

## PRESS NOTICE

Date: 6 March 2019

Release: Immediate



# UK PEER-TO-PEER LENDING DATA REFLECTS CONTINUED MATURITY OF THE SECTOR DURING 2018

P2PFA platforms facilitated loans worth nearly £3 billion during 2018, with more than 288,000 current borrowers during the fourth quarter, as further evidence of the maturity of the UK peer-to-peer lending market is revealed.

The quarterly data reveal that during the final quarter of 2018 more than £800 million of new lending was facilitated by P2PFA platforms, comprising £527 million to businesses and £282 million to almost a quarter-of-a-million consumers. Cumulative lending among P2PFA platforms has now exceeded £5.5 billion for business lending and £4 billion for consumer lending.

Commenting on the fourth quarter's statistics, Robert Pettigrew, Director of the P2PFA, said: *'there was marked growth in levels of new lending facilitated by P2PFA members during the last three months of 2018, as the contribution of peer-to-peer lending platforms to UK businesses and consumers has become increasingly significant. The increase in the number of lenders and borrowers during 2018 confirms growing awareness of, and confidence in, the offering of P2PFA platforms'*.

Reflecting on the developments in the consumer lending market, he continued: *'there is clear evidence that the UK peer-to-peer lending market continues to mature, with discerning consumers increasingly aware of the variety of choice available to them across the broader market for loans. It is clear that customers are progressively savvy when selecting their loan provider – through increased use of online channels and price comparison sites. Feedback demonstrates that consumers appreciate the comparatively great value rates available through P2PFA platforms, as well as features such as 'soft searches' – where providers can get a personalised loan quote without marking their credit score – and no early repayment charges. In consequence, peer-to-peer loan providers are offering an increasingly attractive offering to customers'*.

ENDS

**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. The member platforms are: CrowdProperty, Crowdstacker, Folk2Folk, Funding Circle, Landbay, Lending Works, ThinCats and Zopa.
3. Aggregate levels of peer-to-peer lending by P2PFA platforms between Q4 2017 and Q4 2018:

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Cumulative Lending</b>	<b>£6,667,077,468</b>	<b>£7,351,861,354</b>	<b>£8,043,217,143</b>	<b>£8,786,291,681</b>	<b>£9,595,548,965</b>
-o/w lending to businesses	£3,671,748,424	£4,088,460,534	£4,509,345,016	£4,991,382,520	£5,519,645,135
-o/w lending to individuals	£2,994,329,042	£3,263,400,820	£3,533,871,127	£3,794,909,161	£4,077,318,465
<b>Base stock of loans (outstanding loan book)</b>	<b>£3,225,818,774</b>	<b>£3,498,065,429</b>	<b>£3,711,828,191</b>	<b>£3,956,885,758</b>	<b>£4,267,975,224</b>
-o/w lending to businesses	£1,938,776,569	£2,137,799,594	£2,290,747,092	£2,488,949,319	£2,743,083,518
-o/w lending to individuals	£1,287,042,205	£1,360,265,835	£1,421,081,099	£1,467,936,439	£1,524,891,706
<b>New Lending</b>	<b>£672,287,727</b>	<b>£684,290,716</b>	<b>£690,971,072</b>	<b>£720,979,029</b>	<b>£809,257,285</b>
-o/w lending to businesses	£406,835,162	£415,229,498	£420,499,764	£459,941,996	£526,777,616
-o/w lending to individuals	£265,752,565	£269,061,218	£270,471,308	£261,037,033	£282,479,669
<b>Capital Repaid</b>	<b>£394,909,990</b>	<b>£396,757,358</b>	<b>£435,267,000</b>	<b>£457,325,319</b>	<b>£454,966,728</b>
-o/w lending to businesses	£212,383,293	£200,919,771	£225,610,955	£243,143,627	£243,389,445
-o/w lending to individuals	£182,526,697	£195,837,587	£209,656,045	£214,181,692	£211,577,283
<b>Net Lending Flow</b>	<b>£277,677,738</b>	<b>£287,533,338</b>	<b>£255,202,073</b>	<b>£263,036,509</b>	<b>£354,293,557</b>
-o/w lending to businesses	£194,451,870	£214,309,707	£194,386,810	£216,181,168	£283,391,171
-o/w lending to individuals	£83,225,868	£73,223,631	£60,815,263	£46,855,341	£70,902,386
<b>Number of current lenders</b>	<b>138,493</b>	<b>147,882</b>	<b>150,041</b>	<b>148,484</b>	<b>151,207</b>
<b>Number of current borrowers</b>	<b>260,256</b>	<b>273,301</b>	<b>269,158</b>	<b>278,313</b>	<b>288,829</b>
-o/w are businesses	45,980	51,508	40,615	43,830	47,457
-o/w are individuals	214,276	221,793	228,543	234,483	241,372

4. Cumulative P2PFA platform level lending data between Q4 2017 and Q4 2018:

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
CrowdProperty				£23,013,692	£27,127,892
Crowdstacker	£35,209,322	£37,714,968	£46,612,890	£51,265,724	£54,310,946
Folk2Folk	£191,918,805	£212,510,805	£234,562,305	£257,130,306	£270,860,306
Funding Circle	£3,093,910,983	£3,448,615,744	£3,806,000,000	£4,183,000,000	£4,625,000,000
Landbay	£82,627,314	£109,445,017	£133,771,821	£182,891,798	£231,907,991
Lending Works	£83,183,353	£98,772,559	£115,658,873	£131,862,745	£145,075,844
ThinCats	£269,082,000	£280,174,000	£288,398,000	£294,091,000	£309,953,000
Zopa	£2,911,145,689	£3,164,628,261	£3,418,213,254	£3,663,046,416	£3,932,312,986
<b>TOTAL</b>	<b>£6,667,077,466</b>	<b>£7,351,861,354</b>	<b>£8,043,217,143</b>	<b>£8,786,291,681</b>	<b>£9,595,548,965</b>

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