Interesting cases: the new normal?

Robert Barnard - Sales Director

The Specialist Lending Event 2018

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peppermoney

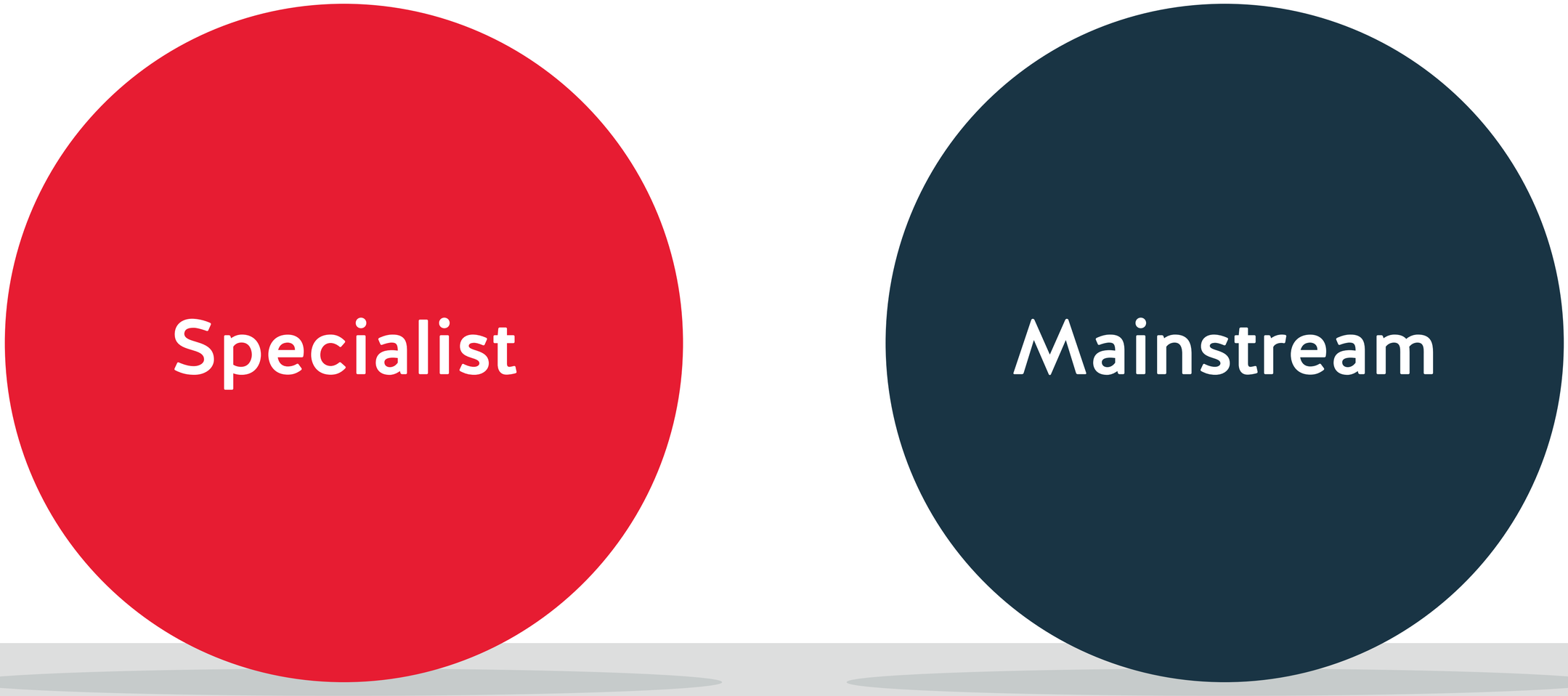
In this world nothing can be said to be certain, except death and taxes.

- Benjamin Franklin, 1789

In the world of the mortgage broker nothing can be said to be certain, except death, taxes and credit score fails.

- Robert Barnard, 2018

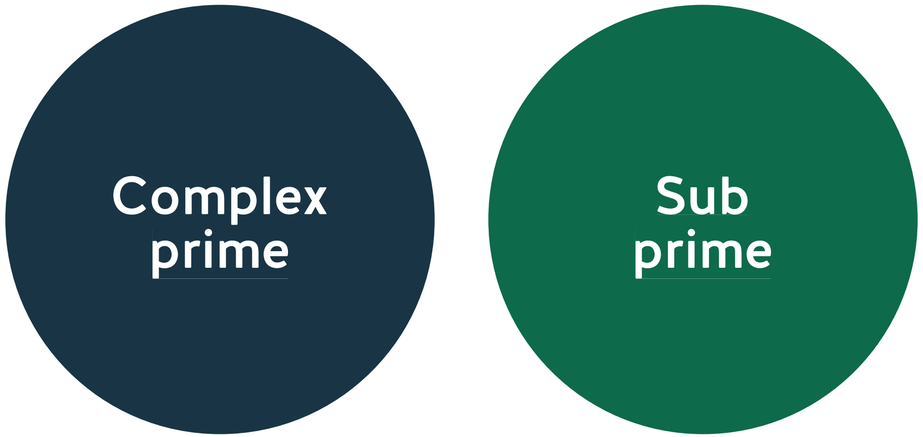
In the past



Then...

Complex prime

Then...



Then...

Then...

Complex prime

Sub prime

Buy-to-let

100% LTV

Then...

