



Government
Equalities Office

Banking on Women

An action plan to open up access to finance for women

Report of a review commissioned by the Deputy Prime Minister

June 2013

Contents

Ministerial Foreword.....	i
Summary of findings	1
Banking on Women: opening up access to finance for women	2
1. Introduction.....	2
2. The Context – why this matters.....	2
3 Review into women and Banking	4
4 Review Findings	7
5 Next steps.....	9
Annex: Organisations and individuals consulted	12

Ministerial foreword

Starting up new businesses and developing existing ones is key to economic growth. It is now more important than ever to harness women's talents to establish and run successful businesses. We want more and more women to have not only the confidence to set up their own business, but also access to resources to be able to do so. There is clearly untapped potential: in its report, the Women's Business Council says that if women were setting up and running new businesses at the same rate as men, there could be an extra one million female entrepreneurs in the UK.



That's why, in November 2011, the Deputy Prime Minister asked the then Minister for Equalities to conduct a review into gender equality in lending by high-street banks and building societies to understand how to encourage more women to become entrepreneurs. This followed a high-level review of evidence by Professor Noreena Hertz, which suggested it was 'very likely' that discrimination was happening in business lending by banks to women, and in mortgage lending to women who were pregnant and/or on maternity leave¹.

This Government wants 'to make the UK the best place in Europe to start, finance and grow a business'. Access to finance is vital to converting an idea into business², so we are already working closely with the British Bankers' Association (BBA), and other finance providers, on schemes such as the Enterprise Finance Guarantee Scheme, to improve the flow of credit to business.

Our review did not find evidence of discrimination in business lending and indeed the forthcoming SME Finance Monitor women's report shows some very encouraging trends. However, it did find that there is a long-standing perception that banks discriminate against women, which could act as a deterrent for women in accessing finance from banks. I welcome the actions which the British Bankers' Association has set out to tackle this as part of the ongoing Better Business Finance programme.

Government also has its part to play. To encourage women's untapped potential this Government is investing £2 million over 3 years to support rural women's enterprise, and in 15,000 new business mentors, including 5000 specifically for new and existing female entrepreneurs. Our Women's Business Council, led by independent Chair Ruby Macgregor Smith CBE, will report in summer 2013 to recommend policies improving the business environment for women.

Similarly, our review did not uncover evidence of widespread problems with securing a mortgage for women who are pregnant or on maternity leave. We believe there is scope for improvement with lenders thinking through much more than perhaps they have up to now how they deal with mortgage applications from women who are pregnant or on maternity leave. I am pleased that the Council for Mortgage Lenders and the Building Societies' Association have suggested actions to

¹ Hertz, N. (2011) *Women and Banks: are female customers facing discrimination?* IPPR: London

² Bank finance is the primary source of finance for SMEs: BIS Economics Paper 16, *SME Access to External Finance*, January 2012.

address this. The Government will continue to work with the Financial Services Authority in implementing their Mortgage Market Review reforms, guarding against the risk of any unfair disadvantage pregnant women and those on maternity leave.

The Government is committed to supporting women to maximise their contribution to the economy and drive growth. Ensuring women have fair access to finance is essential to realising this ambition and the action plan set out here is an important if the ambition for women's involvement in business and entrepreneurialism is to be realised.



Jo Swinson

Minister for Women and Equalities

Summary of findings

Evidence of systemic discrimination against women in either business lending or mortgage lending to women who are pregnant or on maternity leave at the time of application was not uncovered by the review.

The review did identify two over-arching issues which need to be addressed:

- a long-standing perception that lenders discriminate against women; and,
- there is more that the financial sector can do to take women into account, as part of their customer base, including in engagement activities.

