

**PRESS RELEASE
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ECONOMIC CERTAINTY POST-ELECTION LIFTS THE UK CAR MARKET

- 80% of car finance brokers identify economic certainty post-election as the key factor underpinning car buyer confidence
- Nine out of ten brokers believe car buyers are purchasing now ahead of an interest rate rise
- 39% of brokers expect used car values to soften in the current quarter

Greater economic certainty following the General Election in May is the key factor behind the high levels of car buyer confidence in the UK at the moment, according to the Q3 2015 Paragon Car Finance Headlight Survey, which collects and reports the views and opinions of the country's largest motor finance brokers.

Overall 80% of finance brokers identified greater economic certainty post-election as the top factor underpinning confidence; 60% of brokers said a stable interest rate environment was encouraging more buyers into the market, and 45% pointed to greater employment security.

Focusing on interest rates in a little more detail, nine out of ten brokers (91%) reported that the prospect of an upward movement in rates – although not imminent - is encouraging buyers to act now rather than delay purchase until later.

Reassuringly, almost all brokers are expecting a strong fourth quarter, with 91% expecting new registrations to be equal to or greater than the same period last year.

A pick-up in volumes in the used car market could also be on the cards, with four out of ten brokers (39%) expecting used car values to fall a little, potentially drawing more buyers into the market.

Julian Rance, Head of Paragon Car Finance, said: "We all know how important a stable and positive economic outlook is to business and consumer confidence. What's interesting to see here, is just how highly brokers rate the impact of greater economic certainty post-election as well as interest rate stability when it comes to encouraging car buyers into the market."

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For further information contact:

Kathryn Rhinds
PR Manager
Tel: 0121 712 3161
Email: kathryn.rhinds@paragon-group.co.uk
www.paragoncarfinance.co.uk

NOTES TO EDITORS

About the Paragon Car Finance Headlight Survey: The Paragon Car Finance Headlight Survey is a quarterly survey of the UK's top 30 vehicle finance brokers operating across the UK. Situated at the centre of the UK car market, motor finance brokers link lenders to car dealers, specialist vehicle retailers and car buyers to source vehicle finance for the full spectrum of consumers and businesses across the UK. Active in the market each and every day, they are uniquely placed to comment on both the demand for and the supply of finance.

About Paragon Car Finance: Paragon Car Finance is part of Paragon Bank PLC, a British bank with a specialist lending focus. Launched in February 2014, Paragon Bank applies its specialist lending expertise to offer competitive finance packages for customers in a range of carefully selected UK finance markets.

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 over £10.5 billion of assets under management and has helped one and half million customers with their finances.

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.

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