

## **Initial Submission**

### **Comment on the Investigation**

We believe that there is effective competition in the short term lending sector.

There is a wide choice of online lenders and a number of chains of shops that offer short term loans, so much so that planning authorities are seeking to limit the number of stores on the high street. There is a range of loan terms available from a few days up to 18 months and in respect of online lending application processes, the customer can withdraw from the application at any time, or 'back button' to search for an alternative.

The current regulatory framework appears to license applicants with little test of capital adequacy, and does not appear to have ongoing financial strength tests, which would appear to be a basic requirement for a lender of any description.

The apparent proliferation of CPA abuse is regrettable at best, but is not an issue with which either EPDL or Albemarle & Bond have any experience, as we do not initiate any collections via CPA without the customer's prior consent.

Improved lenders' disclosures to customers around loan cost, term, and suggested purpose, is a positive step, and most of the larger lenders already have a responsible attitude in this respect. The 'problems' would appear to be where the advertiser is a broker, who's advert to the uninitiated looks like it is a lender, who if they breach ASA or Google advertising rules, can close down and re-appear under a new domain with a new brand. Lender's clearly cannot, or would not want to do this, but the perception amongst lenders is that the regulatory authorities have failed to grasp the very clear difference between a lender and a broker.

The main barriers to entry are sufficient capital and relevant lending experience and expertise. Both of these issues affect a wide range of business sectors, not just short term lenders. We cannot see any other significant barriers to entry to, or expansion within this market, save that clearly there is a finite number of people who require a short term loan at any one time.

### **Competitors**

Provident Financial  
Payday Express  
Wonga  
Quick Quid  
Quid.co.uk  
Mr lender  
Cash Genie  
Cash Lady  
Pound Till Payday  
Peachy  
Payday UK  
Sunny.co.uk  
Wageday Advance  
Vivus  
Zebit  
Uncle Buck  
Lending Stream  
Cheque Centre  
Cash & Cheque Express  
The Money Shop  
Oakam  
Speedy Cash  
Harvey & Thompson  
Cash Generators  
Ramsdens