

PRESS RELEASE
24 AUGUST 2016

BROKERS REPORT STRONG GROWTH IN USED CAR FINANCE

- Finance brokers report strong first half growth in used car finance applications
- Used car finance expected to spearhead growth over the next five years
- Low interest rates and familiarity with monthly payment plans underpin expansion

The majority of the UK's largest motor finance brokers are seeing a faster rate of growth in used car finance applications than in new, according to the latest Paragon Car Finance Headlight Survey.

During the first half of 2016, 62% of brokers reported growth in used car finance applications compared with 48% highlighting growth in new. In addition, whilst 38% of brokers pointed to 'a lot more' growth in the used car finance market over the last six months, only 10% of brokers reported such fast-paced growth for new cars.

Looking forward to the second half of the year, brokers expect that used car finance will continue to perform well, with 43% expecting to see more growth in used car finance applications compared with 33% of brokers forecasting growth in new car finance.

Brokers are also enthusiastic about the long term prospects for used car finance growth, with four out of ten (38%) anticipating that used car finance will grow faster than new cars over the next five years. In contrast, only one in ten (10%) expect new car finance to spearhead growth.

Almost all brokers point to low interest rates (94%), improved vehicle supply (88%) and widespread adoption of monthly payment models (82%) as the main factors driving used car finance development. Also important is the growing availability of PCP plans for used car finance (77%), better access to car finance online (77%) and an increasing desire amongst used car customers to change their vehicle more frequently (65%).

Julian Rance, Head of Paragon Car Finance, said: "As new car registrations start to plateau in the UK, the overwhelming message from the broker community is that used car finance is set to grow at a faster rate than new for the foreseeable future. Dealers looking to expand used car sales will need to make sure they have an attractive suite of finance products on offer."

For a full copy of the Summer 2016 Paragon Car Finance Headlight Survey click [here](#).

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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, brokers 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 £11 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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