

TOM PURSGLOVE MP
CORBY & EAST NORTHAMPTONSHIRE



HOUSE OF COMMONS

LONDON SW1A 0AA

20th March 2019

Jean Constant

RE: CONSUMER CREDIT AND PAYDAY LENDING.

Thank you for your recent correspondence in respect of Consumer Credit and Payday Lending; your comments upon which I read with great interest.

I am committed to ensuring that more households can manage unexpected costs through affordable credit. Tackling the problems caused by high-cost credit requires a comprehensive approach. That is why the Government wants to both encourage the growth of the social lending sector as an alternative to high cost credit, like payday loans, and ensure that the existing payday lending sector is effectively regulated.

The Financial Conduct Authority (FCA) established, reformed, and toughened, rules governing payday lending in 2015, which included a holistic cap on the total cost of payday loans, so that no payday loan consumer should have to pay back more than twice what they borrowed. In addition, the FCA is consulting on a further package of regulatory reforms for the high-cost credit market. I believe that more can, and should be done, to build on this progress.

That is why I welcome the measures outlined in the recent Budget to make credit even more accessible, and help people manage problem debt. The Budget proposed a 'breathing space scheme', which would allow for a 60-day protection period from debt recovery action by creditors. The policy, the finer details of which are currently being considered following a public consultation, is intended to allow people time to work out a path to consistent pay-back of debt.

I hope this reassures you that action is being taken to help people access affordable and reliable credit. I will continue to make my voice heard to defend the interests of hardworking people.

Once again, thank you for having taken the time to contact me and if I can ever be of any further assistance to you then please do not hesitate to contact me again.

With best wishes

TOM PURSGLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE