

A0 crashes as City frets over cash flow rumours

A 0 World shares crashed 15% today as the [market](#) fretted about the finances of the consumer goods business amid plunging [consumer confidence](#).

It is under pressure to reassure investors about its cashflow position following a weekend report that credit insurers are withdrawing support, which could force it to make upfront payment to suppliers.

A0, which sells fridges, ovens, washing machines and the like online, did well during lockdown when rivals such as Currys saw their stores shuttered.

While they awaited clarification, traders marked the shares down 10p to 57p, which leaves the business valued at £280 million.

The stock was nearer 400p just two years ago and was valued at £1.6 billion after a float in 2014 that netted founder John Roberts £86 million.

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[AO World](#) had no immediate comment but brokers at Numis said the cut in credit insurance would have no “immediate or direct impact on liquidity”.

Other retailers took a knock-on hit, with Pets at Home losing 21p to 288.5p and Dr Martens off 6p at 228p.

That took the shine of what was otherwise a positive day on markets, the first in a while after a difficult half-year.

The [FTSE](#) 100 rose 75 points to 7244 with the energy giants leading the way – BP was up 11p to 396p, Harbour Energy was up 13p at 345p.

Tesco said today it will kick off a £150 million share buyback programme with the help of HSBC. That’s part of a wider £750 million bid to hand cash to shareholders. Such moves might come under scrutiny given the soaring cost of some food.

A report today had it that half of all children in single-parent families are living in poverty. Tesco shares rose 3p to 258p.

Sainsbury’s, which has a trading update tomorrow, was down 1p at 206p.