We have identified areas in relation to women and lending which need to be recognised, and would benefit from sustained action to tackle the issues which the review has identified:

- **Transparency** is important in order to reassure women that lending is not done in a discriminatory way, and that any perceived discrimination is being tackled, however small.
- **Information:** Targeted and tailored information will help ensure women in business and women who are pregnant or on maternity leave can make the right decisions for them when applying for a business loan or mortgage.
- **Outreach:** aimed specifically at business women to help break down perceived barriers. There will also be greater collaboration between Government, banks and business trade associations on the support available to women led businesses.
- **Inclusivity:** Ensuring gender equality is embedded into everyday business practice. Supporting front-line staff to identify emerging growth sectors – recognising potential for business loans and mortgages for women

Banking on Women: opening up access to finance for women

1. Introduction

In November 2011, a report by Professor Noreena Hertz for the Institute for Public Policy Research (IPPR) asked whether banks were discriminating against women in decisions made about¹:

- business lending; and,
- mortgage lending in cases where women were pregnant or on maternity leave.

Professor Hertz's report concluded that given the evidence it set out, it was 'very likely' that discrimination was happening across a range of finance providers, in the UK and elsewhere. The report also suggested that it was likely that women were unaware of their rights in relation to business and mortgage lending.

The Deputy Prime Minister asked Lynne Featherstone, the then Minister for Equalities to conduct a review looking into the concerns raised by Professor Hertz. Specifically the review was to:

- examine the issues raised by Professor Hertz's report in more detail; and,
- identify action needed to fix any problems uncovered by the review.

This report sets out the findings of that review, and the actions agreed with the lending industry and the regulator. It does not reproduce the evidence base which is widely available elsewhere, although salient findings are referenced.

2. The Context – why this matters

2.1 The Growth Agenda

The Government's economic policy, as set out in the Plan for Growth², is to achieve strong, sustainable and balanced growth that is shared across the country and between industries. Essential to achieving this is a vibrant, entrepreneur-led small business sector. So it is more important than ever that we draw on the talents of everyone to establish and run successful businesses.

Access to finance is essential to turn an idea into a profitable business³. The Government is working closely with the British Bankers' Association (BBA) on schemes such as the Enterprise Finance Guarantee scheme, to improve the flow of credit to business. In addition to finance, small businesses often need support and guidance. Through the BBA's mentoring programme, 1,000 bank mentors have been trained to provide free support to businesses via 30 mentoring organisations. This is complemented by the 'Get Mentoring!' scheme, supported by BIS and GEO, which has recruited and

¹ Hertz, N., 2011 *Women and Banks: are female customers facing discrimination?* IPPR: London.

² <http://bis.ecgroup.net/Publications/EconomicGrowth/PlanforGrowth.aspx>

³ Bank finance is the primary source of finance for SMEs: BIS Economics Paper 16, *SME Access to External Finance*, January 2012.

trained thousands of business mentors in the UK from the small, medium and micro business community⁴. These mentors, and others, can be accessed by businesses through the www.mentorsme.co.uk portal, created by the BBA, and which provides access to over 27,000 mentors across the UK.

2.2 What the Government is doing to support women in business

Supporting greater participation by women, as employees and entrepreneurs, is part of the Government's Growth Agenda. Encouraging that potential means supporting women to take that step into entrepreneurship. As part of our enterprise support, the Government has committed to delivering:

- £2m over 3 years, starting in 2012, to support rural women's enterprise;
- 15,000 new mentors to support anyone setting up and growing a business, including 5,000 specifically for new and existing female entrepreneurs.

And we have established a Women's Business Council with an independent Chair. Its remit is to inform public policies affecting women in business and, advise on improving the business environment for women. When it reported in June 2013, the Council highlighted the enormous untapped potential for women's entrepreneurialism. Many of its messages on women in business align positively with this report and action plan.

These are in addition to other initiatives designed to encourage business start ups and support growing businesses including⁵:

- Start-up loans for people aged 18-30;
- Enterprise Finance Guarantee which, through the banks, provides additional lending to businesses that lack the security needed to secure a traditional loan;
- Seed Enterprise Investment Scheme helping small, early stage companies to raise equity finance by offering significant tax relief to individual investors who purchase new shares in those companies.

2.3 Women and access to mortgage finance

More and more women are engaged in the labour market and more women than before return to work after the birth of a child. Over three quarters (77 per cent) of mothers return to work 12-18 months after having a child⁶. So a modern reformed mortgage market should be one which factors in the reality of working women's lives when they apply for a loan, including if they are pregnant or on maternity leave.

