

12/1/2016

# Payday Loan Facts

A report by Cashfloat



[CASHFLOAT.co.uk](http://CASHFLOAT.co.uk)  
WESTERN CIRCLE LIMITED

## ABOUT CASHFLOAT

Cashfloat is an up and coming payday loans lender that has set out to transform the payday loan industry. They emphasize fair lending ethics and revolutionary underwriting procedures that are designed to single out only those customers who are the most suited to taking payday loans. The Cashfloat model will change the industry because it is based on fundamentally good morals and highest level of artificial intelligence technology, designed to help and protect people when taking payday loans online. They define their success by the number of people they help, not by the maximum profits they make.

## OUR RESEARCH

At Cashfloat, we conducted some research to find out how much payday loan customers know about payday loans. We felt that since payday loans are a product, just like any other, customer ought to be informed about the product before they buy it. While we were collecting our results we discovered some fascinating facts about who takes payday loans. We compiled these facts into a short report.

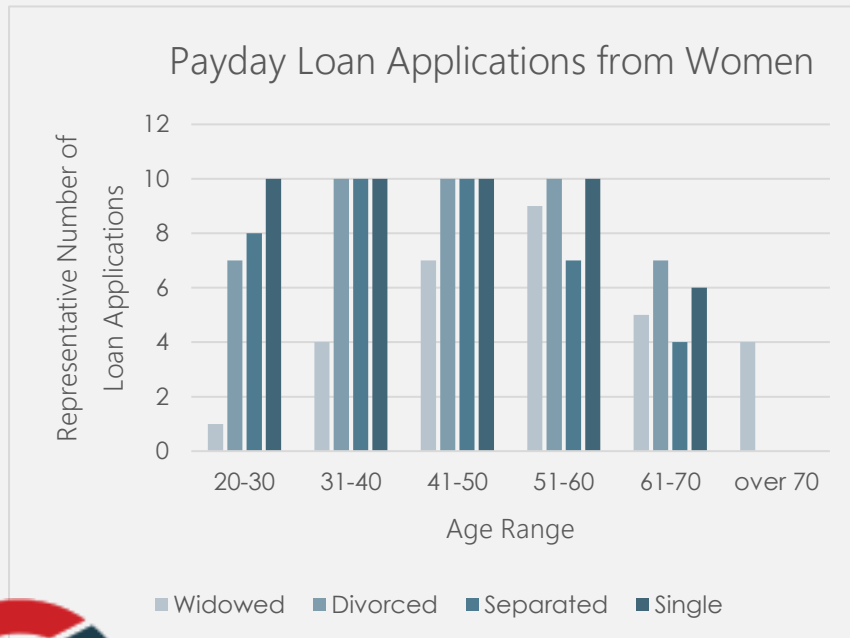
The data below is based on over 180,000 loan applications and an online survey answered by hundreds of payday loan customers.



## WHO APPLIES FOR PAYDAY LOANS?

Research found that 47% of women who applied for a payday loan are divorced, single, separated or widowed. The table below shows the age range of each of category.

Many of these women told us that they felt vulnerable and had no other option other than payday loans. A separate investigation must be conducted to ascertain whether this is the case and how other options can be made available for these women.





44% of Nurses  
who applied for  
payday loans

**HAVE CHILDREN**

and feel forced into  
taking short term  
loans.



Data taken from over 160,000 payday loan applications, taken since January 2015 shows that a shocking number of people in the health care sectors are turning to payday loans to bridge financial shortfalls. Nurses, health care assistants and professional carers were found to be particularly likely to feel the need to apply for a payday loan. These statistics are the most accurate figures released to date on the number of people applying for payday loans.

