

yourmoney

Edited by
CLINTON
MANNING



Bank closures far from Beneficial to staff

EXCLUSIVE

By **CLINTON MANNING**

UP to 100 branches of Beneficial Finance are to shut putting 450 jobs at risk.

Owner HSBC gave staff the bleak news by phone and email yesterday.

Rob MacGregor of Unite union called the cull devastating. He said: "It reflects the price ordinary workers are paying for the greed of rich bankers." Benefi-

cial, which employs 1,200 staff, specialises in unsecured personal loans for people who have poor credit histories. It typically charges 39.9% interest.

The recession has led to a sharp rise in customers falling behind with repayments, tipping this side of the business

into the red. Beneficial is the trading name of HFC Bank which also provides credit for people shopping on HP at stores like Currys, DFS and PC World. This business is profitable and unaffected by the cuts.

An HSBC spokesman said Beneficial's branches would stop taking new business immediately and close "within

a few months". He added: "This action is not being taken lightly but the economy has deteriorated severely in recent months." Some 26 branches will remain open to handle outstanding loans but will close in time.

HSBC acquired HFC and Beneficial as part of its disastrous £10billion takeover of Household International in 2003.

