

The beginnings of Close Brothers Premium Finance (CBPF)

This year, Close Brothers Premium Finance (CBPF) celebrates its 40th anniversary. We are proud of our pioneering role in the industry, of being the first company to offer a premium finance solution to the UK market, and of launching the multi-billion pound premium finance sector.

Many people ask us how the company came to be formed: the truth of the matter is, it happened by accident.

CBPF was launched in 1977 by Peter Stone, who had joined Close Brothers in 1975. Back then, Close Brothers was a small subsidiary of Consolidated Goldfields, a mining and finance firm. Following a discussion with an insurance broker who was based next door to the company (the broker asked whether Close Brothers could come up with an instalment service to help his client pay their premiums) the wheels were put in motion to create a service that would forever change the face of the insurance industry.

For the broker, the result was an easy-to-administer finance product. A few insurers had their own in-house standing order instalment schemes, but the Close Brothers product allowed the brokers to put multiple policies through one credit agreement. This reduced form-filling for the broker, while allowing them to benefit from the insurer's credit terms.

But the benefits of this revolutionary new product were not immediately evident to all brokers, who were somewhat resistant to this unknown element. The premium finance service seemed too good to be true, for some. Over time, however, brokers came on board and the product – and indeed the premium finance sector as a whole – became more well-known.

Soon, competitors appeared on the newly-formed premium finance landscape which Peter Stone and CBPF had helped create. Prompt (as CBPF was then known) was the most successful part of the Close Brothers bank for some time. With the advancing years and developments in technology, especially fintech, CBPF has been able to constantly adapt its offering and improve the service it provides.

Today, the modern office space, the infrastructure that enables its systems to run, and the tech-driven ways of working, would all be unrecognisable to someone from 1977. But at our core remains our original *raison d'être*: to help make insurance more affordable.