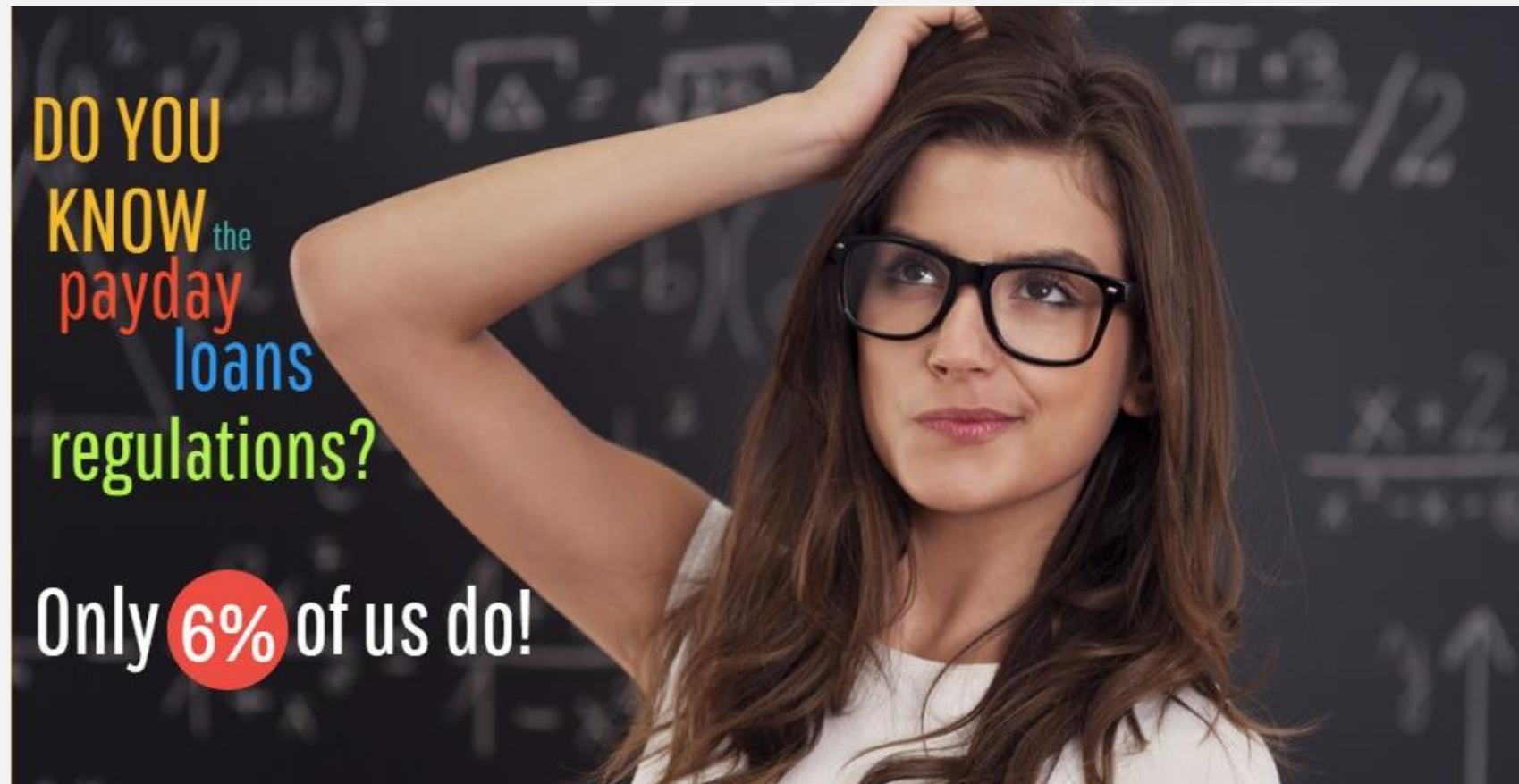
One of the nurses we spoke to said that she had considered leaving the NHS because of stress. Another said that her salary had been frozen for 6 years. Many just don't have the finances to support their families.



## PAYDAY LOAN REGULATIONS

Many people don't know laws and regulations that affect their day to day life. But when they are laws that are designed to help and protect either you or your money, ignorance is simply dangerous.

Only 30 percent knew that the maximum a customer has to repay is double what they borrowed. And only 6 percent knew all of the FCA laws.



DO YOU  
KNOW <sup>the</sup>  
payday  
loans  
regulations?

Only 6% of us do!



