

### FLEET MARKET ADMITS TO BEING HIT

More evidence that the economic downturn is hitting the fleet market has come with the majority of the top 40 contract hire firms admitting they are already being hit by the credit crunch. The results come from a survey, which had responses from 23 of the top 40 lease firms, carried out by Colin Tourick & Associates. They revealed that 95.6 percent of respondents said the credit crunch was having an impact on the industry as a whole, with 87 percent also adding it was having an impact on their business.

"The results are unequivocal, but perhaps the most interesting insight came from the additional feedback some respondents provided," said Colin Tourick. "It is clear that different companies are being affected in different ways. Most who commented said that higher interest rates had resulted in higher rentals, and that their customers have not welcomed increased rentals at a time when some are feeling the effects of the economic slowdown.

Some respondents said their own funders had reduced their willingness to lend, and that they were reducing new business activity, and focusing on the most creditworthy of customers." This could be seen to support Lex boss Jon Walden's recent comments to BusinessCar, that one or two banks may withdraw from the car leasing market in the next couple of years. It could also be viewed as supporting the view of Ian Tillbrook from ING Car Leasing, when he says he expects most of the grief to be felt downstream.

Tourick added, "Some respondents said that a general slowdown in the economy is making it harder for them to sell used vehicles as quickly, or at the same prices, as before. However, many said they still feel optimistic about the medium and long term outlook for their businesses, that they and their parent groups understand that this is a cyclical industry that has survived downturns in the economy before, and come out even stronger. Several respondents said that they see the credit crunch as a good opportunity for them to grow their fleets at a time when others might have to reduce theirs because of funding constraints."

## Modular Automation offers leasing

Modular Automation International ("Modular") is to offer customers the option of leasing its bespoke curtain-making and assembly equipment, as an alternative to outright purchase. The company said that users would no longer necessarily have to commit to a hefty capital outlay. Instead, they could make staged payments during the development, build, and commissioning of new equipment.

### "UK manufacturers are looking for new ways to stay ahead of the competition"

With a new machine, a privacy curtain manufacturer now just feeds a roll of fabric in one end of the machine, and gets curtain out of the other, a process that is ten times faster than before. Maintenance can also be included in the leasing contract.

As an example of a leasing contract, equipment with a capital value of £250,000 would cost around £1270 per week to lease. Operating on a two shift system of 80 hours per week, the lease cost would work out at just £15.88 per hour.

Modular's sales manager, Mark

Hendry, explained why leasing has not been available to customers in the past. "Most assembly equipment is custom built to do a specific job and can't be used for any other purpose unlike, for example, a car or a piece of office equipment. That means that if a customer were to default, the leasing company could be left with a machine on its books that cost several hundred thousand pounds, but would be impossible to sell on. So it's not surprising that finance companies are worried about getting their fingers burnt."

Hendry continued, "We've been looking for a leasing partner for about five years and we've finally struck a deal with one of the country's top finance houses, that both parties are comfortable with. It's a major step forward for Modular and, I think, for British manufacturing."

With overheads constantly rising and fierce competition from the Far East and Eastern Europe, UK manufacturers are looking for new ways to stay ahead of the competition.

Automation is a vital element in the success of manufacturing industries and Modular Automation's new leasing option will enable many more companies to take advantage of the latest assembly technology.

## Addleshaw Goddard launches Litigation funding solutions

Addleshaw Goddard has launched a way of funding civil litigation, which reduces the cost of disputes, and provides clients with more financial control and certainty during disputes, than ever before.

Simon Twigden, Head of Litigation at Addleshaw Goddard said, "Civil litigation is an expensive and uncertain process in the UK. By offering Conditional Fee agreements, After the Event insurance, and Third Party Funding (or a combination of all three) we're putting our clients fully in control of the amount of risk they take. We can reduce the day-to-day cost of running

disputes, we can reduce (or eliminate entirely) the amount of our client's costs and expenses (including opponents' costs) if the client loses, and we can give our clients financial certainty in an inherently uncertain area."

### "The litigation landscape is changing dramatically in the UK"

Twigden continued, "The litigation landscape is changing dramatically in the UK, especially for clients who might

have had a good case in the past, but ruled out making a claim because of uncertainty, and potentially high costs. Our approach is very different to the standard approach by other law firms, and represents a great value proposition for clients. By standing shoulder to shoulder with them, backing our judgement and sharing the risk, we're

demonstrating more commitment to clients than ever before."

