Credit Unions, Not Payday Lenders should be worried by the Chancellor

Submitted by: Quick Loans Ltd
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What is the truth about the Chancellor's plan to launch a no interest scheme based on the Australian model to combat payday loans? It certainly is not what people think it is, it's almost certainly a gimmick.

As a business that operates in the HCSTC "High-Cost Short Term Credit" market. Quick Loans were alarmed to hear that there was this new lending model out there which would put them out of business. On closer inspection, they believe that the whole idea is not thought through and does not target payday lenders. The ones who should be worried by this are Credit Unions.

QuickLoans.co.uk analysed the data from the Australian Model quoted by the Chancellor as being successful. The Chancellor did describe the metrics for the basis of this success. A brief analysis of some keypoints of the scheme is detailed here.

https://www.quickloans.co.uk/quick-news/credit-unions-not-payday-lenders-should-be-worried-by-the-chancellor

The facts totally contradict the positive spin portrayed publically and irresponsibly by politicians and certain Money Saving Experts in the media.

Graeme Wingate, boss at QuickLoans.co.uk says "HCSTC providers won't lose any sleep over this. It is Credit Unions that seem to have lost favour today. The new scheme seems to duplicate their sustainable business model, undercut their pricing and many of them could now go out of business. I'm not sure the Chancellor has thought this through."

Quick Loans is unsure as to why the Chancellor is citing the Australian model as a success. There is no available evidence that borrowers of the NILS don not go onto applying for an HCSTC loan after they have a NILS Loan.

For more comments Graeme Wingate can be contacted on 01226 215923