

# Peer-to-peer Business Finance - UK - November 2019

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## This report looks at the following areas:

- New FCA rules come into effect from December but not all platforms are ready
- SME funding gap continues to provide opportunities

Market Business Development believes that the value of the peer-to-peer business lending market has risen by 486% over the last five years – from £1.16 billion in 2015 to £6.78 billion in 2019.

The sector achieved significant growth in each year, with estimated annual growth ranging between 28% (in 2015) and 99% (in 2017).

Growth in P2P business lending is starting to slow with loss rates beginning to rise. However, investment returns remain strong when compared to other fixed-income options.

With the industry starting to mature, it is becoming more scrutinised, especially in terms of lending standards and platforms' ability to get investor's money back and deliver consistent returns.



"The ongoing stagnation in bank lending to SMEs is in direct contrast to the continued expansion in SME activity. This lack of financial support from mainstream providers has resulted in more looking towards non-bank options such as P2P when seeking finance."

**- Lewis Cone, Senior B2B Analyst**

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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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- **Industry-led push to promote awareness and simplicity of taking out P2P finance aims to boost market development**

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## REGULATION AND INDUSTRY STANDARDS

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- Institutional funding becoming a key financing source for several lenders

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- Financial Intermediary & Broker Association (FIBA)
- National Association of Commercial Finance Brokers
- Peer-2-Peer Finance Association (P2PFA)
- Trade magazines
- Bridging & Commercial
- Business Matters
- Commercial Reporter
- Loans Insider
- Peer2Peer Finance News
- Trade events
- AltFi London Summit 2020
- Financial Services Expo London 2020
- NACFB Commercial Finance Expo 2020
- The Finance Professional Show

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