

## Unsecured Loans - UK - January 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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“The unsecured personal loans market is expected to have grown by 12% in 2015, with easing credit conditions and growing consumer confidence leading to an increased demand for credit.”

– Jessica Galletley, Financial Services Analyst

### This report looks at the following areas:

- Peer-to-peer platforms: turning lenders into borrowers
- Payday loans have scope to move away from being a last resort product
- Smart searches will resolve concerns over credit checks

Record-low interest rates and growing consumer confidence have seen demand for consumer credit rise. As a result, Mintel expects the unsecured personal loans market to have grown by 12% in 2015, to £35 billion. Further growth is forecast over the next five years, with the market expected to reach £50 billion in 2020.

However, with a base rate rise on the horizon, growth in demand could slow as consumers face the effect of rising costs of borrowing. Maintaining a competitive edge will be important for lenders, as challenger lenders disrupt the market with innovative forms of online lending, which continues to grow as the most used channel for arranging unsecured loans. Personalisation will be increasingly important going forward, as borrowers want products that match their individual needs, with greater levels of flexibility.

This report examines the performance of the unsecured loans market, and consumer ownership of loan and credit products. It looks at the reasons why people choose to take out a loan and consumer attitudes towards borrowing in general. It also looks at the performance of more niche providers, who continue to challenge the incumbents and consumer perceptions of the market. It explores changing consumer attitudes and the use of payday lenders, and looks into the ever-growing peer-to-peer lending market, and how this might challenge more traditional lenders going forward.

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### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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## Table of Contents

### Introduction

### Executive Summary

#### The market

##### Estimated market growth of 12% in 2015

Figure 1: Forecast of the value of unsecured personal loans, by gross advances, fan chart, 2010-20

##### Online is the most popular channel

Figure 2: Channel used to apply for loan, October 2015

#### Key players

##### Lloyds Banking Group remains the market leader

Figure 3: Value of outstanding balances for personal loans/unsecured lending (UK), by selected providers, 2013 and 2014

##### Advertising spend increases by over half

Figure 4: Advertising spend on loans, 2010/11-2014/15

##### High street retail banks continue to be most trusted and used brands

Figure 5: Attitudes towards and usage of selected brands, November 2015

#### The consumer

##### Most people have a credit/loan product

Figure 6: Loan and credit product ownership, October 2015

##### Over half owe less than £3,000

Figure 7: Amount owed on all loans and credit products, October 2015

##### Over a fifth have a loan to pay for a car/vehicle

Figure 8: Reason for loan ownership, October 2015

##### Majority remain opposed to payday loans

Figure 9: Payday loan usage and consideration, October 2015

##### No debt is seen as good debt

Figure 10: Attitudes towards borrowing, October 2015

##### 15% would be interested in borrowing from a peer-to-peer lender

Figure 11: Attitudes towards peer-to-peer lending, October 2015

#### What it means

### Issues and Insights

#### Peer-to-peer platforms: turning lenders into borrowers

##### The facts

##### The implications

#### Payday loans have scope to move away from being a last resort product

##### The facts

##### The implications

#### Smart searches will resolve concerns over credit checks

##### The facts

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## The implications

### The Market – What You Need to Know

- Unsecured lending market growing
- Nearly half purchase online
- Competitive environment drives down the cost of loans
- Consumer confidence is increasing
- Write-offs in lending continue to drop

### Market Size and Forecast

#### Unsecured lending market growing

Figure 12: Gross unsecured lending, 2011-15

#### 16% growth for unsecured personal loans

Figure 13: Other consumer credit, 2011-15

#### Market forecast

Figure 14: Forecast of the value of unsecured personal loans, by gross advances, fan chart, 2010-20

Figure 15: Forecast of the value of unsecured personal loans, by gross advances, 2010-20

#### Forecast methodology

### Channels to Market

#### Online is the most popular channel...

...but some still prefer to purchase offline

#### Borrowers go direct

Figure 16: Channel used to apply for loan, October 2015

#### Under-45s more likely to purchase online

Figure 17: Channels used to apply for loan, by age, October 2015

### Market Drivers

#### Competitive environment drives down the cost of loans

Figure 18: £5,000 and £10,000 loan interest rates, LIBOR, and base rate, November 2009-November 2015

#### FCA regulation hits payday lenders

FCA to investigate the collection of unsecured debts

#### Consumer confidence is increasing

Figure 19: Financial confidence, January 2009-October 2015

#### Write-offs in lending continue to drop

Figure 20: Annual write-offs of other unsecured lending to individuals, 2010-14

#### P2P loans maintain popularity

### Key Players – What You Need to Know

Lloyds Banking Group remains the market leader

High street banks target existing customers

Advertising spend increases by over half

High street banks have consumer trust

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## Market Share

Lloyds Banking Group remains the market leader

Supermarket banks' share of the market grows

Figure 21: Value of outstanding balances for personal loans/unsecured lending (UK), by selected providers, 2013 and 2014

