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Retail P2P must be acknowledged in its own right

CONTRIBUTOR | FEATURES | JOINT VENTURES AND PROMOTED CONTENT | KUFLINK
RETAIL INVESTORS

It is probably as good a time as any to point out that there are now two distinct channels when describing peer-to-peer lending. The tendency is to describe it as a single entity, when in fact there are two separate channels: those which are funded institutionally and those funded from retail sources directly by individual investors.

Here in the UK, P2P firms which operated a policy of mixed institutional and retail sourcing have had to decide whether to continue dealing with the retail sector.

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The Financial Conduct Authority (FCA) introduced new measures in 2020 to protect retail investors in the wake of the failure of a number of P2P firms. Apart from introducing a cap of 10 per cent of an individual's total assets that could be invested in P2P, the new regulations made firms responsible for ensuring that investors had an overall understanding of the market and were aware of the risks as well as the rewards.

In addition, the regulator insisted that reporting how loans were performing would become a mandatory requirement for platforms accepting retail investors.

As a result, many P2P firms have withdrawn from the retail side as the extra cost and work required to make those checks and improve reporting disclosures made the burden of compliance and FCA oversight less than economical.

Those that are left in the retail space however, such as Kuflink, have been able to accommodate the required changes and are thriving as a result. We consider that the needs of individual investors can be well served through P2P investment. Our formula of strong returns, minimising risk and a track record that, over four years of operation, has not lost a penny of investor capital, is attracting more enquiries from savers who are tired of effectively negative returns from deposit based investment.

But it is not just the ordinary saver that we are attracting. Those with serious money to invest are seeking ways to diversify their investments and P2P makes a strong case; particularly ours, which is secured against property.

Whilst we are by no means the biggest provider, the FCA's new rules have been hugely beneficial for those who have decided to stay in the retail sector. Net inflows of investment are increasing at a rate which, given the circumstances we have been under for the past twelve months, shows that the public appetite for investment sources with a strong return has not diminished due to Covid. The exodus of most of the large P2P players from this channel has also played its part in bringing new investors to our door.

Kuflink is proving that retail investment in P2P is in rude health.

Making it easier for customers

Simplicity and ease of use are the key attributes we have always kept in mind since launching our P2P offering. We set out our vision of how dealing with us should be; anyone coming to Kuflink should be able to see instantly the alternative products we offer and understand them. Just as importantly, having chosen to invest, the process should be simple and easy to accomplish. That vision has served us well and, along with access to our professional team for any queries or doubts, we feel we have one of the easiest propositions to understand and deal with.

However, here at Kuflink we never stand still and innovation and evolution are part of our DNA. The most recent addition to our services has just been released. Feedback from our customers has led us to develop a versatile new tax certificate for UK and global clients that means that our investors can now calculate how much tax relief they can claim on unpaid loans; another example of responding to a need and then producing the answer which is right for our customers and helps them to solve what can be a tricky calculation.

We are also really excited about the coming release of the new Kuflink mobile app, which is currently being beta tested and will enable customers to access their accounts with us, wherever they are.

These innovations are just part of the forward looking process of development in the technology which supports us. By making access simpler and innovating to produce the best outcomes, we can better support existing customers and attract a new audience for our particular brand of P2P investment.

This article was provided by [Kuflink](#).

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