

26 October 2009

## Loan rates continue to rise

Since Bank Rate dropped to the historic low level of 0.50% in March, loan rates have continued to increase.

In this period half of all lenders offering personal loans, have upped their rates.

*See appendix for details of which lenders have increased rates and by how much*

Loan Rate	Average Rate March 2009	Average Rate Today
<b>£1,000</b>	19.7%	19.7%
<b>£5,000</b>	12.2%	12.4%
<b>£10,000</b>	9.4%	9.9%
<b>£25,000</b>	9.5%	10.0%
<b>Source: Moneyfacts.co.uk 26.10.09</b>		

**Michelle Slade**, spokesperson at [Moneyfacts.co.uk](http://Moneyfacts.co.uk) commented:

“Lenders have continued to tighten up their lending criteria, with only customers with blemish free credit records likely to be accepted for a personal loan.

“Those customers that are accepted are having to pay an increasingly higher price.

“In the last six months alone, £335 has been added to the cost of the average £25,000 personal loan, taking the total increased cost for borrowers on a £25,000 personal loan since the crunch began to a staggering £1,804.

“Unemployment continues to rise and lenders are worried that an increased proportion of their customers will default on their loan.

“It is highly likely that new customers are paying an increased premium to cover the defaulting customers who took out loans the previously more competitive rates.

“The upward trend in rates looks set to continue. Anyone in need of a personal loan, really needs to ensure they do their homework to find the best deal possible or they will be left severely out of pocket.”

## Appendix

Provider	Increase	Loan Tiers increase applicable too
Abbey (Existing Customer Loan)	0.5% to 0.6%	£1,000 to £3,000
Bank of Ireland	0.3% to 1.6%	£1,000 to £25,000
Barclays Bank (Barclayloan Plus)	1.0%	£7,500 to £25,000
Cheshire BS	1.0% to 2.0%	£2,000 to £25,000
Cumberland BS	1.0%	£15,000 to £25,000
Furness BS	1.0%	£15,000 to £25,000
Lloyds TSB (Online)	0.6% to 4.0%	£1,000 to £25,000
NatWest	0.5% to 4.0%	£5,000 to £25,000
Norwich & Peterborough BS	1.7%	£10,000 to £25,000
Royal Bank of Scotland	0.5% to 4.0%	£5,000 to £25,000
Smile	1.0%	£15,000 to £25,000
Stroud & Swindon BS	1.0%	£15,000 to £25,000
The Co-operative Bank	1.0%	£15,000 to £25,000
Ulster Bank	0.5%	£20,000 to £25,000
Yourpersonalloan.co.uk	0.2%	£5,000 to £25,000
<b>Source: Moneyfacts.co.uk 26.10.09</b>		

## About Moneyfacts.co.uk

Moneyfacts.co.uk is the UK's leading **independent** provider of personal finance information. For the last 21 years, Moneyfacts' information has been the key driver behind many personal finance decisions, from the Treasury and the Bank of England to the high street.

Our increasingly popular consumer website [www.moneyfacts.co.uk](http://www.moneyfacts.co.uk) **helps customers make better financial decisions** and gives them the ability to check the latest best buy products and to search the **whole market** for products that suit their individual circumstances.

Moneyfacts.co.uk also supplies best buy charts to many of the UK national and regional newspapers, with a total weekly readership in excess of 22,000,000. Moneyfacts.co.uk also provides the personal finance data that powers many UK online comparison websites.

Our dedicated research experts produce three monthly publications as well as providing real time news and data services to the majority of banks and building societies. Additional information can be found at [www.moneyfactsgroup.co.uk](http://www.moneyfactsgroup.co.uk).

## Contact us...

Looking for extra comment, a chart or more information, then please give us a call. We are always more than happy to help.

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