Since then

Since then

Since then

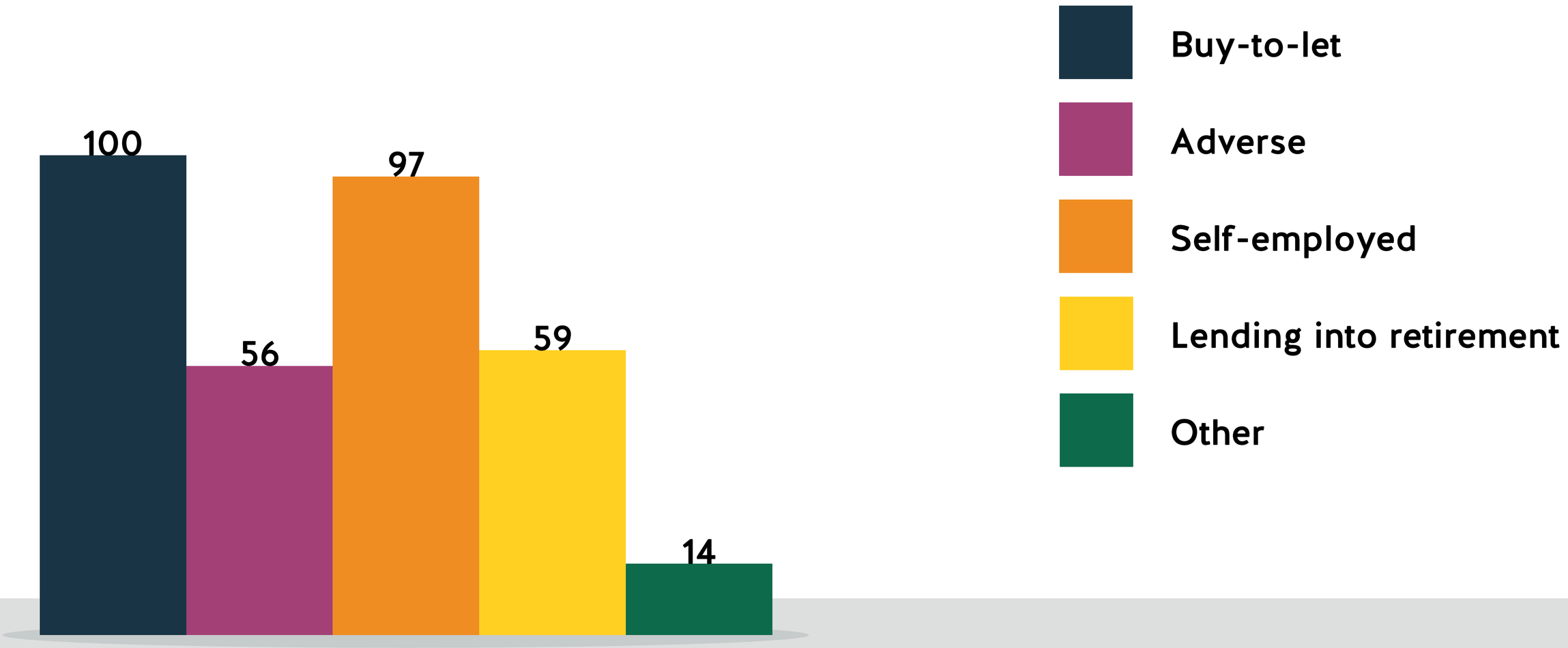
Mainstream

Specialist

The new mainstream?

Most of you are already getting involved...

% of brokers involved in specific cases



Source: Pepper Money

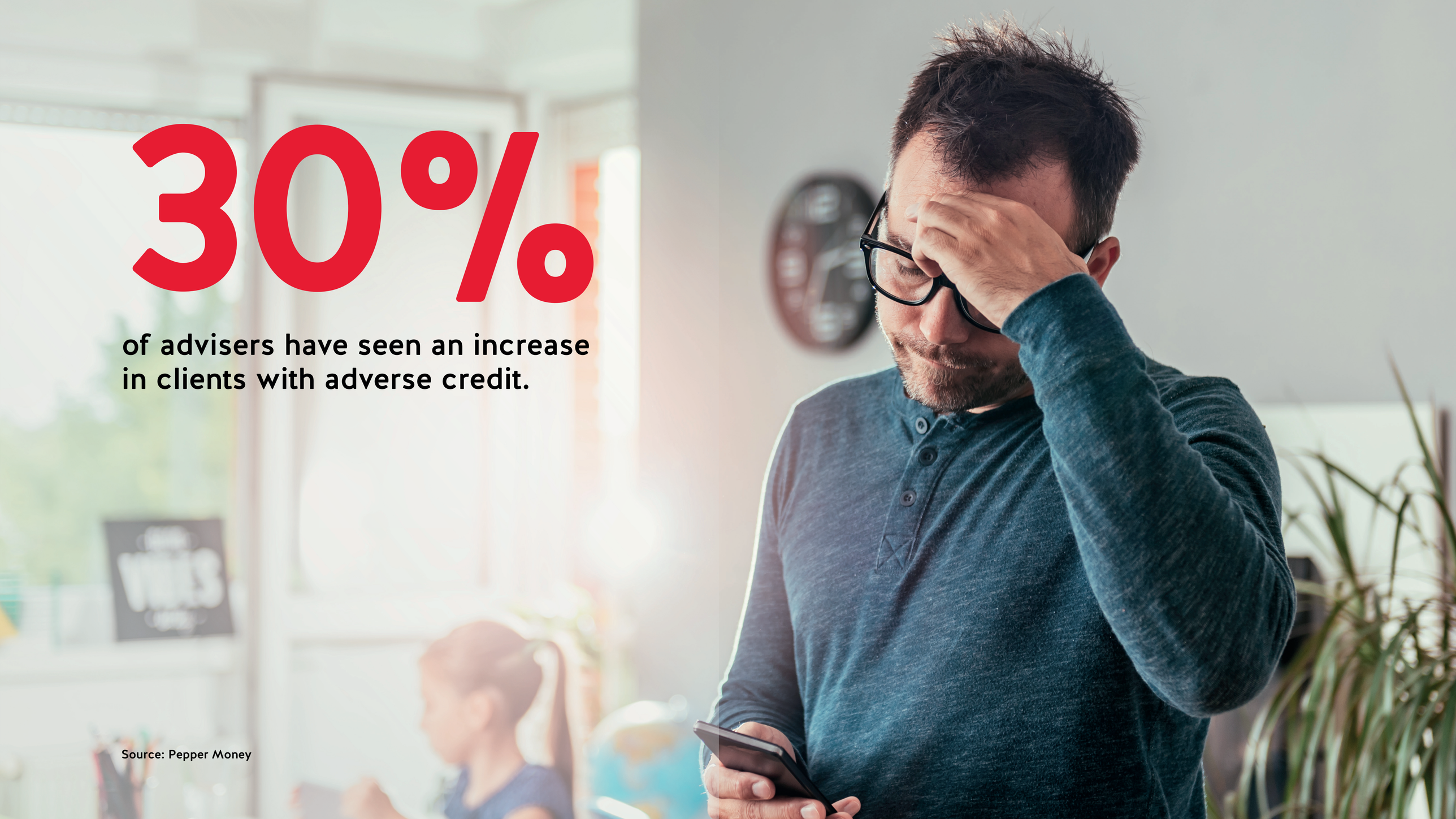
Why bother?

