

## Unsecured Lending - Canada - October 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

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“The increased use of alternative credit scoring models is likely to facilitate disruption in the lending space and bring more borrowers into the financial mainstream.”

– **Sanjay Sharma, Senior Financial Services Analyst**

This report looks at the following areas:

- **A third of Canadians have outstanding credit card debt**
- **Education is the leading reason for unsecured borrowing**
- **Interest rates are the top choice factor**
- **Around three in ten borrowers owe more than \$10,000**

The Canadian economy remains relatively strong and many consumers are confident about their personal finances. However, the spectre of rising interest rates is a cause of worry to potential borrowers. While there has not been much innovation in the world of consumer lending, digital players such as peer-to-peer lenders do offer an alternative to traditional financial institutions, especially to those with weaker credit. A segment of borrowers also use alternative lenders, typically paying high interest rates as a price of remaining out of the financial mainstream. Traditional and trusted lenders are in a good position to fight this battle as lender reputation is important to borrowers. The emergence of alternate credit scoring is also widening the market for established lenders.

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On the other hand, a growing population and diversity could boost demand

Perception of financial health continues to see improvement

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Canada's population is aging

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Aging population could mean fewer borrowers of unsecured debt

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On the other hand, a growing population and diversity could boost demand for unsecured loan products

Interest rates remain steady

Perception of financial health continues to see improvement

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Credit fatigue may finally be settling in for Canadian consumers

Peer-to-peer lending

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LendingArch's new rate comparison technology

Mogo reaches 600,000 members

FICO expands access to credit with New FICO Score XD 2

HSBC Bank Canada looking to boost retail presence

RBC plans to spend \$3.2 billion in digital expansion

TransUnion's CreditView

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Mogo reaches 600,000 members

Credit Karma launches Canada's first free credit monitoring service

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A third of Canadians have outstanding credit card debt

Education is the leading reason for unsecured borrowing

Interest rates are the top choice factor

Around one in four would consider P2P lenders

Around three in ten borrowers owe more than \$10,000

Around three in four borrowers prioritize paying off debt over saving

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