

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.

Our sources of competitive advantage

INFRASTRUCTURE

National infrastructure of 95 branches staffed by 547 employees, and 2,050 self-employed, home-based agents

RELATIONSHIPS

Trusted brand based on close and enduring relationships with customers

TECHNOLOGY

Efficient and scalable technology

COMPLIANCE

Robust compliance and controls

TEAM

Customer-focused culture and values

MANAGEMENT

Experienced management team

SCALE

Economies of scale from a loyal customer base of c. 235,000



What we do

We offer loans of £100 to £1,000, in cash or on a Morses Club Card, for customers who struggle to find credit elsewhere.

We meet most of our customers face-to-face, and treating the customer fairly is our core philosophy.

LEND RESPONSIBLY

- Evaluate suitability of customer against lending criteria
- Conduct credit checks
- Meet customer to understand needs and undertake affordability checks
- Issue appropriate loan, ensuring 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
- Support customers in short-term difficulty
- Transparent, simple charging structure with one fixed fee and no penalties or late payment fees. Customers never pay more than the original agreed amount

A full income and expenditure check is done with every loan, using evidenced income.

15%

of net disposable income is used on average for loan affordability calculations

We only lend to customers who can afford the repayments.

63%

of loan applications are not progressed

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.

How we share value with stakeholders*

CUSTOMERS

98%

CUSTOMER SATISFACTION RATE WITH AGENT SERVICE

INVESTORS

7.8p

DIVIDEND

AGENTS

73%

AGENT SATISFACTION

EMPLOYEES

86%

EMPLOYEE ENGAGEMENT

* Based on annual independent satisfaction surveys (Mustard).