Because adverse is

Because adverse is **the new normal**

30%

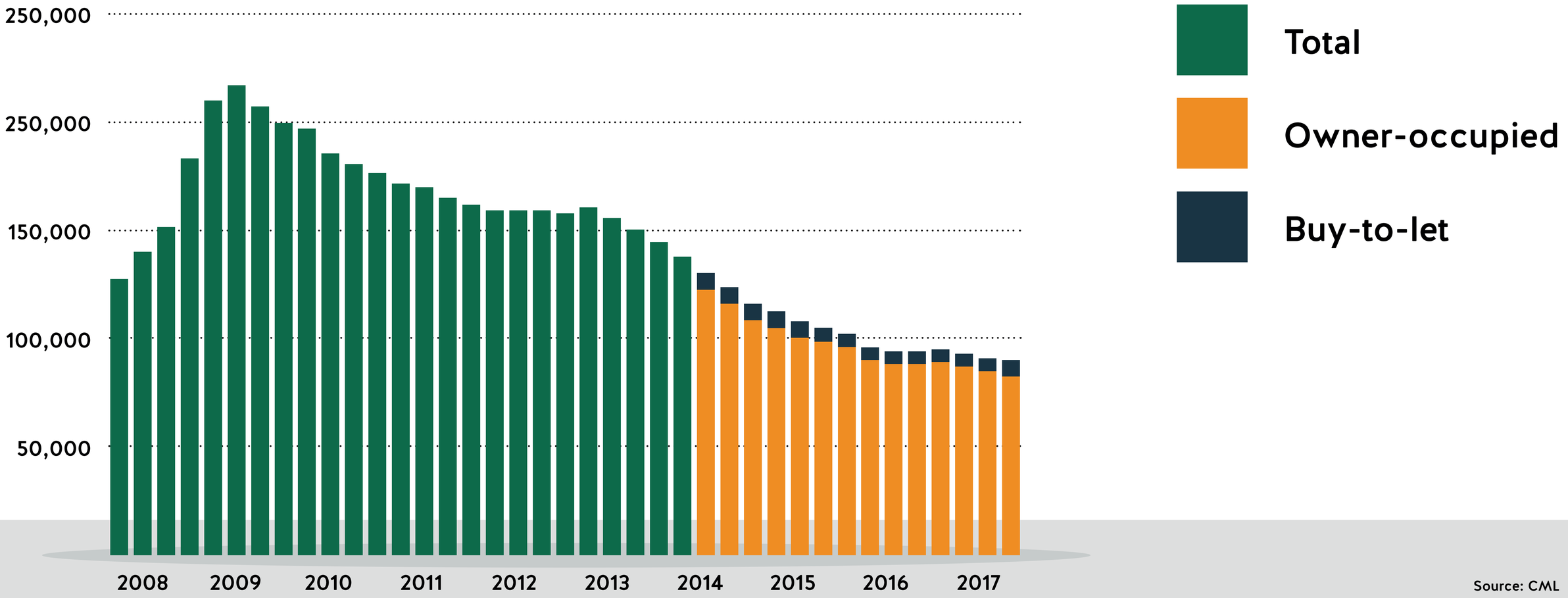
of advisers have seen an increase in clients with adverse credit.



Source: Pepper Money

Arrears

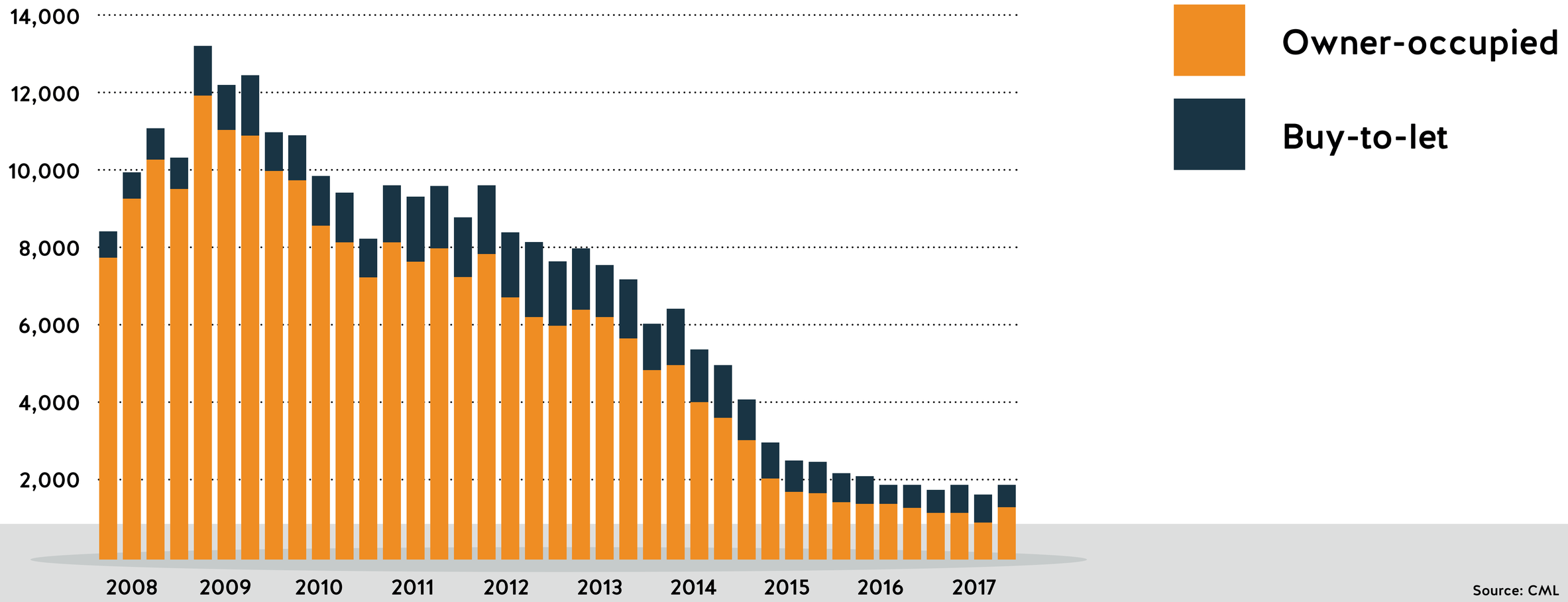
What will happen when rates do finally rise?



Source: CML

Repossessions

What will happen when rates do finally rise?

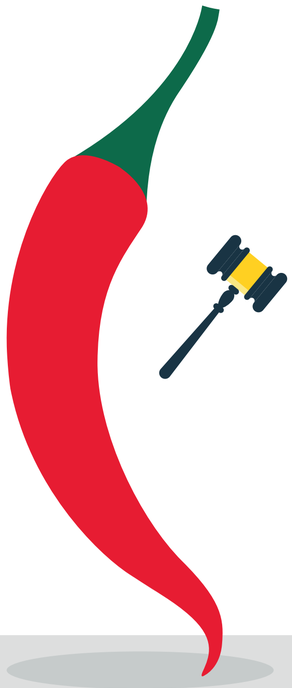


Source: CML

Where's the adverse credit coming from?