Of course, access to finance needs to happen within a regulatory framework of responsible lending, and the Financial Services Authority has recently published their final rules on reform of the mortgage market⁷. It is important that lenders meet these requirements. At the same time the regulators and financial services industry should recognise women's lives today.

⁴ See <http://getmentoring.org/home/> for more details

⁵ See <http://businessinyou.bis.gov.uk/> for details

⁶ Chanfreau, J. et al 2011 *Maternity and Paternity Rights and Women Returners Survey, 2009/10*, DWP/BIS.

⁷ FSA 2012 *Mortgage Market Review – feedback on CP11/31 and final rules*, FSA: London.

3 Review into women and Banking

In her report for IPPR, Professor Hertz highlighted concerns that women could be experiencing discrimination from banks, including in the UK. Specifically the report raised concerns that women could be:

- Refused business loans more frequently than men;
- Asked for more collateral for business loans than men;
- Charged higher interest rates for business loans than men;
- Discriminated against when applying for mortgage loans if they were pregnant or on maternity leave;
- Unfavourably stereotyped by bank staff dealing with business and mortgage loan applications.

Professor Hertz's report called on the Government to look into this further and identify remedies, and made a number of suggestions for change. This included better dissemination of information to women about their rights, greater awareness within the financial sector of these issues, gathering of robust gender disaggregated data.

In conducting the review, we:

- Considered evidence additional to that presented in Professor Hertz's report;
- Met with industry membership organisations and spoke to individual banks and experts;
- Attended a BBA hosted roundtable focusing on consumer finance, and at which Professor Hertz spoke about her findings in relation to mortgage lending;
- Attended two roundtables with businesswomen to listen to their views;
- Listened to views from the Enterprise Forum and the Women's Business Council;
- Reviewed BDRC Continental's analysis of over 3000 women- led businesses.

3.1 Additional evidence

3.1.1 Women's potential and growth in business

The number of women-led businesses is increasing – 1.2 million women are now self-employed, up 30 per cent since 2000⁸. But despite this increase, women are less likely than men to either set up or head up a business. Women are half as likely to be involved in setting up a business as men⁹. Only 14 per cent of SMEs in the UK are majority women-led¹⁰.

Women's businesses also tend to be different to men's. They are more likely to be: in the health, social work or professional activities sectors; sole traders; and, to have lower turnovers¹¹.

So there is clearly scope for greater involvement in business by women. There is also potential for women's businesses to grow. We want more women to feel confident about setting up and running their own businesses and about approaching banks to access the finance to support and expand their businesses.

Professor Hertz's report for IPPR reviewed a large body of evidence on business lending to women. We do not revisit that exercise here. However, we did look at some other sources of evidence in the course of the review and summarise here.

⁸ *Labour Market Statistics*, December 2012.

⁹ Levie, J. And Hart, M. 2012 *Global Entrepreneurship Monitor: United Kingdom 2011 Monitoring Report*,

¹⁰ BIS 2011 *Bigger, Better Business: helping small firms start, grow and prosper*, BIS: London.

¹¹ BIS 2012 *Small Business Survey 2010*

Women-led SMEs have a different approach to accessing finance. This includes lower confidence about being successful prior to applying for finance¹², even though there is evidence that they are more likely to have an application approved¹³. Women-led SMEs also have a greater tendency to be well prepared before applying for finance, and, on average seeking smaller loans¹⁴.

Additionally, other research suggests that women have a distinctive approach to business, and may have different motivations and objectives compared to men. For example, nine per cent of women-led SMEs meet the formal definition of social enterprise. When asked if they consider their business to be a social enterprise, over two fifths (44%) of women-led businesses agree that they are, compared to 26% of all SMEs¹⁵.

The 2010 Small Business Survey shows that there are no statistically significant differences in the proportion of male and female-led SMEs reporting difficulties in accessing finance¹⁶. A survey of 1,500 “growth-oriented” entrepreneurs in the UK and Europe also found no meaningful difference in experiences of being rejected for finance between women and men¹⁷.

We were also given access to an analysis of data from the SME Finance Monitor which compared the experiences of men and women in securing business finance. This analysis did not identify gender as a discriminatory factor in access to finance, finding no difference in loan rates or collateral requested when comparing men and women¹⁸.

