

# Findings published on the impact of a cap on the total cost of credit

March 7 2013

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The Department for Business Innovation and Skills have today published an [independent research report](#) from the University of Bristol on the impact of a cap on the total cost of credit. The publication coincides with the publication of the Office of Fair Trading's final report on payday sector compliance. Both reports clearly show there is significant evidence of consumer detriment in the high-cost credit markets.

Sharon Collard, Director of the University's [Personal Finance](#) Research Centre, said: "This research is the largest study to date of customers who use high-cost credit, their reasons for borrowing and some of the issues they face as a result. At a time when UK households face unprecedented [financial pressures](#) there is a clear need to address the serious detriments that the research found. These include the cost of credit but also how

lenders assess affordability, multiple and repeat borrowing and loan renewals."

Ministers have confirmed that they will not impose a cap on credit at this time. They consider that a cap might be appropriate at some point in future, however, which is why the Financial Conduct Authority has been provided with specific powers to cap should they deem it appropriate once they take over responsibility for consumer credit in April 2014.

Provided by University of Bristol

Citation: Findings published on the impact of a cap on the total cost of credit (2013, March 7) retrieved 25 April 2024 from

<https://phys.org/news/2013-03-published-impact-cap-total-credit.html>

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