CCJs in 2015

CCJs registered against consumers in England and Wales in 2015



CCJs in 2016

CCJs registered against consumers in England and Wales in 2016

25%

Higher than 2015

Highest

Level since 2008

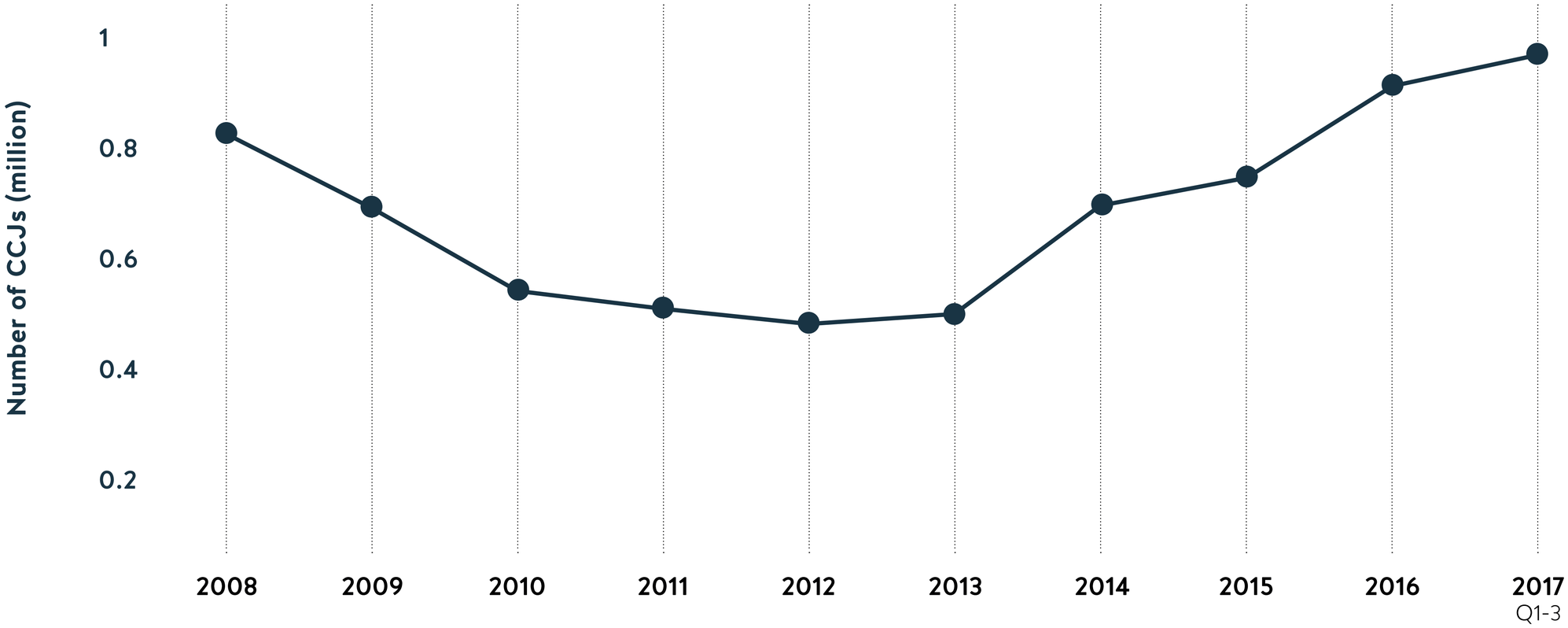
£1,735

Average value

-16%

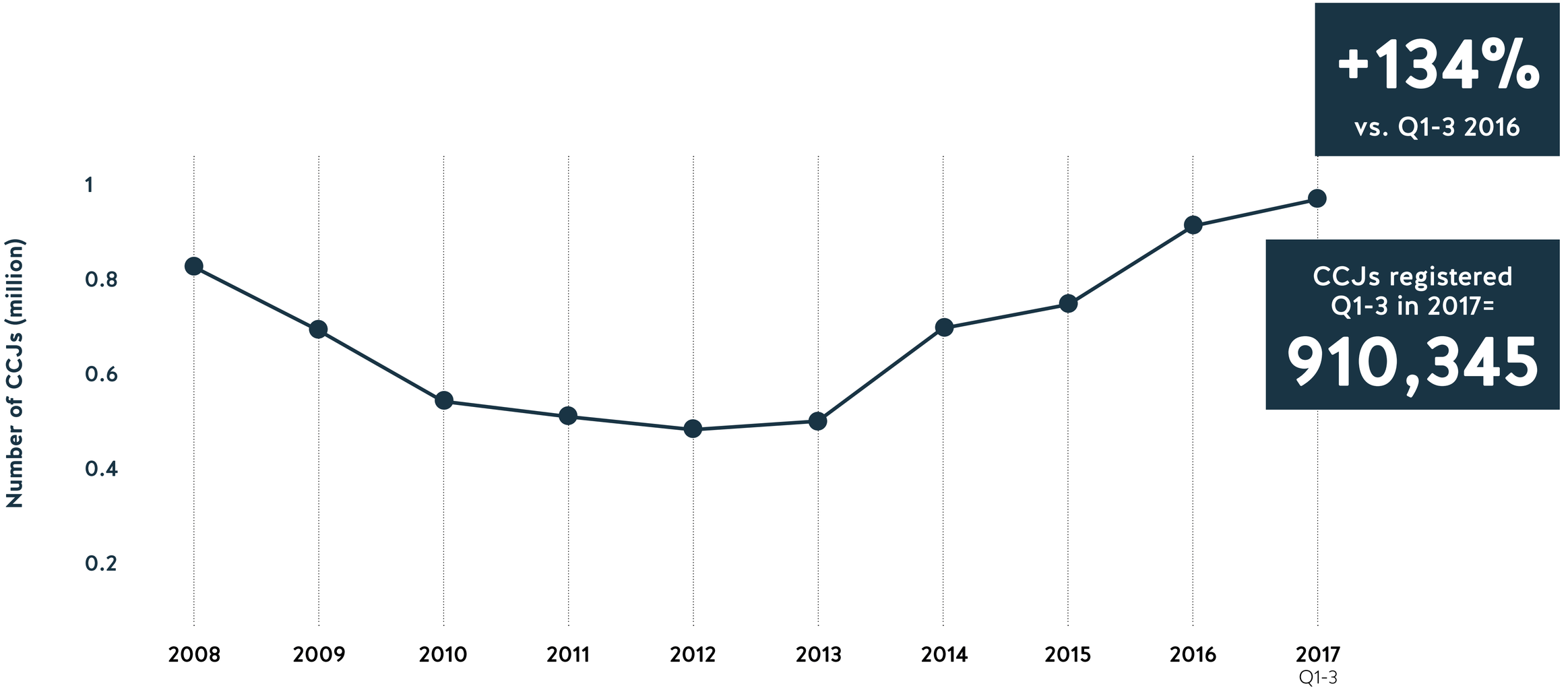
