



PARAGON CAR FINANCE PRESS RELEASE

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CUSTOMERS TAKE CENTRE STAGE AS FCA SWITCH OVER GOES LIVE

Paragon Car Finance predicts that there will be greater emphasis on clear customer communication, robust affordability assessments and more uniform commission payments for car finance sold through brokers and dealers as the FCA takes over responsibility for consumer credit regulation with effect from today.

The accompanying Consumer Credit sourcebook (CONC), which also comes into effect today, requires that lenders, brokers and dealers put treating customers fairly firmly centre stage and specifically cautions lenders against using differential commission schemes that are structured solely around volume and profitability incentives.

Lenders can assist dealers with their transition to the new regime by providing products that are easy to understand and can be adapted to different budget requirements. Good quality customer documentation and structured affordability tests that are built-in to the lender's online application system will also be critical.

Commenting on today's regulatory switch over, Julian Rance Head of Paragon Car Finance said: "Paragon welcomes the new consumer credit rules and, in particular, the heightened focus on treating customers fairly. As a lender, it is important that we develop products that are easy to understand, retain visibility and control over the pricing of our products to the end customer and ensure robust checks are in place within our application systems to assess affordability."

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NOTES TO EDITORS

Paragon Car Finance is part of Paragon Bank, a wholly owned subsidiary of The Paragon Group of Companies. Paragon Bank launched on 18 February 2014.

Established in 1985, The Paragon Group of Companies is best-known as the UK's leading specialist buy-to-let lender and consumer finance Group. A FTSE 250 company, the Group has helped one and half million customers with their finances and has over £10 billion of assets.

Paragon Group was an active lender in the car finance market between 1998 and 2008, originating in excess of £900 million of business via 2,100 dealers and funding over 100,000 cars.

For additional information on the transfer of consumer credit regulation to the FCA and to view the Consumer Credit sourcebook (CONC), visit the FCA website, www.fca.org.uk

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