## Competitive Strategies

High street banks attract existing customers

Price guarantees ensure competitiveness

Guarantor replace payday loans

PCWs lead the way in more transparent lending

## Advertising and Marketing Activity

Adspend on unsecured loans increases by over half

Figure 22: Total above-the line, online display and direct mail advertising expenditure on loans, 2010/11-2014/15

Subprime lenders dominate advertising space

Supermarkets strong competitors for business

P2P lenders increase spend

Figure 23: Top 20 spenders on advertising for unsecured and payday loans, 2012/13-2014/15

Lenders spend on TV advertising

Figure 24: Advertising spend for loans, by media type, 2014/15

Loan providers compete for online presence

Nielsen Media Research coverage

## Brand Research

What you need to know

Brand map

Figure 25: Attitudes towards and usage of selected brands, November 2015

Key brand metrics

Figure 26: Key metrics for selected brands, November 2015

Brand attitudes: Tesco Bank noted for rewarding loyalty

Figure 27: Attitudes, by brand, November 2015

Brand personality: Wonga most likely to be seen as unethical

Figure 28: Brand personality – macro image, November 2015

Most brands located around competency, reliability and customer service traits

Figure 29: Brand personality – micro image, November 2015

## Brand Analysis

High street retail banks continue to be most trusted and used brands

Santander particularly stands out as being in an advantageous position

Loan specialists suffer from stronger negative perceptions than other brands

Brands aligned to retailers show potential for growth

Yorkshire Bank has regional strength but is limited by narrower-reaching network

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## The Consumer – What You Need to Know

- Nearly a fifth owe money on an unsecured loan
- Over half owe less than £3,000
- Over a fifth have a loan to pay for a car/vehicle
- Consumers consider brand reputation
- Payday loans usage not limited to those who are financially struggling

## Loan and Credit Product Ownership

- Nearly two thirds own a credit or loan product
- Nearly a fifth owe money on an unsecured loan
- Credit card deals rival personal loans
  - Figure 30: Loan and credit product ownership, October 2015
- Parents are twice as likely to have a personal loan
  - Figure 31: Loan and credit product ownership, by parent (of under-16s), October 2015
- Nearly half own only one type of credit or loan product
- Personal loan ownership higher among experienced borrowers
  - Figure 32: Loan and credit product ownership, by repertoire of loan and credit products ownership, October 2015

## Amount Owed on Loan and Credit Products

- Over half owe less than £3,000
  - Figure 33: Amount owed on all loans and credit products, October 2015
- Under-45s more likely to have lower levels of debt
  - Figure 34: Amount owed on all loans and credit products, by age, October 2015

## Reasons for Loan Ownership

- Over a fifth have a loan to pay for a car/vehicle
- Under-45s are more likely to be taking out a loan to help make ends meet
  - Figure 35: Reason for loan ownership, October 2015

## Payday Loans – Usage and Consideration

- Majority remain opposed to payday loans
  - Figure 36: Payday loan usage and consideration, October 2015
- Payday loans used by those with savings
  - Figure 37: Payday loan ownership, by value of savings and investments, October 2015

## Attitudes towards Borrowing

- No debt is good debt
- Consumers consider brand reputation...
  - ...but a competitive rate will provide opportunities for new brands
- Concerns about passing a credit check
  - Figure 38: Attitudes towards borrowing, October 2015
- Nearly a third of loan holders are considering taking out another loan

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Figure 39: Agreement with attitudes towards borrowing statements, by unsecured loan ownership, October 2015

Larger households would benefit from combining debts

Figure 40: Attitudes towards borrowing – CHAID – Tree output, October 2015

## Attitudes towards Peer-to-Peer Lending

15% would be interested in borrowing from a peer-to-peer lender

Figure 41: Agreement with the statement 'I would be interested in borrowing money from a peer-to-peer lending site in the future', by agreement with the statement 'I am considering taking out a loan in the next 12 months', October 2015

IFISA will draw attention to P2P borrowing

Traditional lenders have consumer trust

Figure 42: Attitudes towards peer-to-peer lending, October 2015

## Appendix – Data Sources, Abbreviations and Supporting Information

Report scope and definitions

Data sources

CHAID analysis methodology

Abbreviations

## Appendix – Market Size and Forecast

Figure 43: Best- and worst-case scenario forecast – Value of unsecured personal loans, by gross advances, 2015-20

Forecast Methodology

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