Drop in value since 2015

CCJs 2008 - 2017



Change source to Registry Trust Ltd

CCJs 2008 - 2017



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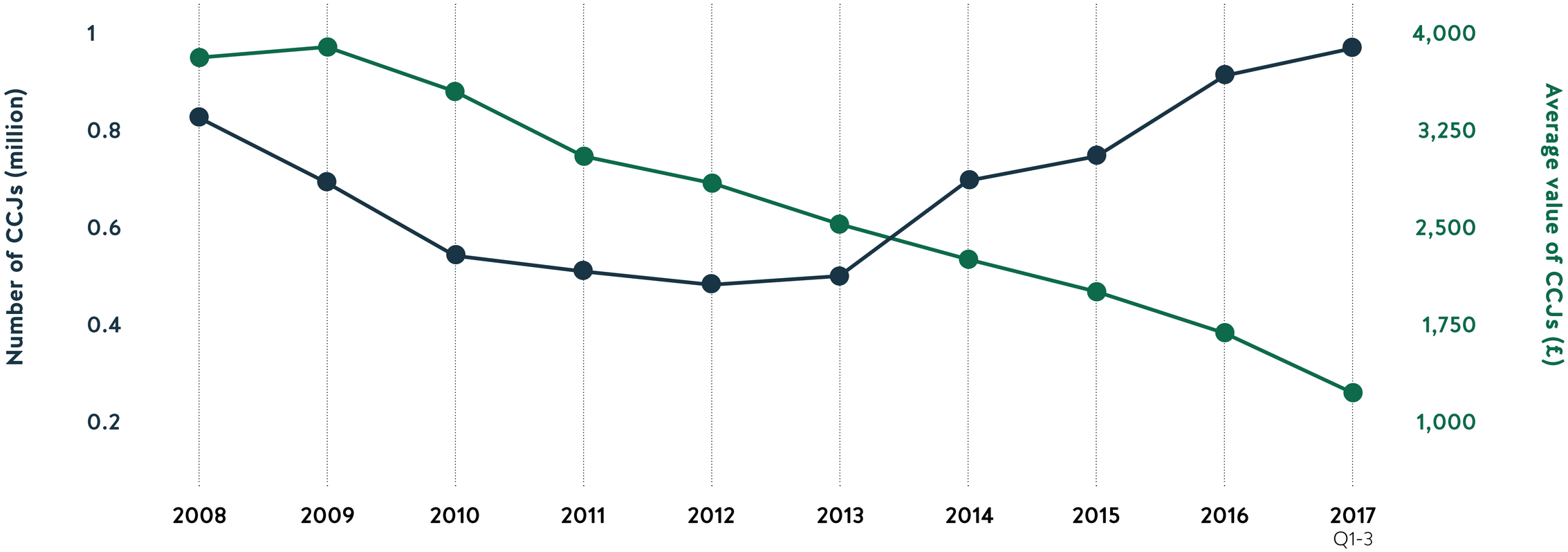
CCJs 2008 - 2017



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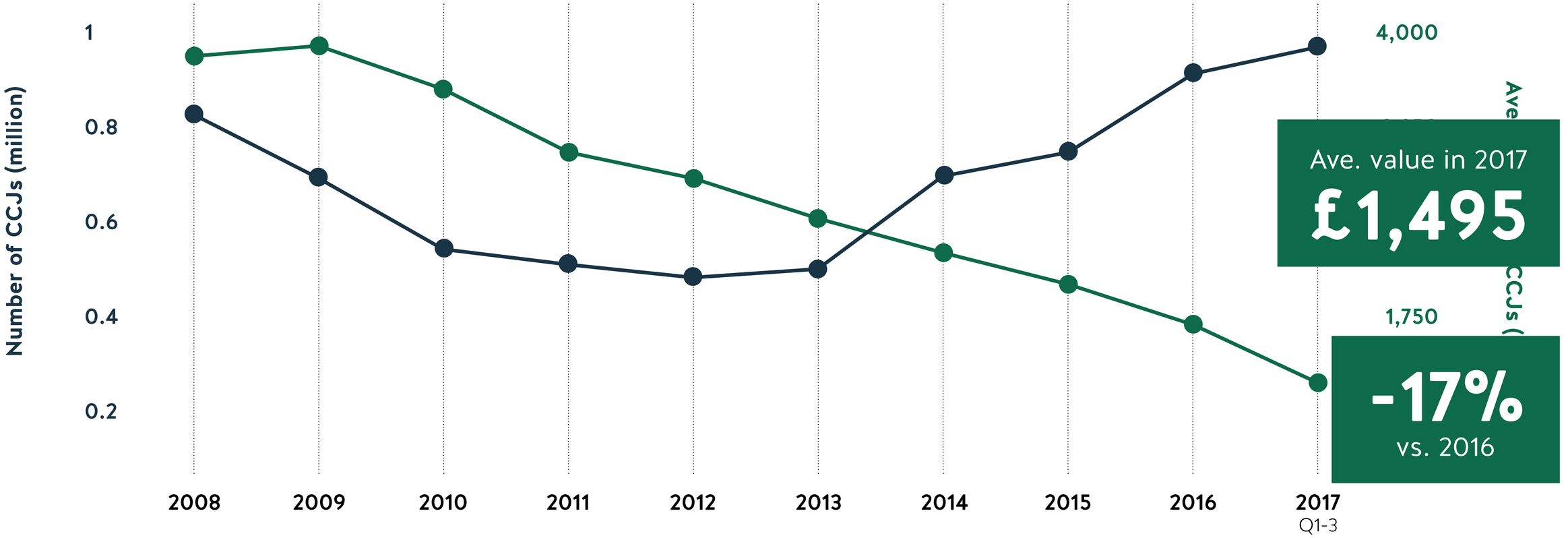
CCJs 2008 - 2017



