conditions exclude and/or limit the agency's liability. Such exclusion clauses could well be deemed “reasonable” under the Unfair Contract Terms Act because of the deemed sophistication of the contracting authority. This can leave contracting authorities stuck with liability for a process they don't control.*

*So what can you do about it? Well, dealing with this issue will see a return to finance departments running the standard accountant's range of ratios and formulae to determine financial strength; either that or accept the increased risk of successful challenge.*

Available at <http://www.weightmans.com/pdf/bidder%20assessment%20-%20beware%20the%20credit%20check%2011.04.11.pdf> accessed 01/10/2015



## **Restrictions on using the Creditsafe contract**

The majority of the services provided are through a pre-paid contract and are unlimited. Where there are restrictions, these are outlined below

### **Image accounts restrictions**

Image accounts are limited to 2500 downloads per year. There seems to have been an increased requirement for copies of Companies House documents over the last 5 years. It is certainly more cost effective to obtain the documents from Creditsafe than Companies House, but users of the contract are requested to consider the need for download before using this option. For example, if you require to see the filed accounts of a given company, there is no need to use the 'view image' download, as the same data will already be displayed in the 'financials' page of the Creditsafe Company Report.

### **Non – EU Countries**

This is restricted to 250 reports and covers Iceland, Norway, Russia, Estonia, Latvia, Lithuania, Poland, Ukraine, Czech Republic, Slovakia, Italy, Spain, Malta, Switzerland, and Greece. Canada is also covered by this arrangement

### **Rest of the world**

Up to 50 pre-paid rest of the world reports are available and recharged to individual users at £50 per report

## **Contacts**

### **General enquiries:**

All participating consortia have been given the training required in order to assist member institutions commence using the Creditsafe Contract. For information on how to search for a UK company report, or how to set up and manage a risk tracker portfolio, please contact your consortium.

### **International reports:**

For any queries relating to international company searches, please email [Admin.Creditsafe@leeds.ac.uk](mailto:Admin.Creditsafe@leeds.ac.uk)

### **Contract queries:**

All other queries about this contract to Debbie Shore or Jonny Turton at NEUPC



## Summary of key contract inclusions

Product name	Description	Quantity
Freedom access to Creditsafe UK Ltd & Non Ltd Credit Reports	Comprehensive Company reports including the following as standard: <ul style="list-style-type: none"><li>• Credit Rating and Limits</li><li>• CCJ Information</li><li>• 5 Years accounts</li><li>• Group Structure</li><li>• Payment Data (where available)</li></ul>	Unlimited
UK Director Reports	Search from a database of over 11.5 million directors and ensure you are fully informed when making business decisions	Unlimited
Risk Trackers	Monitor the companies you deal with on a regular basis and receive email alerts when changes occur	Unlimited
Media Solutions	Using Pre-determined risk terms, Media Solutions will alerts you to stories within the media that could signify a company you deal with is at risk	49,999
Debt Score	Access to a no win no fee debt collection service from RSM Tenon	49,999
Image Accounts	Access documents as filed at Companies House	2500
European, USA and Worldwide PLC reports	In Countries where Creditsafe have a presence – Belgium, Switzerland, Liechtenstein, Ireland, Sweden, Luxembourg, Holland, Germany, Norway, Spain, France, Finland, USA plus worldwide PLC reports	Unlimited
European and Canada reports	Iceland, Norway, Russia, Estonia, Latvia, Lithuania, Poland, Ukraine, Czech Republic, Slovakia, Italy, Spain, Malta, Switzerland, Greece, Portugal and Canada	250 reports



Rest of the World reports	Pre-paid Creditsafe Company Reports at £50 each	50
Prospects	Target your sales and marketing campaigns effectively and gain new business with Creditsafe Prospects	10,000
Users	The number of login credentials permitted to access the website	Unlimited