



## **Zopa celebrates 10<sup>th</sup> anniversary by lending over £750 million in P2P loans**

### **Key stats:**

- Zopa passes £750 million in lending as it marks 10 years in business and expects to reach £1bn this summer
- More than £46 million in interest returned to 58,000 lenders to date
- Over 107,000 different borrowers approved for cars, home improvements, weddings and debt consolidation loans
- Overall return achieved in 10 years of lending is 70%, beating the UK housing market

**London, 9<sup>th</sup> March, 2015:** Zopa, the world's first peer-to-peer lender, today marked the tenth anniversary of its service and start of the peer-to-peer finance industry worldwide. The British business launched on March 8<sup>th</sup> 2005 after being founded in a barn in Buckinghamshire. It has since spawned a global industry worth more than \$10 billion worldwide, with over £2.3 billion of money being matched in the UK alone.

The pioneering business, has this week surpassed £750 million in loans to UK customers, and expects to pass the £1 billion mark this summer. The UK's oldest and largest peer-to-peer lending service has now lent money from more than 58,000 individuals across Britain to over 107,000 individual borrowers for cars, home improvements and paying off existing debts.

Zopa has delivered an average rate of return of 5.6% (after fees and any losses from bad debts) over the past ten years to its lenders, fulfilling its promise of delivering better interest rates than high street banks. For example, a £10,000 investment in Zopa on day one would today be worth 70% more at £17,000 due to the compound interest effect of relending on Zopa. By allowing consumers to bypass the banks, Zopa and its borrowers have returned over £46 million in interest to its lenders so far. Almost a third of that interest total (£14m) was returned in 2014 alone.

With Zopa being the first and oldest P2P lending platform in the world, its heritage is unique. Its track record in managing credit risk is world leading in financial services and Zopa is the only UK P2P platform to have been through a credit cycle.

Zopa is a business built on its customers lending and borrowing money via its platform. Key to its success has been to consistently deliver excellent customer service having been recognised by the likes of Moneywise last five years in a row and Moneyfacts last two years in a row.

Giles Andrews, Zopa CEO and co-founder, comments: "Our customers are at the heart of what we do and this is reflected in the multiple awards we've won for outstanding customer service."

As well as being popular with consumers, the business has attracted some high profile backers including, Bessemer Venture Partners (the oldest VC firm in the US), Augmentum Capital, part of RIT Capital Partners (Jacob Rothschild's Investment Trust) and Arrowgrass Capital Partners, which invested £18 million in 2014.

Giles Andrews, Zopa CEO and co-founder, comments: "It's hard to believe that we've gone from an idea in a barn to a global industry now lending billions of pounds in the course of a decade. We created Zopa because we saw the potential to bring people together over the internet without



having to go through a bank. This has prompted a revolution in the financial sector worldwide. We are very proud to have pioneered a new way to do finance by allowing people to achieve their life goals through lending or getting a loan at a great rate. I see Zopa becoming the norm in the same way EBay has. Peer-to-Peer lending is certainly here to stay!"

## **Lending Trends**

Changes in Zopa's lending patterns reflect some broader changes in British society over the past ten years. These include:

### *Cars/Motorbikes: 36% of loans*

As the first green shoots of the recovery appeared in 2011, Britons got back on the road. Loans for cars and motorbikes accounted for more than half of Zopa's total loans in 2011, compared to just 33% as the recession bit in 2008. Now roughly one in 600 cars on the road in the UK today have been bought through a Zopa P2P loan.

### *Home improvements: 22% of loans*

Demand for home improvements loans peaked in 2007, when they accounted for 22% of loans granted. The onset of the financial crisis (and associated drop in property prices) meant they then slumped until 2011, and since then have seen a steady uptick, but are still yet to reach their pre-recession peak.

### *Debt Consolidation: 33% of loans*

As the economy slowly but steadily shows signs of recovery, debt consolidation loans are now at an all-time high. Consumers who have built up debt during years of economic uncertainty now appear to be taking a more proactive approach to tackling it.

### *Weddings: 2%*

Demand for wedding loans is also currently at its peak. As the financial crisis took hold in 2008 wedding loans accounted for just 1.2% of Zopa's loans, but this has now almost doubled to 2.3%. The average size of a wedding loan in 2014 was £6,600

## **More for your money**

Based on the average return of 5.6% after fees at Zopa, if you had placed £10,000 in Zopa on the day it was founded, that stake would now be worth 70% more at £17,000 assuming that all funds had been relent. Here's how it would have fared against a number of well-known investments:

### **Zopa increase in ten years of lending = 70%**

2005 value £100,000 – 2015 value £170,000

2005 value £10,000 – 2015 value £17,000

2005 value £1000 – 2015 value £1,700

**House prices: Average UK house price increase is 23.7% (Nationwide House Price Index)**



2005 value £100,000 - 2015 value £123,700

**FTSE – Overall return 96%**

2005 value - £10,000 - 2015 value - £19,600

**UK Savings account – Overall return 36%**

2005 value - £1000 - 2015 value - £1,360

**Key stats**

- Over £750m lent to date
- £266m lent in 2014 alone
- £334m in outstanding loans
- £46m in interest returned to lenders
- 58,000 lenders
- 107,000 borrowers
- 0.58% historic default rate 2005-2015
- Average lent £6,800 per lender
- Average loan size £7,250
- Largest lender – £2.3m lent

**Notes to editors:**

**Press contacts:**

Ollie Edwards/Hannah Warmington, Brands2Life

[zopa@brands2life.com](mailto:zopa@brands2life.com)

0207 592 1200

**About Zopa**

[Zopa](#) is the UK's largest 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 £750 million in peer-to-peer loans and has been voted 'Most Trusted Personal Loan Provider' in the Moneywise Customer Service Awards for the past five years and Consumer Moneyfacts best overall customer service in 2014 and 2015.