This alternative evidence supports earlier conclusions by the Women’s Enterprise Taskforce (WETF) in 2009. The WETF found that there was no evidence of discrimination against women in business lending. It did find, however, that there was a persistent myth that banks discriminated against women which needed tackling. It also highlighted the need for more robust gender disaggregated data, and support and education to be available for women to access finance¹⁹.

3.1.2 Women, work and maternity

Women’s participation in the UK labour market has increased substantially over the past few decades. Over three fifths of women of working age are in employment²⁰. And more women than before are returning to work after the birth of a child. Most women take a substantial break from work after the birth of a child²¹; over three quarters of mothers who were working return to work 12-18 months after birth.²² The majority of these (84 per cent) returned to work for the same employer. Over half of those who had been working full-time returned to full-time work (56 per cent) while overall nearly two fifths of those returning to work returned to long part-time hours i.e. between 16 and 29 hours a week²³.

Employers and service providers need to be in step with society if they are not going to miss out – and this applies equally to financial institutions as any other service provider. Being able to borrow to buy or re-mortgage a property, within a framework of affordable and responsible mortgage

¹² BIS 2012 *Small Business Survey 2010*

¹³ BDRC Continental 2013 *Women-Led Business*, (forthcoming)

¹⁴ BIS 2012 *Small Business Survey 2010*

¹⁵ *ibid.*

¹⁶ *ibid.*

¹⁷ Delta Economics 2011 *Challenges and Opportunities for Growth and Sustainability A focus on women in the UK and Europe*

¹⁸ BDRC Continental 2013 *Women-Led Business*, (forthcoming)

¹⁹ Women’s Enterprise Taskforce 2009 *Myths and Realities of Women’s Access to Finance*, BIS: London.

²⁰ *Labour Market Statistics*, December 2012

²¹ Hakim, C. 2009 “The Mother of all Paradoxes”, *Prospect*: London

²² Chanfreau, J. et al 2011 *Maternity and Paternity Rights and Women Returners Survey, 2009/10*, DWP/BIS.

²³ *ibid.*

lending, is something which women should be able to reasonably expect, including when they are pregnant or on maternity leave.

3.2 Views from the finance sector and experts

As well as reviewing relevant evidence, GEO discussed the issues raised by Professor Hertz's report with finance industry bodies, and experts. In particular, we have worked closely with the three main representative bodies with an interest: the British Bankers' Association, the Council for Mortgage Lenders and the Building Societies' Association.

The BBA hosted a roundtable at which we listened to views from both the finance sector and consumer protection groups in relation to the issues raised by the IPPR report. Professor Hertz, author of the IPPR report, spoke at that roundtable, outlining the issues raised by her research.

We also spoke individually to five high street lenders (HSBC, Lloyds, Barclays, Santander, and RBS) about women's access to business finance. We also heard about the initiatives which they had in place to support businesswomen. We also met with the Financial Ombudsman Service, the Financial Services' Authority and sought the views of Citizens' Advice separately to the roundtable event. Finally, we also met or spoke to a small number of experts.

In our discussions we asked for views on the concerns raised by Professor Hertz. We also asked about further evidence or monitoring data which could help us understand whether or not women were being discriminated against.

3.2.1 What we found

Although some of the organisations and people to whom we spoke felt that there was more that banks and building societies could do to dispel perceptions of discrimination in business lending, we did not uncover any evidence of discrimination. In relation to mortgage lending, there was almost no evidence other than that presented in Professor Hertz's report. This is an under-researched area, and Professor Hertz's report is the first to look at this issue in the UK. The Financial Ombudsman identified two relevant complaints. Both these related to women on maternity leave who had had applications for a mortgage declined. Of these two complaints, one was upheld.

3.3 Women's experiences

The conclusions in the IPPR report around business lending were drawn from a high-level review of research and literature. In order to bring women's perspectives to the review, GEO attended two consultative events in Leeds and Birmingham, hosted by Forward Ladies and the National Black Women's Network, respectively. Businesswomen shared their experiences in relation to access to finance – both positive and negative.

