

PRESS NOTICE

Date: Wednesday 26 April 2017

Release: Immediate



FIRST QUARTER PEER-TO-PEER LENDING VOLUMES AFFIRM CONTINUED STRONG TRAJECTORY OF GROWTH

Figures published by the Peer-to-Peer Finance Association (P2PFA) today, covering lending volumes for its nine member platforms for the first three months of 2017, underscore the continued development of the sector with the maintenance of impressive expansion in lending volumes and investor participation.

With cumulative levels of lending at almost £8.5 billion, P2PFA platforms facilitated the origination of in excess of £1 billion during the first three months of 2017 – with more than 180,000 investors participating at the end of the period as well as 420,095 borrowers.

Commenting on the data, Robert Pettigrew, Director of the P2PFA, said: *‘the growth in peer-to-peer lending volumes over the last three months highlights the success which platforms have secured in the market – delivering a permanent shift in the financial services landscape, and providing an attractive offering for investors and borrowers’.*

He continued: *‘at a time when macroeconomic uncertainty appears to be the prevailing narrative, more than £600 million has been lent to businesses through peer-to-peer platforms in the last three months, with almost thirty-seven thousand businesses having a loan at the end of the period. It is clear that the ability of platforms to provide an offering responsive both to the aspirations of investors and the needs of borrowers has enabled a consistent pattern of growth which any sector would find attractive’.*

He concluded: *‘The Government has repeated its aspiration to consolidate the United Kingdom as the centre of global FinTech; undoubtedly, the growth of peer-to-peer lending represents a key part of that story of success, and one which promises to continue serving the needs of the economy, broadening access to investor returns as well as access to finance, and delivering competition in the wider financial services ecosystem to the benefit of consumers and the broader market’.*

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Notes to Editors

1. Peer-to-peer lending – regulated by the Financial Conduct Authority since April 2014 – involves direct matching of funds between investors and borrowers through an on-line platform. Investors range from retail consumers to institutional investors as well as the government. Borrowers range from consumers, small businesses, property developers and buy-to-let. Peer-to-peer lending platforms match investors and borrowers directly for a fraction of the cost of traditional financial services entities, providing benefits to customers on both sides of the transaction.
2. The Peer-to-Peer Finance Association (P2PFA) was established in 2011 as a representative and self-regulatory body for debt-based peer-to-peer lending. The P2PFA seeks to inform and educate, promote high standards of business conduct, and work with policy-makers and regulators to ensure an effective regulatory regime. P2PFA members are required to meet robust standards for the transparent, fair and orderly operation of peer-to-peer lending, and the nine member platforms comprise more than eighty per cent of the total UK peer-to-peer lending market. The member platforms are: Folk2Folk (which joined the P2PFA in February 2017), Funding Circle, Landbay, Lending Works, LendInvest, Market Invoice, RateSetter, Thin Cats and Zopa.
3. The table below shows aggregate levels of peer-to-peer lending by P2PFA platforms since the second quarter of 2016.

	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Cumulative lending	£5,802,000,000	£6,502,783,000	£7,347,991,895	£8,495,831,433
o/w lending to individuals	£2,416,000,000	£2,687,040,000	£2,988,270,526	£3,377,185,204
o/w lending to businesses	£3,386,000,000	£3,815,743,000	£4,359,721,369	£5,118,646,229
Base stock of loans (outstanding loan book)	£2,609,000,000	£2,812,988,000	£3,093,692,787	£3,537,152,530
o/w lending to individuals	£1,178,000,000	£1,263,565,000	£1,367,767,161	£1,518,532,233
o/w lending to businesses	£1,431,000,000	£1,549,423,000	£1,725,925,626	£2,018,620,297
New Lending	£658,000,000	£700,616,000	£843,917,964	£1,004,483,012
o/w lending to individuals	£252,000,000	£271,138,000	£299,939,490	£368,326,468
o/w lending to businesses	£406,000,000	£429,478,000	£543,978,474	£636,156,545
Capital repaid	£485,000,000	£494,975,000	£561,088,544	£624,693,566
o/w lending to individuals	£170,000,000	£185,082,000	£195,737,268	£232,831,830
o/w lending to businesses	£315,000,000	£309,893,000	£365,351,277	£391,861,736
Net Lending Flow	£174,000,000	£205,287,000	£287,228,652	£383,780,446
o/w lending to individuals	£82,000,000	£86,057,000	£104,202,222	£135,494,638
o/w lending to businesses	£92,000,000	£119,230,000	£183,026,430	£248,285,808
Number of current lenders	150,376	161,466	169,747	181,068
Number of current borrowers	332,107	363,201	392,111	420,095
o/w are individuals	307,713	335,803	360,410	383,232
o/w are businesses	24,394	27,398	31,701	36,863

4. The table below shows cumulative P2PFA platform level lending data since the second quarter of 2016:

	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Folk2Folk				£139,344,302
Funding Circle	£1,341,573,000	£1,524,427,000	£1,830,397,245	£2,158,457,107
Landbay	£42,665,000	£42,948,000	£43,142,119	£43,975,419
LendInvest	£699,544,000	£776,112,000	£855,354,293	£971,875,952
Lending Works	£29,959,000	£33,636,000	£39,368,050	£48,864,686
MarketInvoice	£671,563,000	£754,325,000	£837,793,900	£918,450,994
RateSetter	£1,277,189,000	£1,442,743,000	£1,604,406,564	£1,815,320,079
ThinCats	£183,700,000	£196,907,000	£211,446,000	£226,981,000
Zopa	£1,555,972,000	£1,731,685,000	£1,926,083,724	£2,172,561,894
Total	£5,802,165,000	£6,502,783,000	£7,347,991,895	£8,495,831,433

Contact

Robert Pettigrew (Director: Peer-to-Peer Finance Association):
e-mail – robertpettigrew@p2pfa.eu; telephone: 07771-547462