

Mettle Merchant Finance launches in SA

This month sees the launch of Mettle Merchant Finance, a joint venture between financial services companies Combined Finance Holdings and Mettle - a subsidiary of JSE-listed company Tradehold LTD. This new product provides much-needed working capital finance to vendors and merchants and speaks to a variety of funding needs for SMEs in South Africa.



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Mettle was acquired in 2014 by Tradehold, with interests in the property and alternative finance industry the majority of its operating assets are situated in the United Kingdom. Well-known South African entrepreneur Christo Wiese is the non-executive chairman of Tradehold. Cape Town-based Mettle is an alternative financier, with products including affordable housing finance, corporate debt services, factoring, and other forms of small to medium enterprise finance. Mettle also has an administration arm which performs credit management and collection services for banks and other corporates.

The non-bank lending industry as a whole has seen some exciting changes in SA in recent years, mirroring international developments. Large firms including banks are increasingly acquiring, or partnering with, niche financial services businesses in a bid to gain exposure to their growth prospects and entrepreneurial flair. This is part of the worldwide trend toward disintermediation, which sees non-bank firms connecting those with capital with those in need of finance.

Filling the gap

"The partnership between Mettle and Combined Finance results from our shared awareness of the financial needs of SMEs struggling to gain access to capital and is in response to the high failure rate among these businesses due to a lack of funding," explains Lébe Oosthuysen, co-founder at Mettle Merchant Finance. "The banks simply cannot provide all the solutions required by smaller businesses. We are confident that we will be filling a large gap in the South African credit market with our merchant finance product."

By providing short-term finance to small businesses without fixed security, Mettle Merchant Finance can ensure businesses from fuel retailers to restaurants and shops (amongst others) have the short-term working capital finance they need over a six to 12 month period. Repayment is flexible and can be calculated either as a fixed periodic amount or as a percentage of daily sales. It is fast finance to apply for - the time from application to pay-out can be as short as five business days - and easy to qualify with the criteria being regular cash flow from trading, an annual gross turnover in excess of R1 million and a track record of no less than 12 months. From there loans from R50,000 to R1,5 million are considered.

Contributing to financial prosperity

"Entrepreneurs in this country need support and what we provide is a product that is not only fast and easy-to-understand but also gives these businesses the needed flexibility and speed of service that is critical with running an SME. We are a country rich with entrepreneurs and business owners who need working capital to function. That is something altogether different from financing consumer consumption. Businesses have to spend money to make money and that is precisely where we come in. And in this way we hope that we can also make a contribution, however small, to the economic prosperity of this country," concludes Kriek.

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