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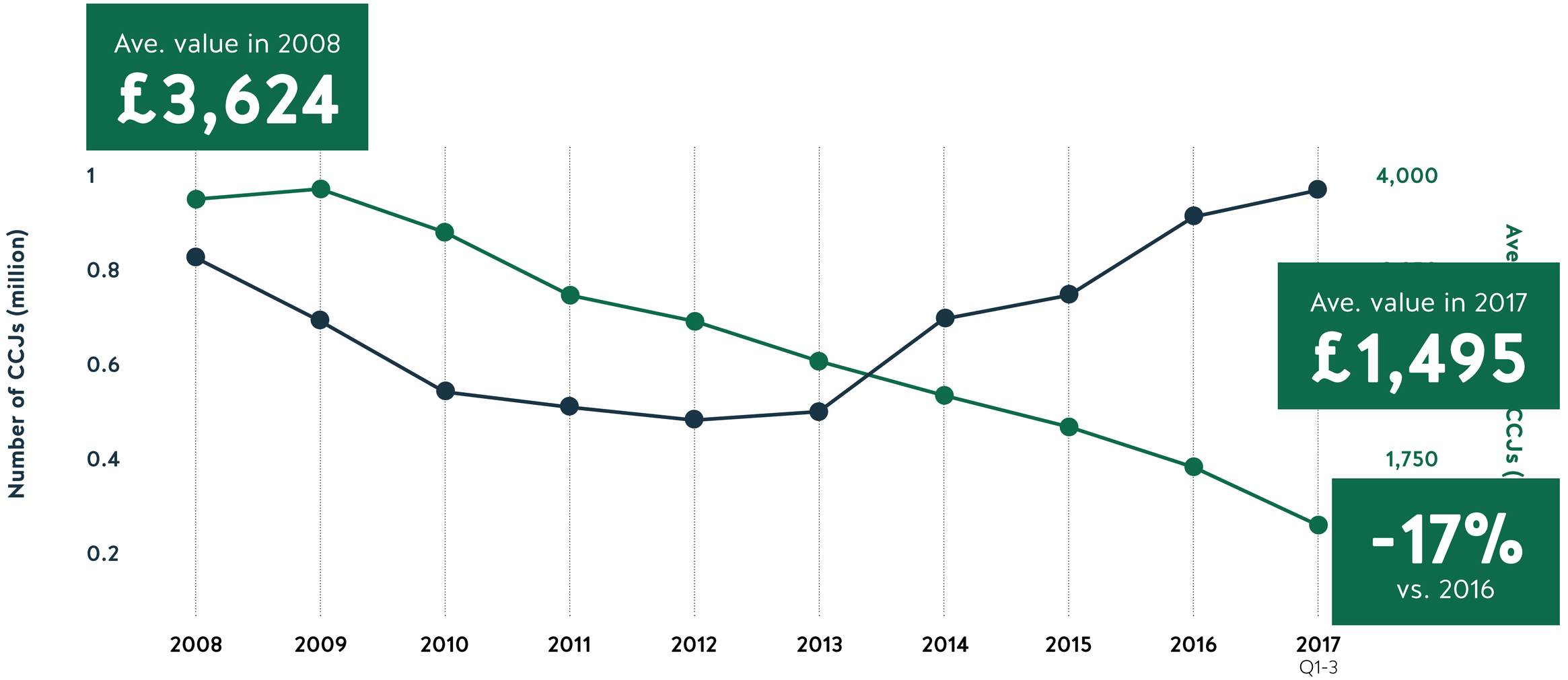
CCJs 2008 - 2017



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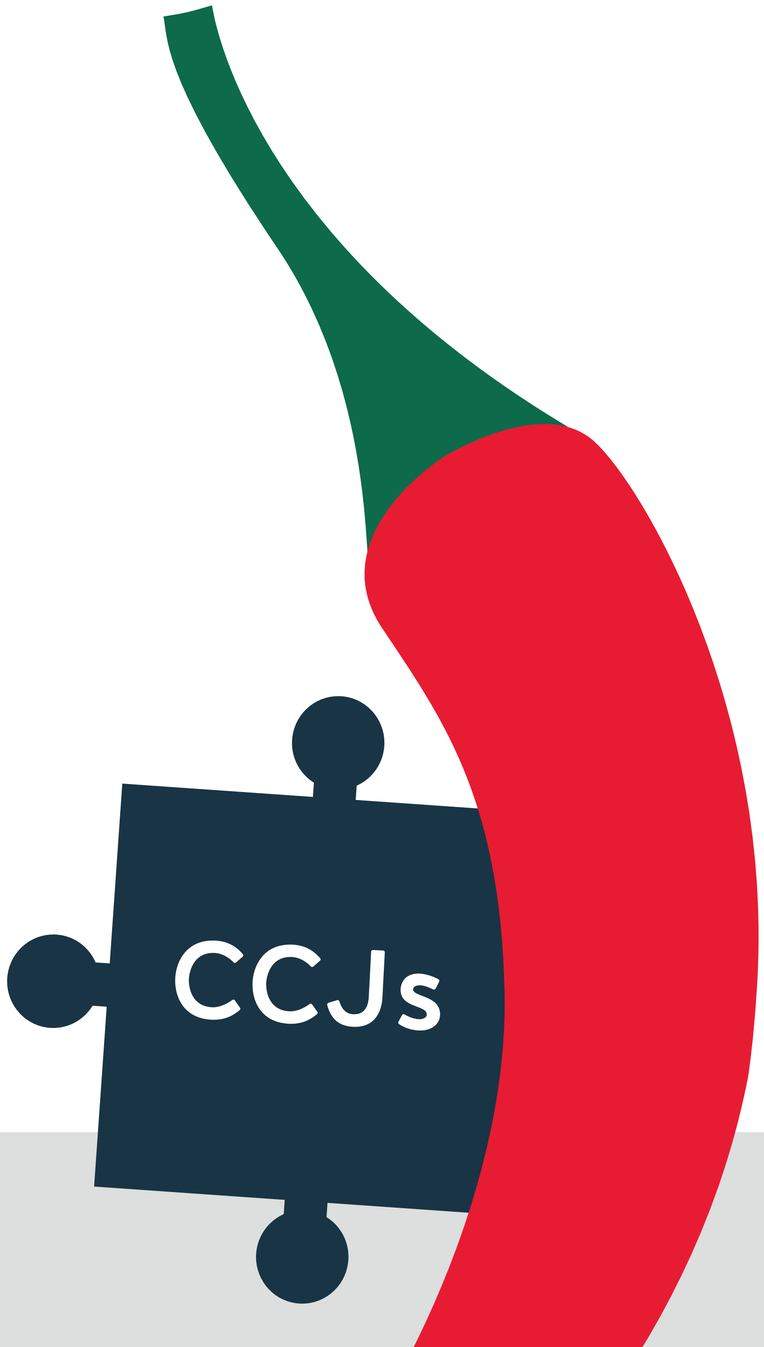
The rise in CCJs

The rise in CCJs

... Just one piece of the puzzle



So many ways to trip up...

So many ways to trip up...

