

28 April 2023

Morses Club Limited

Funding Update

Morses Club Limited (the “Company”), an established provider of non-standard credit services, today provides the following update on its funding provision.

The Company’s funding consortium has agreed to extend its existing facility, with a revised £12 million limit for a period of 12 months, ending on 31 March 2024. The funders have agreed to a quarterly term-out option.

Additionally, the Company has secured a 12-month mezzanine finance facility of up to £5 million from its largest shareholder, Hay Wain Group, demonstrating their support for the business. The facility is flexible in how it can be utilised by the Company.

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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 largest home collected credit (“HCC”) provider¹, and Shelby Finance Limited, Morses Club’s Digital division, which operates under the online brand Dot Dot Loans, an online lending provider. The Group’s growing Digital capabilities and scalable, highly invested IT platform has enabled Morses Club to deliver a broad range of lending 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.

Morses Club’s HCC division is the largest UK Home Collected Credit (HCC) lender¹ with 116,000 customers throughout the UK. The HCC division enjoys consistently high customer satisfaction scores of 95%². In 2019 the Company introduced an online customer portal for its HCC customers, which now has over 95,000 registered customers which is 82% of HCC customers.

The Group’s Digital division, Shelby Finance, operates under the online brand Dot Dot Loans providing online instalment loans of up to 48 months to c. 25,000 active customers.

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 consumers³ and total loan receivables of £9.6bn⁴.

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 markets⁴.

Since February 2014, unsecured personal lending has grown from £161 billion to £225 billion in February 2020. It has since contracted to £197 billion in August 2021⁵.

1 Based on Net Loan Book of £45.3m as at 28 August 2021

2 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 - December 2020

5 Table A5.2, Bank of England Money and Credit Bank stats August 2021