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NARINDER Khattoare does not worry about competition in the peer-to-peer space. In fact, he welcomes it.

“There are plenty of deals out there,” says Khattoare, chief executive of P2P property platform Kuflink. “There are plenty of investors out there. And I might be biased, but I know that we offer a very, very attractive proposition.”

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In fact, Khattoare is so confident about Kuflink's proposition that he has one very unusual suggestion for would-be investors: don't put all your money into our platform.

According to Khattoare, diversification is essential when it comes to investing in P2P. As the sector grows, P2P platforms are beginning to carve out niche areas of specialisation and this means that there is no longer a 'one size fits all' solution for investors seeking to include P2P exposure. Rather than putting all their eggs in one basket, Khattoare suggests that investors spread their money across platforms offering property, business and personal loans.

"Investors are getting to know a bit more about P2P lending," he explains. "There are risks, but with risk comes high reward. And if you're diversifying your funds, you're minimising your risk."

Khattoare believes that investors are more willing to diversify now after the closure of P2P lender Collateral earlier this year. Now that consumers know platforms can fail, they are less willing to keep all their P2P investments in one place, he says.

"There could be a few more casualties going forward in the P2P space," Khattoare predicts. "Hence the reason why it's important for every investor to diversify their funds."

Of course, Kuflink's business model is very different to Collateral's. For one thing, Collateral was not operating with full permission from the Financial Conduct Authority. And despite being in business for just two years, Kuflink's credentials are impeccable.

"We have five per cent skin in the game, we offer a 20 per cent first-loss guarantee on all investments, we have zero losses on our platform, and most of the people on our board have property experience," says Khattoare. "We have evolved from property lending whereas most of the other P2P platforms have evolved from friends who were working in investment banking."

"If I was coming into the marketplace, I would first of all look at the business proposition," he adds. "Who are you lending to? What is the calibre of the staff who are working there when doing the due

diligence? How experienced are the underwriters? These are the kind of questions I would want to raise. I wouldn't want to deploy cash on a platform which has got an inexperienced board of directors."

Kuflink has reached a series of milestones this year. Just two years after launching, the platform has passed £20m in lending, with a chunk of this coming from its Innovative Finance ISA (IFISA).

Khattoare describes the success of the IFISA as "an extra bonus" and expects IFISA uptake to be even greater next year.

"We didn't envisage getting ISA approved so quickly," he says. "So from a business perspective that has been a big bonus for us. However, the next ISA season's going to be a big one for us. We didn't do a big push on the ISA this year because we're still growing as a team. We will be in a better position come ISA season in 2019."

For now, the company is concentrating on growth, and Khattoare's message of diversification is already paying off.

"Over the last 12 months I've seen a lot of P2P investors come our way from our competitors," Khattoare says. "And I think the reason for that is because they are diversifying their risk across a number of platforms."

Indeed, this balanced approach is already delivering rewards for Kuflink and its investors.

Click [here](#) for more information on the opportunities offered by Kuflink.

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