

4 June 2020

Our Ref: FOI7286

Freedom of Information: Right to know request

Thank you for your email of 5 May April 2020, in which you asked for (we have numbered your request for ease of reference):

1. *'I am requesting information on the number of consumer credit products, in particular high-cost short term credit, specifically, Payday loans, that have been bought over the past three years, up to April of this year, if possible. If it is viable, this information would ideally be formatted by financial quarter*
2. *'I would also like to receive information on the number of defaults in the same time period if the above task is possible to complete in the requisite 18 working hours.'*

Question 1

We are handling your email as a request for information under the Freedom of Information Act 2000 (FOIA) and confirm we hold some information relevant to your request. The data requested can be found in the attached document.

When reviewing the data, please note that we hold product sales data (PSD) in relation to credit agreements entered into by regulated firms which meet the definition of [high-cost short-term credit](#) (HCSTC). These PSD cover single and multiple instalment loans which meet the HCSTC definition, and have been used to produce this response.

The PSD content used reflects the data as submitted to us by firms. Firms submit PSD on a quarterly basis, providing us with details of the loans they originated in the quarter concerned. The dataset used for this analysis covers the period from 1 July 2016 to 31 March 2020 (15 quarters).

We estimate that the population of firms included in the dataset represents 90% of the HCSTC market (based on the number of new loans originated). Some lenders did not submit data for the whole period covered by this response.

In January 2019 the FCA published data relating to HCSTC agreements in the [consumer credit - high-cost short-term credit lending data](#) report (the report). For this response we have recreated the data tables relating to Figures 1 and 2 of the report. Please note that the PDF attachment contains two columns. The Publication columns relate to the previously published information. The second column represents the data as of 14 May 2020. The published numbers have been revised following the resubmission of data from some firms as well as difference in data cleansing described below.

We had carried out selected cleansing to filter out extreme outlier values that are likely to have been misreported for the similar information presented in the report. This resulted in the exclusion of up to around 5% of submitted transactions depending on the data being analysed. We had not included some transactions featured in the PSD dataset where we thought the data quality was compromised and publishing would be misleading. For this response we have not carried out the full data cleansing performed for the report. We have, however, excluded clearly erroneous transactions which would substantively skew the aggregate data.

Question 2

We do not hold information on the numbers of defaults for HCSTC agreements for the past three years.

Your right to complain under FOIA

If you are unhappy with this response, you have the right to request an internal review. To do so, please 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 by phone or on their website at:

Telephone: 0303 123 1113

Website: www.ico.org.uk

Yours sincerely

Information Disclosure Team