



Zopa to launch new range of lending products ahead of IF ISA

P2P lending platform will soon offer customers more choice for their investments

LONDON, 18.02.16: Peer-to-peer pioneer Zopa will launch a new range of lending products in mid-March ahead of the new Innovative Finance ISA. The new products will replace the existing lender offering with three new lending options: Zopa Access, Zopa Classic and Zopa Plus. Together, these products will offer more choice and flexibility to both existing and new Zopa lenders.

By offering a wider range of choice over its lending products, Zopa is providing a compelling offering to UK consumers based on their appetite for risk and what level of access they require.

Zopa believes the predicted returns of around 6-7% for Zopa Plus will be extremely competitive based on the level of risk lenders choose to take. Specific rates for each product will be announced on 1st March.

Zopa Lending Products – Launching mid-March 2016

Zopa Access

- Safeguard lending - Yes
- Returns - Around 3-4% after expected defaults
- Access – No fee to sell loans
- ISA eligible - Yes

Zopa Classic

- Safeguard lending – Yes
- Returns – Around 4-5% after expected defaults
- Access – 1% fee to sell loans
- ISA eligible - Yes

Zopa Plus

- Safeguard lending - No
- Returns – Around 6-7% after expected defaults
- Access – 1% fee to sell loans
- ISA eligible - Yes

New Products

Zopa Access – no access fees

For customers who value easy access to their money, Zopa has created Zopa Access, which has Safeguard but which has no access fee and a slightly lower expected return than Zopa Classic. This will appeal to customers who value access to their money or have a lower risk appetite.

Zopa Plus – Non-Safeguard lending, some added risk with higher returns

For customers who are comfortable to lend their money via Zopa's diversification model and do not require the additional security of Safeguard, we've created Zopa Plus. This product allows customers to lend to borrowers in A*-E markets, and by including higher risk D and E loans within the mix, lenders can benefit from, higher predicted rates of return (around 6-7%).



Zopa's Chief Product Officer, Andrew Lawson said, "Zopa's new products are designed to provide more choice for our customers, whether they're seasoned Zopa lenders or new to peer-to-peer lending. We've listened carefully to feedback from our customers to create a range of products we believe will deliver the right balance of returns, risk and access. Even more exciting is that we'll be able to offer all three products within an ISA, which will help UK consumers get even more value from their hard-earned money."

Will these products be available with an ISA wrapper?

Yes – subject to regulatory approval, Zopa plans to offer each of these products with ISA wrappers.

When the new products launch, what will happen to customers' loans that are in the current short or long products?

For current Zopa lenders as we retire the existing short and long products, repayments will cycle into the new Zopa Classic product.

If an existing customer wishes to move their existing loans from Zopa Classic into one of the other new products, they can choose to either sell their loans and purchase new loans within a new product, or turn off relending and allow repayments to collect within their holding account and then allocate those funds to a new product.

Will customers be able to have multiple new products?

Yes – if they chose to do so, customers can have Zopa Access, Zopa Classic and Zopa Plus products at the same time - however only one can be selected for new funds at any given time.

ENDS.

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 launched in 2005 it has arranged more than £1.3 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 'Personal Loan Provider of the Year' for the past three years running.

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