

Warwick Financial: response to Launch consultation

Dear Sir or Madam

I am writing with reference to the review of the Home Credit Market Investigation Order 2007.

Warwick Financial Services Limited are the current site operators and have been for a number of years, maintaining and hosting the website as well as answering lender and consumer queries.

Lenders Compared provides a valuable service to customers using the services of home credit providers and is the only website available that provides price comparison services for this type of credit. With this in mind, I consider the continuation of the website as vital in order to allow consumers access to a broader range of lenders than they otherwise might be able to find.

Without doubt the market has shrunk considerably which has had a direct impact on the number of visitors to the website. Overall site usage has been in decline for a number of years now and as the market continues to decline, I would expect the site usage to follow suit. However, there are currently 162 Home Credit Lenders active on the site showing 429 different loan products and 53 Credit Unions showing 142 loan products. Whilst I appreciate a large number of these lenders are small, it is still a considerable number of lenders when compared with other high cost short term credit markets.

The website has had 2,200 visitors from January 1st 2024 to 21st March 2024, a decline from 3,200 in the same period of 2023 and 5,100 for the same period in 2022.

As per the review, the funding of the website is currently an issue and I agree with the comments from Mutual that the current funding mechanism is unfair and not sustainable. However, I do not agree with the notion that the site may no longer be serving its original purpose based solely on a reducing number of visitors. Users of home collected credit could be considered some of the most financially vulnerable members of society and more likely to look at unregulated lenders if they are unable to source home collected loans, over the course of one year if the site sees 8,000 to 10,000 visitors that is still a large number of people that have been able to compare and find regulated loans.

With regards to the funding of the website, I believe that the only way this can be done is by asking all lenders active on the site to contribute a small annual fee to maintain it. With no central governing body able to fund the site I cannot see any other alternative. I believe this process could be made much easier with the assistance of the CCTA who look after a vast majority of the lenders on the site.

In summary, I do believe the site holds value and serves a purpose especially given there are no other alternative sites that exist offering the same service and I hope that this review helps us to find a way forward.

Gary Tatham

Director

Warwick Financial Services Limited