GEO also asked the Women's Business Council and members of BIS's Entrepreneurs' Forum for their views on whether banks discriminated against women in business lending.

The BBA-hosted roundtable focused on consumer finance, while Professor Hertz's report used small-scale original research with women who had experienced problems in accessing mortgage finance when pregnant or on maternity leave. Therefore, we did not run equivalent consultative events in relation to mortgage lending.

3.3.1 What we found

There was a range of views expressed in the consultative events. Some businesswomen highlighted the importance of their good relationship with their lender, and how they had been able to access support and advice through them. Banks, and the additional support and expertise they could offer over and above access to finance, were considered to be a critical resource in getting start-ups off the ground and supporting businesses more generally.

Some of those with whom we discussed this issue felt that there was more the banks could do and some women outlined issues and problems they had experienced in accessing business finance from banks -although we recognise that comments such as this are not unique to women-led businesses, male business counterparts can also raise such concerns. No-one provided an example of discrimination in business lending to women. However, in its report, the Women's Business Council notes that "women consistently say access to finance is a barrier to them starting their own business"²⁴.

In its report, the Women's Business Council highlights the loss to the UK's economy of women's lower participation in entrepreneurship – and notes that if women were setting up and running businesses at the same rate as men, there could be a million more women entrepreneurs.

A full list of organisations and individuals involved in the review is at Annex A.

4 Review Findings

The review has not found evidence of systemic discrimination against women in either business lending or mortgage lending to women who are pregnant or on maternity leave at the time of application. However, it should be noted that there is very little evidence other than that presented by Professor Hertz in relation to mortgage lending to women who are pregnant or on maternity leave, meaning it is not possible to conclude with any certainty that there is no discrimination.

In examining the issues raised by Noreena Hertz's report, we have identified areas in relation to women and lending which need to be addressed, including two over-arching issues which need to be addressed in action following the review:

- a long-standing perception that lenders may discriminate against women;
- there is more that the financial sector can do to take women into account, as part of their customer base, including in engagement activities.

Below, we briefly discuss the specific findings of the review, before outlining actions to address the issues identified.

4.1 Business Lending to Women

This review found that there remains a long-standing perception among women that lenders discriminate against them in business lending. This can be a deterrent to approaching a bank for business finance. As noted in 3.1.1, the alternative evidence examined indicates that while women may have a different approach to business and accessing finance, compared to men, in the UK there is no evidence of discrimination.

The businesswomen we consulted confirmed that bank finance and support is a critical resource for starting and growing businesses. But some women feel that the financial services sector does not always take account of how their motivations and their businesses differ from traditional models. Banks have a range of initiatives aimed at supporting women. But the promotion of these initiatives does not appear to be sustained. This may mean banks are missing out opportunities to actively dispel the perception of discrimination by being seen to actively seek and encourage women to access finance.

The SME Finance Monitor provides valuable evidence which could be better exploited in terms of understanding women's access to business finance. Overall, better evidence is needed in this area to fully understand women's approach to financing their businesses and how, if at all, it is distinctive.

²⁴ Report of the Women's Business Council, June 2013 (forthcoming).

The first report looking at gender disaggregated data reflects that SMEs led by women are more likely to be successful when applying for loan finance compared to an SME led by men. It also shows that women are more likely to seek advice prior to an application²⁵. The future reports examining what the SME Finance Monitor tells us about gender differences will provide valuable information over time.

4.2 Mortgage Lending

In relation to mortgage lending, the review was conducted against a changing landscape including a wholesale review of the mortgage market (the Mortgage Market Review) conducted by the regulatory body, the Financial Services Authority. The review is now complete, and the FSA has now published its final rules. Businesses will be expected to implement these from April 2014. The FSA is running a series of roadshows in 2013 to communicate the new requirements to mortgage lenders and intermediaries.

On mortgage lending to women who were pregnant or on maternity leave, the review found very little evidence to consider alongside that set out in Professor Hertz's report²⁶. The review did not uncover any evidence of a systemic problem. However, more evidence is needed before the question of whether pregnant women/women on maternity leave are treated fairly when making a mortgage application can be definitively answered. An absence of evidence does not mean that we can say there is no discrimination; rather, there has been little research into this aspect of mortgage lending.

