



Peer-to-peer proves popular with first-time buyers looking to raise a house deposit

Over half of first-time buyers expect to reduce the wait to own their home by at least six months

London, 14 September, 2015: Latest research from Zopa, the UK's leading peer-to-peer lending service, found that almost two thirds of customers it surveyed aged (18-40) are using the lending service to help raise a deposit on a home and expect it to reduce the time it will take to reach their deposit target.

Over a third (34%) of those surveyed said it will shave more than a year off the time until they can buy and a further 21% say it will reduce their waiting time by six months. With house prices rising on average 4.6% every year according to the July Land Registry figures, this can be an important deciding factor on getting the home people want and at an affordable cost.

An ambitious one in five (22%) is hoping to buy in less than a year, whereas almost half (47%) hope to purchase a home between one and three years' time.

Of those looking to buy, over half are cutting back on clothes and other purchases and more than two out of three people are eating out less, going on fewer or cheaper holidays and choosing cheaper options for household essentials to boost their savings. In contrast, one in four people are making no lifestyle changes at all.

Of those who weren't saving for a deposit, a third (33.8%) said it was because house prices are too high and almost a quarter said they have other savings priorities at present.

Alarmingly, over 40% of people are aiming to save a deposit of over £40,000, but this rose to over half (55%) of Londoners who are waiting to buy. This stands in stark contrast to those who bought ten years ago, when only 2% of savers aimed for a deposit pot of £40,000 or above

Less than one in five (18%) are receiving help from government schemes, such as help-to-buy, but over half of current first time buyers (55%) expect to receive no financial assistance from their families in reaching their deposit target.

For those first-time buyers that have had financial assistance, the size of parental contributions is actually getting larger as deposit amounts increase. For those who bought their houses more than ten years ago, only 8% of parental contributions were over £45,000. This percentage rises to 28% for people who bought less than a year ago.

Zopa's executive chairman and co-founder Giles Andrews said, "Buying a home is a major milestone in many people's lives and saving a deposit is getting harder each year as prices and the amount required increases. I'm proud that Zopa is helping first time buyers reduce the time it takes to own a home by allowing them to grow their money faster with better rates. From April 2016 we will be able to help millions of people keep more of their interest as P2P lending becomes part of the tax free ISA wrapper and personal savings allowance."

[Average house price for England and Wales of £183,861 according to July Land Registry data].

Zopa surveyed 1329 customers aged 18-40 during July 2015

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About Zopa

[Zopa](#) is the UK's leading peer-to-peer lending service - bypassing banks and their high charges to put more back into the pockets of the UK's lenders and borrowers. Zopa matches smart borrowers looking for lower-rate loans with lenders looking for higher interest. Since Zopa was founded in 2005, it has arranged more than £1 billion in peer-to-peer loans and has been voted 'Most Trusted Personal Loan Provider' in the Moneywise Customer Service Awards for the past six years and Consumer Moneyfacts best overall customer service in 2014.