

## Morses Club PLC

### Morses Club Chief Executive Officer appointed to Board of CCTA

Morses Club PLC (“Morses Club”), an established provider of non-standard financial services, is pleased to announce that Paul Smith, Chief Executive Officer of Morses Club, has been appointed as a Board Director of the Consumer Credit Trade Association (“CCTA” or the “Association”). Paul Smith will continue to serve as a panel member of the Smaller Business Practitioners Panel (“SBPP”) of the Financial Conduct Authority (“FCA”) alongside his new role.

The CCTA is an independent trade body which represents alternative lenders in the UK. Working closely with regulators and Government, the CCTA aims to promote best practice and provides a strong independent voice for its over 230 members and the market as a whole. The Consumer Finance Association (“CFA”) recently became part of the CCTA, further increasing the Association’s ability to inform decision making and promote responsible lending.

**Paul Smith, Chief Executive Officer of Morses Club, said:**

*“I am proud to be able to lend my experience to the CCTA, protecting and promoting the interests of the alternative lending sector. The market has undergone significant change of late, namely as a result of regulatory changes and the Covid-19 pandemic. In my new position, I look forward to helping inform decision making with regulators and the Government to ensure that millions of consumers who rely on this vital source of funding continue to have responsible access to credit.”*

**Jason Wassel, Chief Executive Officer of the CCTA, commented:**

*“I am delighted that Paul has accepted the invitation to join our Board of Directors. We know that his experience in lending and in-depth knowledge of the consumers will be an asset to the Consumer Credit Trade Association. More than ever, there is a need for an alternative lending sector, and we need a strong voice to make that case.”*

**Ends**

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## Notes to Editors

### About Morses Club

Morses Club is an established provider of non-standard financial services in the UK. The Group consists of Morses Club, the UK's second largest home collected credit ("HCC") provider, and Shelby Finance Limited, Morses Club's Digital division, which operates under two online brands, Dot Dot Loans, an online lending provider, and U Account, which offers online e-money current accounts. The Group's growing Digital capabilities and scalable, highly invested IT platform has enabled Morses Club to deliver an increasingly broad range of financial products and services to the non-standard credit market.

UK HCC is considered to be a specialised segment of the broader UK non-standard credit market. UK HCC loans are typically small, unsecured cash loans delivered directly to customers' homes. Repayments are collected in person during weekly follow-up visits to customers' homes. UK HCC is considered to be stable and well-established, with approximately 1.6 million<sup>1</sup> people using the services of UK HCC lenders.

Morses Club's HCC division is the second largest UK Home Collected Credit (HCC) lender with 170,000 customers throughout the UK. The majority of the Company's customers are repeat borrowers and the HCC division enjoys consistently high customer satisfaction scores of 97%<sup>2</sup>. In 2016, the Morses Club Card, a cashless lending product, was introduced and in 2019 the Company introduced an online customer portal for its HCC customers, which now has over 124,000 registered customers.

The Group's growing Digital division, Shelby Finance, operates under two online brands. Dot Dot Loans provides online instalment loans of up to 48 months to c. 20,000 active customers. U Account is a leading digital current account provider offering an alternative to traditional banking by providing a fully functional agency banking service. U Account currently has c. 15,000 customers.

Morses Club listed on AIM in May 2016.

### About the UK non-standard credit market

The UK non-standard credit market, of which UK HCC is a subset, consists of both secured and unsecured lending and is estimated to comprise around 10 million consumers<sup>3</sup> and total loan receivables of £10.7bn<sup>4</sup>.

Non-standard credit is the provision of secured and unsecured credit to consumers other than through mainstream lenders. Lenders providing non-standard credit principally lend on an unsecured basis and the market is characterised by high frequency borrowing. Approximately 2 million people move annually between standard and non-standard markets<sup>4</sup>.

Since February 2014, unsecured personal lending has grown from £161 billion to £225 billion in February 2020. It has since contracted to £206 billion in October 2020<sup>5</sup>.

<sup>1</sup> High Cost Credit Review ANNEX 1 - July 2017

<sup>2</sup> Independent Customer Satisfaction Survey conducted by Mustard

3 FCA High Cost Credit Review Technical Annex 1: CRA data analysis of UK personal debt - July 2017

4 Apex Insight - Non-Prime Consumer Credit: UK Market Insight Report - September 2019

5 Table A5.2, Bank of England Money and Credit Bank stats October 2020