PAYDAY LENDING MARKET INVESTIGATION

Repeat customers—presentation based on analysis of the transaction data

Accompanying notes to slides

Slide 17

1. Calculations are based on number of individual customers who took out their very first loan between 1 January and 31 August 2012.

2. For each individual customer in this subset we calculated total number of loans that were taken out within 30 days of that customer's first loan (excluding the very first loan itself, but including top-ups on the very first loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 30 days of the original loan.

3. In some cases percentages do not sum up to 100 per cent exactly, due to rounding.

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4. Calculations are based on the number of individual customers who took out their very first loan between 1 January and 31 August 2012.

5. For each individual customer in the subset we calculated the total number of loans that were taken out within 365 days of the customer's first loan (excluding the very first loan itself, but including top-ups on the very first loan, plus all top-ups on any subsequent loans that were taken out within 365 days of the original loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 365 days of the original loan.

6. In some cases percentages do not sum up to 100 per cent exactly, due to rounding.

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7. For each individual customer in this subset we calculated the total number of loans that were taken out within 30 days of that customer's first loan (excluding the very first loan itself, but including top-ups on the very first loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 30 days of the original loan.

8. For each individual customer in the subset we calculated the total number of loans that were taken out within 365 days of the customer's first loan (excluding the very first loan itself, but including top-ups on the very first loan, plus all top-ups on any subsequent loans that were taken out within 365 days of the original loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 365 days of the original loan.

9. In some cases percentages do not sum up to 100 per cent exactly, due to rounding.

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10. For each individual customer in the subset we calculated the total number of loans that were taken out within 365 days of the customer's first loan (excluding the very first loan itself, but including top-ups on the very first loan, plus all top-ups on any subsequent loans that were taken out within 365 days of the original loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 365 days of the original loan.

11. 'Average number of loans taken out within 365 days' is calculated by dividing the total number of all loans taken out by customers within 365 days of their respective first loans (as described above) by the number of customers in the sample.

12. In some cases percentages do not sum up to 100 per cent exactly, due to rounding.

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13. Non-negative durations only. In 0.002 per cent of observations there are negative duration values.

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14. Category 'not due yet' (as of 1 October 2013) is excluded as it is nearly 0 per cent.

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15. By restricting our attention to customers who entered and exited in 2012, we are more likely to identify 'true last loans' as opposed to loans that just happened to be last in our dataset.

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16. Value of loans includes value of all top-ups.

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17. Calculations are based on the number of individual customers who took out their very first loan between 1 January and 31 December 2012.

18. For each individual customer in this subset we calculated the total number of loans that were taken out within 30 days of that customer's first loan (excluding the very first loan itself, but including top-ups on the very first loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 30 days of the original loan.

19. For each individual customer in the subset we calculated the total number of loans that were taken out within 90 days of the customer’s first loan (excluding the very first loan itself, but including top-ups on the very first loan, plus all top-ups on any subsequent loans that were taken out within 90 days of the original loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 90 days of the original loan.

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20. Calculations are based on the number of individual customers who took out their very first loan between 1 January and 31 December 2012.

21. For each individual customer in the subset we calculated the total number of loans that were taken out within 180 days of the customer’s first loan (excluding the very first loan itself, but including top-ups on the very first loan, plus all top-ups on any subsequent loans that were taken out within 180 days of the original loan). Then we calculated what percentage of customers took out 0 loans, 1 loan, 2 loans etc within 180 days of the original loan.

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22. Non-negative durations only.

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23. Non-negative durations only.

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24. Category ‘not due yet as of 1 October 2013’ is excluded.

Slide 53

25. Category ‘not due yet as of 1 October 2013’ is excluded.