## WHY DID WE DO THIS RESEARCH?

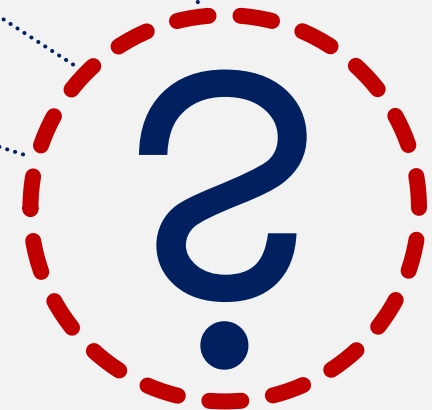
This research was conducted by our research team as part of a campaign to better understand their customers. While payday loans do have a specific use where they may be helpful, many people are taking payday loans in the wrong situation. At Cashfloat, we wanted to understand why our customers are taking payday loans and how much they know about payday loans.

## WHAT DID OUR RESEARCH SHOW?

No one takes out a payday loan because they want to. Our research showed us that people take loans either because they don't know of a better alternative, or because they don't know the dangers that payday loans present. Most people don't know the regulations are ignorant of basic knowledge related to payday loans. But more than that, many payday loan customers are desperate. They are single mums, nurses, divorcees and widows. They take out payday loan because they have to, not because they want to.

## HOW DID WE GET THESE FACTS?

Here at Cashfloat, we are on a mission to revolutionise the payday loan industry and develop an affordable and ethical form of short term lending. In order to do that, we wanted to know how much people in the UK actually know about payday loans. We set up a survey that looked at basic facts surrounding the payday loan industry. The survey was answered by present payday loan customers and people who were interested in payday loans, but had not yet taken one.

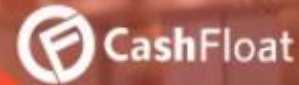




A woman with long brown hair, wearing a white long-sleeved top and blue jeans, is smiling and looking at a pair of shoes in a store. She is holding a large orange shopping bag. A circular graphic overlay with a blue and red border is positioned in the center-right of the image. Inside the circle, there is text and the CashFloat logo. A blue banner with white text is also present.

**71.2% of people  
who applied for a payday  
loan were not in a**

**CIVIL PARTNERSHIP OR MARRIAGE**



Only 12.5 percent were in a civil partnership and only 16.5 percent were married. That means that the vast majority of payday loan customers are in not in a partnership or marriage. This tells us that those who are in a civil marriage or partnership have less need for fast credit. Further research will be conducted as to why this is the case and what credit married people and people in a partnership use.





APR is not unknown jargon, it is used by every bank, lender, and financial institution. Yet nearly a quarter of people who were actually looking for a loan don't know what it stands for. This shows a lack of understanding on the part of the customers. More education is required to teach payday loan customers how to identify key terms and find the best credit for their needs.







Over 10% of  
payday applications  
came from people  
working in the  
health and social  
care sector


making it the largest group  
of applicants.

Data taken from over 160,000 payday loan applications taken since January 2015 showed that people who work in the health and social care sectors accounted for just over 10 percent of all those who were in employment and who made applications for payday loans.

## WHAT ARE WE DOING TO HELP?

### Starting with ourselves.

- We have designed our entire business model around fair lending.
- All our fees and charges are completely transparent. The amount the customer sees when they apply is the amount they repay. We also have an early repayment facility where customers can pay off their loan in advance and avoid the interest fees.
- We are fully committed to responsible lending so we will only lend if we are 100% sure that the loan will help our customers.
- Treating customers fairly is our highest priority. We are constantly looking for ways to understand our customers better and make life easier for them. We do our utmost to educate our customers about all aspects of the lending process so that they are well informed to make the best decisions.
- We love technology. We have developed extremely unique advances underwriting systems. We have also invented a unique affordability matrix to ensure that our products really help our customers. We work with the most advanced fraud prevention components, yet we always keep the personal touch and encourage open communication with our customers.



### Working with others

- While change must always start with ourselves, we also have started to get the word out. Using our valuable research and our passion to make a change we are reaching out to others to implement change as well.
- We are currently building an affiliate network to help us implement change throughout the financial sector.
- We take a stand against fraud and crime in the financial sector. We investigate any fraudulent activity and report it immediately. We also do our utmost to publicize past fraud episodes so that we can learn from past mistakes.





**CASHFLOAT.CO.UK**

Western Circle Ltd.

2a Highfield Avenue

London NW11 9ET

Registered in England and Wales

Telephone: 0203075701933

Email: [newsroom@cashfloat.co.uk](mailto:newsroom@cashfloat.co.uk)