Addleshaw Goddard has branded its approach to litigation funding, and called it **CONTROL**.

Further, more detailed information, about Addleshaw Goddard's different funding options can be found at [www.fundingcontrol.co.uk](http://www.fundingcontrol.co.uk)

#### FUNDING OPTIONS EXPLAINED

##### After The Event Insurance

The unique aspect of ATE is that if clients lose the case and have ATE insurance, the insurer will cover them for their opponent's costs and expenses, but it will not charge clients for this (i.e. it waives the premium). Policies can be purchased after a dispute has arisen. If, however, clients do not lose the case, they are liable to pay the premium to the insurer, but this is often recoverable in full from the opposing party. This is, therefore, a win-win situation for clients.

##### Conditional Fee Agreements

A CFA is an agreement between Addleshaw Goddard and the client under which the client will pay the firm's fees at less than standard rates if the litigation

fails, and at a standard rate plus a success fee if it is successful. The advantage to clients is that if they are successful, all of the costs can be recovered from the other side.

##### Third Party Funding

This is the provision of funds by those who have no connection with the litigation in return for a share of the proceeds. Funders will cover legal costs and expenses. If the client loses the case, the funder bears the costs the client has nothing to repay. This option therefore allows clients to transfer the financial exposure to some or all of their legal costs and expenses. In return, the funder requires a share of the damages if the client is successful.

#### CASINO OPERATORS TURN TO EXPERIAN TO HELP COMBAT UNDER-AGE GAMBLING

Three of the UK's leading casino operators have selected Experian's electronic verification service to eliminate under-age gambling and approve customers' identities in real-time. Genting Stanley, Grosvenor Casinos and London Clubs Management have chosen Authenticate Pro from Experian®, to give them confidence that their customers 'are who they say they are.'

Authenticate Pro searches and cross-references customer information by name, address or date of birth, immediately identifying under-age customers, unusual activity, or suspected identity fraud, at the casino door prior to entry. Removing the casinos' reliance on paper-based proof of ID, the service is seamlessly integrated into the casinos' front office membership system, Progressive Gaming International ("PGI"). This means that identity verification can be performed in seconds, and is easy for staff to manage as part of the casinos' door policies.

"Responsible gambling is of the utmost importance to us," said John Butler, Director of Security at Grosvenor Casinos. "Authenticate Pro's robust validation and verification processes mean that it will now be easier for us to access the relevant data, ensuring that customers are who they say they are and can responsibly enter our casinos."

Theo Dawson, Compliance Director at Genting Stanley, added: "Convenient and straightforward entry into our casinos for our customers is our main priority and not everyone carries their driving licenses or passports with them, particularly on a night out. Authenticate Pro has provided us with the ability to speed up the entry into our casinos with a secure and efficient verification service."

Experian's Authentication systems use an electronic, risk-based approach to validate and verify customers. An individual's biographical data, such as name, address, previous address and date of birth is compared against 12 authoritative data sources. An authentication decision is then given in real-time, with no need for paper-based proofs.

## HSBC selects SunGard to implement leasing and asset finance solution

HSBC has chosen SunGard to implement software solution for its UK-based leasing and asset finance operations. HSBC, already a SunGard customer, will use the solution for its equipment finance business across Great Britain, Northern Ireland, and the Channel Islands.

The solution is delivered by SunGard through its partnership with asset finance software provider, Northern Arch. A multi-currency solution, which supports taxation, accounting and regulatory conventions internationally, the software will allow HSBC to manage its operations across multiple subsidiaries and locations. All tasks from point of sale or origination through to securitization are managed in a single system, using one database.

Derren Sanders, Head of Equipment Finance at HSBC's Commercial Banking

business, said, "When the opportunity arose for SunGard to deliver our leasing software, the strong existing relationship between us meant that we felt confident it would be the right choice. With the offering from SunGard and Northern Arch, we are looking forward to quicker processing, greater automation and a solution that will help our leasing and asset finance operations to explore new boundaries."

Lester Singleton, founder and chief executive officer at Northern Arch, said, "We are very pleased that HSBC has selected our software through this joint venture with SunGard. The solution will help HSBC to develop new business opportunities, capitalise on existing opportunities through more efficient end-to-end processing, and provide Web-based access to customers and business partners."