²⁵ BDRC Continental 2013, *Women-led Businesses*, (forthcoming)

²⁶ Hertz, N., 2011 *Women and Banks: are female customers facing discrimination?* IPPR: London.

5 Next steps

In partnership with the British Bankers' Association (BBA), Council for Mortgage Lenders (CML) and Building Societies Association (BSA), the Government Equalities Office is now publishing a targeted action plan. It identifies four areas: transparency, information, outreach and inclusivity. Action in these four areas will reassure women that they will be treated fairly when accessing finance to set up a business or buy their own home. The Government will also continue to work with the Financial Conduct Authority (previously Financial Services Authority) to ensure that the changes in mortgage lending following the Mortgage Market Review do not unfairly disadvantage pregnant women or those on maternity leave, whilst recognising that responsible lending remains essential²⁷. Sustained action across the four areas, and review of its effectiveness, will demonstrate to women that the financial sector has best practice in place.

5.1. Action plan

The BBA has already begun implementing the actions below, under the banner of its Better Business Finance programme. This will ensure that while specific actions are put in place to reassure businesswomen that their custom is wanted, business women customers are included as a matter of course in mainstream business banking practice²⁸.

Actions agreed with the CML and BSA will be part of the work which they and individual members²⁹ (mortgage lenders) undertake to implement the changes required to mortgage lending following the FSA's Mortgage Market Review (MMR).

Business Lending	Mortgage lending
Transparency: Important in order to reassure women that lending is not done in a discriminatory way, and that any perceived discrimination is being tackled, however small.	
Action: BDRC Continental will publish an analysis of gender disaggregated data every six months. The data will be produced by SMT Finance Monitor, an independent study commissioned by BBA. The first data set will be published to support this report and then at six month intervals as part of a report on diversity.	Action: CML and BSA will deliver guidance for consumers on what they should expect to be asked as part of the application process and what should not be asked. The guidance will include a section for women who are pregnant or on maternity leave when applying. This will be published by end of 2013.
Action: one of the first pieces of research by the newly established Enterprise Research Centre	

²⁷ On its website, the then FSA described the Mortgage Market Review (MMR) as: 'a comprehensive review [which] covers all aspects of the market and its regulation. Through the review we aim to deliver a mortgage market that works better for consumers and that is sustainable for all participants'. On 25 October 2012, the FSA published a policy statement which summarised feedback to the MMR consultation and set out the final rules to which it expects mortgage lenders to adhere. On 1 April 2013, a new regulatory structure came into effect, comprised of the Financial Conduct Authority, together with the Prudential Regulation Authority and the Bank of England's Financial Policy Committee.

²⁸ Individual banks will want to tailor any activity aimed at women in business so it is commensurate with their commercial position

²⁹ Not all mortgage lenders are members of CML and/or BSA. CML and BSA will work with their members to implement the actions agreed in relation to mortgage lending.

<p>research will be on 'Diversity and business growth'³⁰. It will include a systematic review of the current state of knowledge regarding diversity and the emerging economy to inform the relationships that exist between entrepreneurial resources, social group (including gender and ethnicity) and business start-up and growth³¹.</p>	
<p>Information: Targeted and tailored information will help ensure women in business and women who are pregnant or on maternity leave can make the right decisions for them when applying for a business loan or mortgage.</p>	
<p>Action: the BBA will continue to work with the mentoring organisations on www.mentorsme.co.uk to highlight where mentoring organisations offer specialist provision for women-led businesses/women entrepreneurs.</p>	<p>Action: CML and BSA will work with Money Advice Service as it updates its information and guidance following the Mortgage Market Review. The updated guidance will include clear information to assist women who are pregnant or on maternity leave when applying for a mortgage. This will be delivered by the end of 2013.</p>
<p>Outreach: aimed specifically at business women. There will also be greater collaboration between Government, banks and business trade associations on the support available to women led businesses.</p>	
<p>Action: the BBA has committed to ensuring the existing Better Business Finance programme³² has a focussed female-led business dimension with information which is targeted for women in business. This will include building on existing initiatives and partnerships with women's business networks through which information, events, alternative sources of finance (eg 'Business Angels') and guidance will be promoted. The BBA is already working with a range of women's networks in this regard, including Designated Associates, Everywoman and Enterprising Women</p>	
<p>Inclusivity: Ensuring gender equality is embedded into everyday business practice, building on initiatives already in place. Supporting front-line staff to identify emerging growth sectors –</p>	