Credit card debt

(£2,559 per household - Oct 2017)

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Credit card debt
(£2,559 per household - Oct 2017)

Store cards

(£46.7m plastic transactions - May 2017)

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Store card
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Utility bills

(£3.25 per day per household)

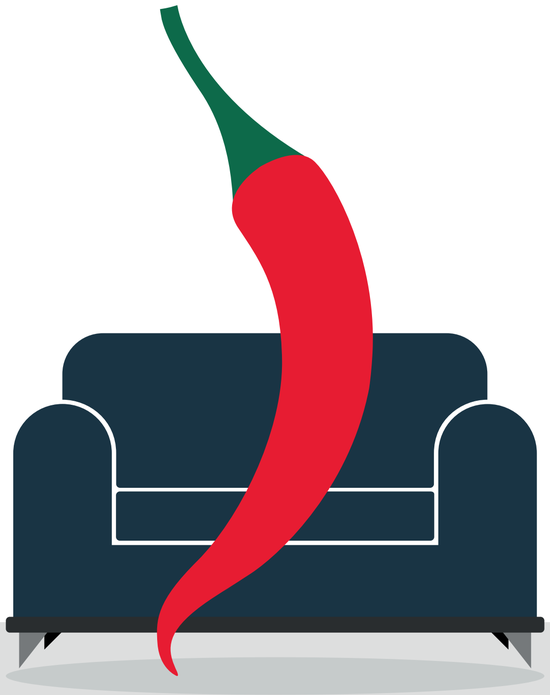
So many ways to trip up...

Credit card debt
(£2,559 per household - Oct 2017)

Store card
(£46.7m plastic transactions - May 2017)

Utility bills
(£3.25 per day per household)

0% big ticket finance



So many ways to trip up...

Overdrafts

So many ways to trip up...

Overdrafts

Mobile phone contracts

(92m mobile subscriptions in the UK - end 2016)

So many ways to trip up...

Overdrafts

Mobile phone contracts
(92m mobile subscriptions in the UK - end 2016)

Payday loans

So many ways to trip up...

Overdrafts

Mobile phone contracts
(92m mobile subscriptions in the UK - end 2016)

Payday loans

Redundancy
(1,282 people/day)

People in the UK owed

£1.526tn

(Oct 2017)

So many gotchas.

So many gotchas.

Not if, but when.

So many gotchas.

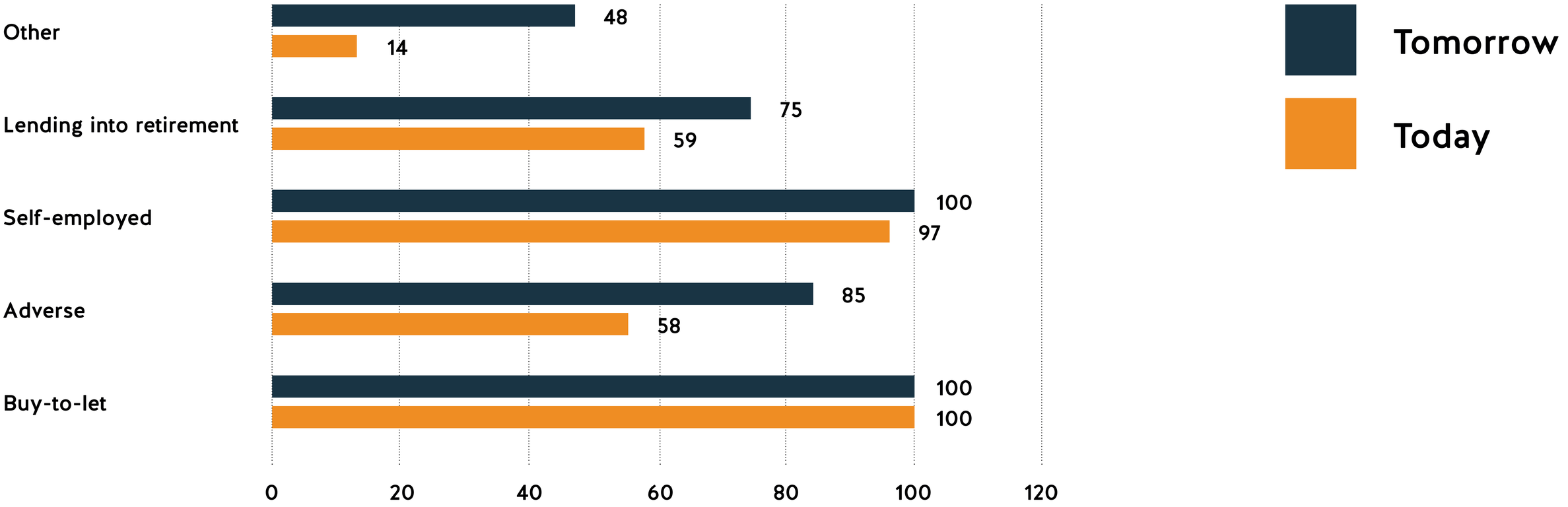
Not if, but when.

And when it happens?

Cue brokers **like you**,
and **lenders like us.**

In future

% of brokers involved in specific cases



Source: Pepper Money

Straightforward

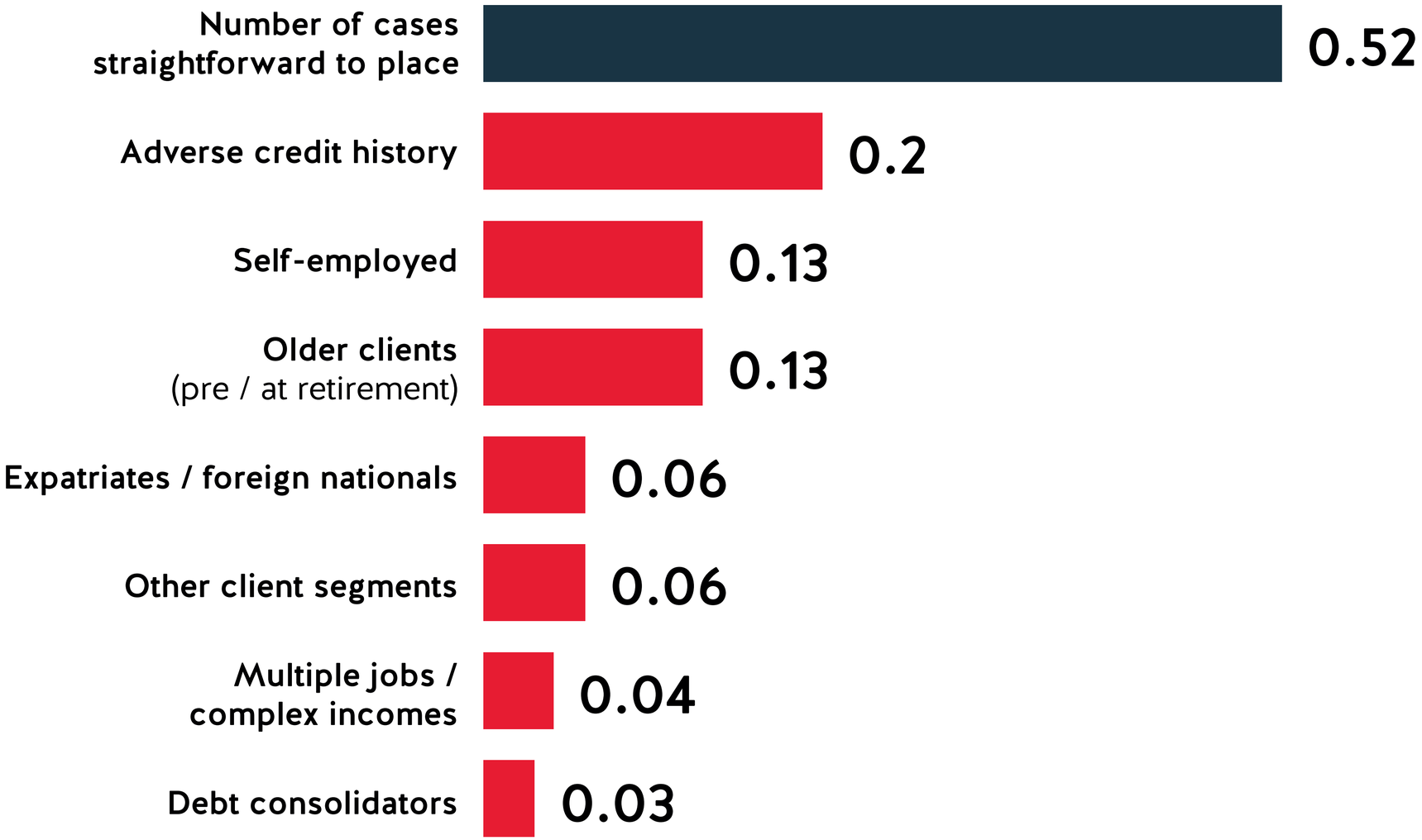
Number of cases straightforward to place

