

Our Business Model

Our community lending model, centred on building personal relationships and lending responsibly to people with complex credit histories, delivers positive customer outcomes and value for stakeholders.

1 What we do

DEVELOP PRODUCTS TO MEET CUSTOMER NEEDS

- Loans for those who struggle to find credit elsewhere
- Loans of £100 to £1,000, in cash or on a Morses Club Card

ATTRACT AND RETAIN CUSTOMERS

- Marketing channels:**
- Customer referrals
 - Leaflet delivery
 - Customer mailings
 - Online

Customer applications:

- Phone
- Online
- Via agent

Proactive retention process

Face-to-face

LEND RESPONSIBLY

- Evaluate suitability of customer against lending criteria
- Conduct credit checks
- Meet customer to understand needs
- Undertake affordability checks in the customer's home
- Issue appropriate loan
- Ensure customer understands terms and conditions
- Agree a weekly repayment schedule
- Agents are paid in commission based on collections, not sales

COLLECT RESPONSIBLY

- Local agents collect repayments weekly
- Identify issues quickly and sensitively through regular contact with agents
- Provide support to customers in short-term difficulty
- Transparent, simple charging structure with no penalty or default fees, accrued interest or hidden charges

Treating the Customer Fairly

Our sources of competitive advantage

INFRASTRUCTURE

Established national infrastructure of 98 branches staffed by 505 employees, with 2,030 self-employed agents.

RELATIONSHIPS

Trusted, reputable brand based on close and enduring relationships with customers.

2 How we create value

We use retained earnings and lower cost debt facilities to lend to our customers at a margin, and control the lending risks and costs in order to deliver consistent shareholder returns.

3 How we share value with stakeholders

CUSTOMERS

98%

CUSTOMER SATISFACTION
WITH AGENT SERVICE

INVESTORS

7.0p

DIVIDEND

AGENTS

77%

AGENT SATISFACTION

EMPLOYEES

80%

EMPLOYEE ENGAGEMENT

TECHNOLOGY

Efficient and scalable technology.

COMPLIANCE

Robust compliance and controls.

VALUES

Customer-focused culture and values.

TEAM

Experienced management team with a clear understanding of the dynamics of non-standard lending.

SCALE

Economies of scale from a loyal customer base of c.229,000.