

Alternatives to high-cost credit: our approach

What are the issues we want to address?



Consumers who can't access mainstream credit are using expensive high-cost credit products

Our interventions may reduce the availability of high-cost credit for some consumers

Why are consumers not using lower cost alternatives to high-cost credit?



There is limited availability of alternatives



Consumers have limited awareness of alternatives

So we are aiming to increase availability and awareness of:



Lower cost credit



Alternatives to credit that meet consumers' needs

How are we doing this?

1

By taking action on issues we are best placed to address, eg

- providing guidance to social housing landlords to help them understand regulation on credit broking
- reducing FCA fees for community finance organisations and credit unions



2

By working closely with Government, the private sector and the not-for-profit sector to deliver change by

- providing expertise
- supporting initiatives to promote alternatives, eg Government's work towards a no-interest loans scheme, the Financial Inclusion Policy Forum

3

By bringing organisations together to develop effective approaches, including

- working with firms on new business models and products
- holding a forum for housing associations and providers of household goods to see how they can work together to improve consumers' access to goods