0.52

Source: Pepper Money

Straightforward vs interesting

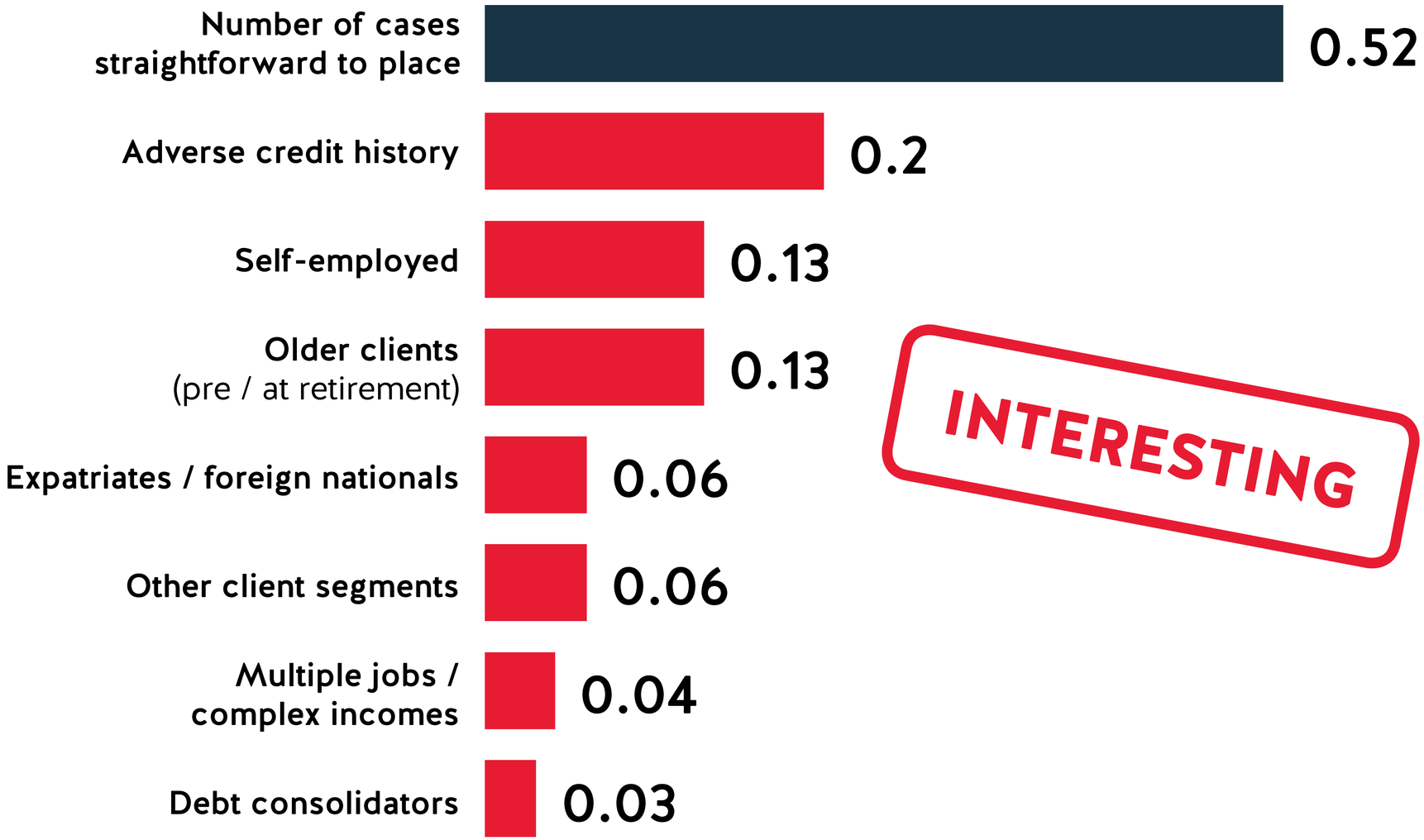
Specific client types that you are finding it difficult to place cases for...



Source: Pepper Money

Straightforward vs interesting

Specific client types that you are finding it difficult to place cases for...



Source: Pepper Money

ONE WORD FOR WHAT WE DO?

NOT ALWAYS

~~DIFFICULT~~

DEPENDS HOW YOU LOOK AT IT

NON-CONFORMING

~~ADVERSE~~

SOMETIMES

INTERESTING

YES!

~~UNCONVENTIONAL~~

OR THE NEW CONVENTIONAL?!

~~SPECIALIST~~

NOT ANYMORE

~~NICHE~~

TOO NICHE

So what are interesting cases?

Credit blips

Young credit history

Self-employed

Complex income

Previous financial difficulties

Summary

Specialist is growing

Summary

Specialist is growing

Credit slip-ups still increasing at pace

Summary

Specialist is growing

Credit slip-ups still increasing at pace

BTL is slowing down

Summary

Specialist is growing

Credit slip-ups still increasing at pace

BTL is slowing down

Adverse is your fastest-growing niche

Summary

Specialist is growing

Credit slip-ups still increasing at pace

BTL is slowing down

Adverse is your fastest-growing niche

Spend time with specialist BDMs

Pepper’s criteria makes it easier
to place **interesting cases**

Any questions?

Robert Barnard - Sales Director

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