³⁰ The newly established £2.9m Enterprise Research Centre is funded by Barclays, HSBC, Lloyds and RBS, working through the BBA; in partnership with the department for Business, Innovation and Skills, the Economic and Social Research Council and the Technology Strategy Board. It is led by Warwick and Aston Universities, working alongside a consortium of other universities, including the University of Strathclyde Business School and De Montfort University. Its focus is to develop understanding of the factors affecting business investment, performance and growth.

³¹ Carter, S., Ram, M., Trehan, K., and Jones, T. 2013 "Diversity and SMEs" *ERC White Paper No 3*, Enterprise Research Centre.

³² The Better Business Finance programme provides a range of support to businesses, including mentoring. See <http://www.betterbusinessfinance.co.uk/> for details of the programme

recognising potential for business loans and mortgages for women	
<p>Action: The BBA is supporting the Women’s Business Council to shape recommendations which will make a difference for women in business and women who want to set up their own business.</p>	<p>Action: CML and BSA will produce guidance for members on permissible areas of inquiry and issues for consideration in relation to mortgage applicants from women who are pregnant/on maternity leave. This will be published by the end of 2013.</p>
	<p>Action: Mortgage lenders to review, and implement by April 2014:</p> <ul style="list-style-type: none"> • sales and mortgage underwriting process to take into account relevant guidance from FCA, including in relation to lending to women on maternity leave following MMR; • training and competency programmes for frontline sales staff on what applicants can be asked as part of the mortgage application process, to include relevant material in relation to pregnant women/women on maternity leave.

5.2 Conclusion

It is vital that the financial sector not only fully implements these actions, but also – in conjunction with Government and trade associations - sustains them over time so that fair access to finance for women is demonstrably an integral part of their day-to-day business, and perceptions of discrimination are actively addressed. Government also recognises its role in encouraging women in business, the need to promote the range of finance options that exist and not just that from banks. There is also a need for the broad business groups to also recognise and support women-led businesses.

The **financial sectors** could do more to demonstrate how they take women into account; and implementation of the action plan is a critical first step in doing this.

There is merit in the **financial industry** considering whether in their approach to business lending and mortgage products they have actively taken into account women’s needs and experiences.

The **FCA, as regulator**, has a critical role to play in monitoring the impact of changes to the mortgage market for pregnant women and women on maternity leave.

Local Enterprise Partnerships have a role to play in ensuring diversity is accounted for in support for business and growth in their area.

The **Government** looks forward to receiving reports and updates on how these actions have been rolled out and the impacts they have made.

Annex: Organisations and individuals consulted

Below is a list of organisations and individuals consulted as part of the review. We are grateful for their input to and support for the review. We would like to thank them for sharing their expertise and views.

Membership organisations

British Bankers' Association
British Information Providers' Association
Building Societies Association
Council for Mortgage Lenders

Individual banks & credit agencies

Barclays Bank
Experian
HSBC
Lloyds
Royal Bank of Scotland
Santander

Consumer advice, regulation and protection

Financial Services Authority
FSA's independent consumer advisory panel
Financial Ombudsman
Citizens' Advice
FAIR Finance
Money Advice Service*
Consumer Credit Counselling Service*

Academics

Professor Noreena Hertz – author of IPPR report
Professor Sara Carter

Business Women's Views

GEO attended two consultative events, in Leeds and Birmingham, hosted by Forward Ladies and the National Black Women's Network, respectively, to listen to business women's views. This was supplemented by expert input from members of BIS's Enterprise Forum and the Women's Business Council who offered their insight on the issue of access to finance for women.

* These organisations contributed into the review via a roundtable hosted by the BBA, which helped inform the review.



Government Equalities Office

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