

# CEO says 'helicopter money' worth risk of Covid fraud as fast-growing lender eyes IPO

Getting as close to “dropping money from helicopters” as the UK is ever likely to get during the height of the Covid-19 pandemic was worth risking the potential for fraud, the founder and CEO of a fast-growing alternative finance provider has said.

Stuart Law, who runs the Assetz Group of companies in Manchester, added that without The Bounce Back Loan Scheme (BBLS), the country’s economy “would have collapsed” and that the Government “just needed to get the money out of the door”.

In the aftermath of the Chancellor Rishi Sunak having faced criticism over alleged fraud that resulted from the scheme in recent months, Mr Law added the potential fraud was “a cost worth paying”.

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In a wide-ranging interview with BusinessLive, the CEO also outlines plans for his business to become a public company within the next three years as well as grow its near 150-strong team.

The Assetz Group of companies, which includes Assetz Capital, Assetz plc and Assetz Exchange, can trace its roots back to 1999 after its founder had already run a successful software business while a university student in Sheffield, exporting to 40 countries.

“I have never really had a job; I’m a career business person”, Mr Law said.

“I put myself through vast amounts of training. I’m self taught and I do it by surrounding myself with seriously competent professionals.

“I bring in the entrepreneurial side and they bring in the business sector and together we find a better way of doing things.

“I’m always wanting to do things better and in a different way than the incumbents which is why I have ended up with a huge business lender which is not a bank, that does not think like a bank and that lends more openly than a bank.”



Stuart Law, CEO and founder of Assetz Group  
(Image: Assetz Group)

Greater Manchester born and bred, Mr Law's group mainly supports SMEs who require funding for commercial mortgages as well as housebuilders.

He added: "My history is in finance, property and software. The group is a perfect mix of all of those things.

"We only lend to businesses with property security. We go for the more established businesses who are looking for growth who can drive job creation to a greater level than a smaller one or two-person band micro businesses."

The CEO also told BusinessLive about what he sees as the importance of supporting the country's SME housebuilders, especially since the global financial crisis.

"SME housebuilders are the part of the economy we all need because they are very good at building quickly and also at infill sites", he said.

"Lots of people are concerned about national housebuilders building on huge sites on the edge of towns, because they need that scale.

"SME housebuilders can build within the existing infrastructure and it means it is less disruptive for the countryside.

"We are really trying to bring them back as a business by providing the funding they need because that has been one of the major issues since the global financial crisis where we lost a swath of them in the country as they went bust.

"There used to be 25,000 across the country but there are only 2,500 now.

"But we are now funding nearly one in ten SME new build homes in the country.

"That's a huge number for a small business in Manchester."

Like every business across the world, Assetz Group also had to contend with the challenges thrown up by the Covid-19 pandemic.

But Mr Law said that while the first UK lockdown did have an impact on the business, it was able to “come out fighting” and quickly made up for lost time.

“‘Interesting’ is the right word for the last couple of years”, Mr Law said.

“The phrase ‘what doesn’t kill you makes you stronger’ was front of mind through the whole period.

“For us, the pandemic impacted economically in terms of not knowing what it was doing to us and causing a sudden slowdown in business.

“We did not want to be lending into the abyss, not knowing what we were lending into.

“In early February we realised that the end of the world might be coming so we had a bit of a window to think about things but without knowing how big it would be.

“For about three or four months we locked down the hatches and froze everything so we could assess what was going on.



The Chancellor of the Exchequer Rishi Sunak  
(Image: Stefan Rousseau/PA Wire)

“We then came out fighting very fast because we got accredited for the Coronavirus lending schemes.

“That was really important to us as it attracted hundreds of millions in funding for businesses from overseas investors who wanted to benefit from the government grants and who needed a safe pair of hands to lend the money.

“We ended up doing a year’s worth of business in about six months.

“We have been back to pretty much normal for quite a long time now.”

In recent months, the Chancellor faced criticism for alleged fraud connected with the Government’s Covid-19 support schemes for businesses.

In response, Rishi Sunak defended the Government’s handling of

the schemes and said they would be coming after “each and every person” suspected of fraud.

However, Mr Law said the potential for fraud was a risk worth paying and without the BBLS scheme, the country’s economy would have collapsed.

“There was an immense difference between The Coronavirus Business Interruption Loan Scheme (CBILS) and The Bounce Back Loan Scheme (BBLS)”, he said.

“BBLS was very much designed to be zero friction and about getting the money out of the door.

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“It was as close to helicopter money as we will probably ever

see.

“Of course we are going to get fraud as if they had had systems in place that did too many checks then countless businesses would have gone bust.

“It was a calculated risk and of course there will have been some fraud and some businesses that will have gone bust afterwards anyway but you could not have saved the country’s economy if you had not just dumped the money into the system.

“If they had gone another route, then the outcome would have been much worse and the economy would have collapsed.

“It is a cost worth paying and not really up for debate, in my view.

“CBILS, which we participated in, were much more careful and much more constrained and there were plenty more rules to follow.”

Looking to the future, Mr Law said the group is working towards becoming a public company within the next three years.

“We think that is the natural, imminent step in the coming one to three years”, he said.

“The reason we would consider listing is access to public markets; fundraising can be important.

“As we get bigger and bigger there is more and more use for capital. You can’t remain capital light forever.

“Also it’s important for reputation, for scaling and bringing in talent.

“We also want to continue to grow our support for SME businesses and to further embed into Manchester as our head office.”

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