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Regulation a “watershed moment” for P2P

RateSetter, the UK’s most popular peer-to-peer lending platform, has hailed the much-anticipated introduction of stronger regulations for the industry as a ‘watershed moment’.

The new regulations come into effect on Monday 9 December. The beefed-up rules raise standards in risk management, governance, disclosure, marketing and wind-down planning – decisively addressing any sense that P2P is lightly regulated. The new rules put the regulation of P2P on a par with other mainstream financial sectors.

Rhydian Lewis, RateSetter CEO, said:

“We will look back on this as a watershed moment for our industry – the moment that peer-to-peer investing came of age as an asset class, competing against other mainstream investment options and the banks as an attractive way to put money to work.

Stronger regulation with harmonised standards means that people can invest in P2P with greater confidence than ever. P2P will now become a logical choice for any individual or financial adviser building an investment portfolio diversified across different asset types.

For first-time P2P investors, 10% is a sensible place to start and once you are experienced you can invest more. This is exactly what we have seen over the last ten years, with people dipping their toe in and then growing as they see the value. The limit will become a target, encouraging every investor to think about diversifying some of their money into P2P.

With RateSetter’s unrivalled track record of delivering consistent returns and access to money, we are confident that our growth is set to snowball from here – especially via our market-leading ISA.”

Notes to Editors

- RateSetter is the UK’s most popular peer-to-peer lender with over 700,000 people having invested or borrowed
- RateSetter pioneered the Provision Fund model in peer-to-peer lending
- No investor on RateSetter has lost a penny, thanks to its Provision Fund
- RateSetter is the most liquid platform in peer-to-peer lending, with the average time to access money 1 day (compared to weeks or months on other major platforms)
- RateSetter is the first peer-to-peer lending business to be awarded the *Queen’s Award for Enterprise* in recognition of its innovation in financial services.
- RateSetter is regulated by the Financial Conduct Authority.

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