

## Response to the CMA's provisional decision on remedies



1. The CMA has not in this paper acknowledged or given any credit to the positive role played by lead generators in fostering a competitive market and helping it grow on the internet highway. To date the lead generation route to market has been the most 'cost effective' route for new lenders to enter the market who do not have a substantial brand or marketing budget. It has also allowed new lenders to effectively understand the risk associated with this sector in developing their lending policies.
2. Whilst the PCW is a valid model and one we have always pursued it should be recognised that it is only one model and needs to make commercial sense for all parties to work. If the CMA endorses this model over all others it can by implication suggest that all other models do not work. Google today operates an auction bidding model for buyers of customer data which allows a Lender to bid the highest via a google Adwords campaign to be displayed the highest on their search engine so customers have a higher propensity to choose that Lender not based on price but position.
3. HCSTC products by their nature have evolved to fulfil short term funding gaps and emergency situations which were exacerbated by the recession. There is an assumption that these products only target the vulnerable and the ill-informed however that only represents a small proportion of the market. There is also an assumption that customers do not accept that there will be a higher cost for these loans. Research should also be conducted into how many customers have been able to 'self-repair' their financial situation by virtue of having access to this form of credit during the recession compared to spiraling into financial problems because they could not cover a short term bill or funding need.
4. The lead generation channel also allows Lenders to utilise the vast skills of many different affiliates on the internet and mobile highway using a growing and evolving set of channels for directing traffic to their sites. They are able to evolve quickly with new technologies and have skilled expertise in niche's that PCW's may never operate in or be able to cover effectively over time. As such this channel needs to be encouraged and nurtured over time in the interests of allowing more competition.