

Unsecured Loans - UK - January 2017

Report Price: £1995.00 | \$2460.23 | €2338.14

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“The unsecured personal loans market has experienced a period of strong year-on-year growth, as record low interest rates and rising consumer confidence have led to a rise in demand. However, the Brexit vote has led to uncertainty about the UK’s economic future, meaning people could be put off committing to long-term financial commitments in the near future.”

Jessica Galletley, Financial Services Analyst

This report looks at the following areas:

- Short-term mindset makes loans unappealing
- Vulnerable consumers should be given personal indicative rates
- Soft-search tools will change the way people search and apply for loans

What you need to know

Record low interest rates and rising consumer confidence have sustained demand for credit for larger expenses. Other consumer credit, including loans and overdrafts, is now growing at a faster rate than the credit card market. Mintel estimates that the personal loans market grew by 8.2% in 2016. However, future uncertainty around the terms of Brexit is likely to make people think twice about taking on big credit commitments. As a result, growth rates are expected to be slightly more subdued over the next few years.

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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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Vulnerable consumers should be given personal indicative rates

The facts

The implications

Soft-search tools will change the way people search and apply for loans

The facts

The implications

The Market – What You Need to Know

'Other' consumer credit growing faster than credit cards

Growth expected to slow in the coming years

Consumers are as likely to go direct or to a comparison site for loan information

Interest rates reach record lows

Write-offs total just 0.5% of unsecured lending

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Write-offs total just 0.5% of unsecured lending

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Lloyds Banking Group is the market leader in personal loans

High-street banks target existing customers

The rise of blending

Adspend for unsecured loans falls by nearly half

Lack of awareness means challengers struggle to differentiate themselves

Market Share

Lloyds Banking Group is the market leader in personal loans

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... whilst challengers are open to all

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People are most likely to have taken a loan with a bank

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Protection products need to be repositioned

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