

## FACT FILE

**COMPANY: FARETRADE LTD**

**ESTABLISHED: 2002**

**SECTOR: Discount wholesale and distribution**

**MARKET: UK and Western Europe**

*“The pre-approved credit limits are a particularly clever feature. Coface’s online service gives us an instant idea of a company’s credit worthiness and a sense of the scale of the business.”*

Christian Bray, Director.

### In brief:

Faretrade had been using credit insurance for nearly a decade but when they decided to research new providers, they were impressed by Coface’s flexibility, innovation and global underwriting capability.

### Business challenge:

Based in Essex, Faretrade specialises in the redistribution of surplus stock on behalf of major manufacturers. The company has ridden the boom in discount retailing thanks to its detailed understanding of the supply chain and focus on larger volume sales which allows it to serve a wide range of discount retailers and wholesalers in the UK and Europe.

Faretrade now operates in Western European territories such as Germany, Netherlands and Scandinavia although around 75% of its sales are within the UK.

The company’s directors first obtained credit insurance in 2005 as the business began to take off. Director, Christian Bray, explains: “As a trading business we can burn through working capital quite quickly because we often need to pay for goods up-front and we might not receive payment for two or three weeks.



We self-funded the company but we knew that its net worth could be depleted quickly if we were hit by bad debt and we concluded that credit insurance was the best way to protect our cash flow.”

By 2014, Faretrade had experience of two credit insurers and decided the time was right to review the options again.

## Coface solution

Faretrade selected Coface's solution for SMEs with insurable turnover of up to £10m. The policy covers domestic and export trade and includes the use of CofaNet, Coface's online policy management tool where policyholders can request limits and submit claims information. Debt collection is also available although Faretrade has not yet required this service.

As Christian Bray explains, there were several reasons for choosing Coface: "Issues such as the wording of an All Monies Retention of Title clause in our contracts have caused us some sleepless nights in the past but with Coface, we don't feel we need to jump through hoops for a claim to be accepted.

"Secondly, as exporters to the EU, the fact that Coface has local underwriters in countries such as the Netherlands gives us added confidence.

"And thirdly, Coface's online service enables us to obtain instant pre-approved credit limits. In the past, applying for credit limits on new customers has felt like a guessing game and we never knew whether the amount we requested was realistic. Now, all we usually need to do is enter a customer name and we can automatically obtain a credit limit which gives us an idea of a company's credit worthiness and a sense of the scale of their business."

*"Coface ticked a number of boxes for us straightaway and while we haven't had to make a claim, we have been impressed with the service. In fact, we have already recommended Coface to one of our own customers."*

Christian Bray,  
Director.

## Contact us

IF YOU WOULD LIKE TO CONTACT US WITH A GENERAL ENQUIRY REGARDING OUR PRODUCTS AND SERVICES, YOU CAN DO SO BY PHONE: **01923 478111** IN THE UK: **01230 4669** IN THE REPUBLIC OF IRELAND

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