

23 March 2020

Our Ref: FOI7135

Freedom of Information: Right to know request

Thank you for your Freedom of Information request of 24 February 2020 with regard to information relating to the high-cost short-term credit sector (HCSTC). We will answer each question in turn.

1. How many consumers used HCSTC loans in 2019?

The FCA does not hold the number of unique consumers which took out [high-cost short-term credit](#) agreements in 2019.

However, as part of firm's regulatory requirements under CCR002: Volumes regulatory return, firms must report the number of unique consumers with whom they entered into new HCSTC agreements. A template for this data item can be found on page 2 of [SUP 16 Annex 38A](#), and the relevant Guidance for this information is covered by paragraphs 27-29 of [SUP 16 Annex 38B](#). Firms which facilitate [P2P agreements](#) which meet the definition of HCSTC are not required to report this information.

We do not hold the exact data requested as some consumers will take out HCSTC agreements from multiple lenders. There will be multiple counting of these consumers in any aggregation. Additionally, due to different reporting requirement for firms there will be double-counting of consumers which take out new HCSTC agreements in both half-year periods of the same annual reporting period.

The aggregation provided below is an estimate which relates to firms' annual reporting periods ending in 2019. It sums the values reported by firms for *Total Customers in high cost short-term credit*:

1,844,241*

**The figure is an estimate of the upper bound of the number of consumers which took out a HCSTC agreement in 2019. Please note that a small number of values have been excluded from the aggregation because they have been clearly misreported.*

2. How many HCSTC loans were originated in 2019?

For the calendar year 2019, firms submitted product sales data for 3,402,913 HCSTC agreements.

Firms which hold permission for entering into high-cost short-term credit as lender, must submit product sales data for regulated credit agreements which meet the definition of HCSTC. These product sales data are submitted for each calendar quarter.

Please note this number cannot be directly compared to the upper bound of consumers, as they do not relate to the same reporting periods. The relevant Guidance for this information is covered by paragraphs 30-32 of [SUP 16 Annex 38B](#).

3. What was the default percentage on HCSTC loans across the sector in 2019? How does this compare with typical default rates on loans in 2019?

The FCA does not hold information in relation to the number or rate of HCSTC agreements which defaulted in 2019.

4. What proportion of HCSTC loans were repaid early in 2019?

The FCA does not hold information in relation to HCSTC agreements which were repaid early in 2019.

5. What is the total number of loans per UK geographical area in 2019?

The product sales data for HCSTC agreements includes the postcode of the borrower for each agreement. The table below includes a regional breakdown of the 3,402,913 HCSTC agreements reported.

Region	Number of HCSTC agreements
Central & Greater London	533,222
North West	492,604
South East	364,200
West Midlands	312,191
East England	279,893
North East	274,804
Scotland	270,209
East Midlands	264,266
South West	228,775
Wales	139,588
Northern Ireland	64,366
Isle of Man	1,385
Channel Islands	794
The Netherlands	172,663
Unknown	3,953

If you are unhappy with our response you have the right to request an internal review. If you wish to exercise this right you should contact us within 40 working days of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner, who can be contacted at:

Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire
SK9 5AF.

Telephone: 01625 545 700

Website: www.ico.org.uk

Thank you for your interest in the FCA

Yours sincerely,

Information Disclosure Team