

The Secured Loan Index

September 2012 Results

Secured Loan Lending in Q3 almost £100m

- Lending in Q3 at 3 year high
- £20m surge in secured loans in Q3
- Lending exceeds £30m for 3rd consecutive month
- Gross lending forecast to hit £350m by end of 2012

According to the latest Secured Loan Index, secured loan lending in Q3 reached almost £100m.

According to the latest research from secured loan master broker, Loans Warehouse, lending in Q3 of 2012 reached £98.3m, rising sharply from £78.5m in Q2, an increase of 25% (see Graph 1).

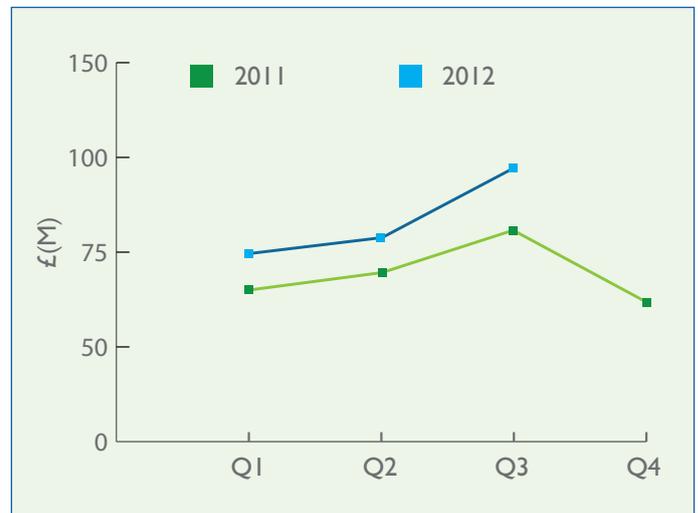
Table 1: Quarterly lending figures 2009-2012 (Source: FLA data up to Q2 2012).

2009	171	128	145	122
2010	82	62	71	62
2011	65	69	81	71
2012	74	78.5	98.3	
	Q1	Q2	Q3	Q4

Reflecting the increasing appetite for secured loans over the past year, gross lending in Q3 of 2012 was 17.6% higher than in the same period in 2011, when it stood at £81m and according to previous FLA figures, this is the most amount lent in any one quarter since Q4 2009 (see Table 1).

The data, taken directly from the UK secured loan lenders, also revealed that total lending in September was £31.4m, a 9.2% decrease on August's figures where lending totalled £34.6m but an 8.32% increase on September 2011 (see Graph 2).

Graph 1: Quarterly Lending Figures. (Source FLA up to Q2 2012)



Graph 2: Monthly Lending Figures. (Source FLA data up to May 2012)



Matt Tristram, joint managing director of Loans Warehouse comments on the results:

"September is the third consecutive month that secured loan lending has surpassed £30m and, naturally, I am very pleased with the success we have seen in the secured loan sector in such a short time. This year second charge lending is already 17% higher than it was in 2011 and it will be interesting to see if the market can continue to meet expectations and surge into the fourth quarter.

"Second charge lenders have really taken note of

the borrowing restrictions put in place by the high street lenders and have stepped up to the mark to fill the gap. Recently we have seen a dramatic boost to the second charge sector's profile and as a result, more borrowers are realising that they still have access to practical finance solutions and are turning to secured loans.

"The support the industry has had from its lenders is fundamental in its development. Continuing with the monthly pattern revealed in last month's

index, September saw Central Trust take its turn to enhance product criteria when the lender announced it would introduce new measures to simplify the process of packaging a loan whilst, in turn, speed up the application process.

These improvements will present huge benefits to brokers and to customers, which is a very attractive selling point and once again provides evidence that an appetite to lend is continuing with enthusiasm.

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Buster Tolfree, Lending Operations Manager at Central Trust Plc said:

"The recent enhancements to our lending policy are a clear indication of our desire to engage with, and act upon feedback from, our introducers.

Making the process of packaging, selling and paying out a secured loan more straightforward and quicker is in the interest of everyone, from the end applicant through the introducer and ultimately to ourselves.

The secured loan industry is in an exciting upward growth cycle and Central Trust will continue to support this growth over the coming months, and the industry's profile in the wider finance market as a whole."

Inspiring Consumer Confidence

Last month, Prestige revealed it has been acquired by OneSavings Bank.

This came as welcome news throughout the industry as it is now the second bank to obtain ownership of a secured loan lender in the last 12 months. It brings crucial credibility to the market and offers a very diverse product range to its customers.

Andy Golding, Group Chief Executive at OneSavings Bank PLC commented:

“ We were delighted to welcome Prestige to the growing OneSavings Bank family and we are currently working with the senior team there on product criteria and business planning. ”

Matt Tristram concludes:

"October saw two lenders increase their maximum loan size. First was Shawbrook Bank, who continue to establish themselves as the go-to lender for those high net worth borrowers, when they revealed they would now offer loans up to £200,000. Next, was Equifinance, who entered the market earlier this year boasting the highest LTV on any adverse product, when they announced at the beginning of this month they have increased their maximum loan size to £20,000.

"Here we have two very different lenders catering for two very different types of borrower, which is something you don't see in the mortgage market and I hope will affect October's figures when we release that index next month.

"The faltering re-mortgage market is currently showing signs of strengthening due to a number of high-street lenders hiking SVRs.

These hikes could help to fuel the remortgage arena and are a major motivator for those borrowers who are more risk averse, which could mean a remortgage market bounce back in the coming months; something that could massively affect secured loan lending figures.

However, the country still has a large number of mortgage prisoners and it's to these people that secured loans are becoming an increasingly legitimate option.

These last few months have provided evidence of a pronounced shift in attitudes toward secured loans and I believe lending in Q4 will continue in the same pattern with gross lending set to reach £350m by the end of 2012."

Index Methodology: To create the index, Loans Warehouse analyses the figures released directly to them by UK secured loan lenders. Figures prior to July 2012 are taken from the FLA.

About Loans Warehouse:

Established by Matt Tristram and Sam Busfield in 2006, Loans Warehouse has become a **market leading secured loan brokerage**.

In 2012, Loans Warehouse won the Mortgage Strategy Award for Best Specialist Broker and was voted **Best Secured Loan Broker** by the industry at the myintroducer.com awards.

Loans Warehouse has direct access to **every major secured loan lender** in the UK.

Notes to Editors

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