

This Christmas, 19% less people will be approved for a payday loan. Are claim management companies to blame? (Research by Cashfloat)

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Payday loan approval rates are dropping, leaving many with no sources of credit this Christmas. Are claim management companies behind this? Read Cashfloat's full research [here](#).

Western Circle Limited, trading as Cashfloat.co.uk, carried out some in-depth research into the dropping approval rate for [payday loans](#), and unearthed some troubling reasons.

Key findings:

- Approval rate is 19% lower this year than last year, based on samples of over one million applications.
- Lenders are tightening their criteria and lending to less people.
- This is partly because many lenders are suffering huge losses from the rise in payday loan complaints, and are seeking to limit this.
- There are growing concerns about claim management companies' methods of obtaining leads, and lenders are more likely to steer clear of applications from brokers and affiliate websites.

The popular belief is that [claim management companies](#) (CMCs) are doing a great job at raising awareness of payday loan users' rights. More and more borrowers are submitting complaints, and CMCs often escalate them to the [Financial Ombudsman Service](#) (FOS) if the lender doesn't uphold the complaint.

But is this all good news for payday loan users?

Read the full research [here](#).

About Cashfloat

[Cashfloat.co.uk](#) is a trading style of Western Circle Limited; a fully-FCA authorised direct lender. The Cashfloat model is based on fundamentally good morals and advanced artificial intelligence technology designed to help and protect people taking payday loans online.

Contacts

Kelly Richard, 020-3757-1933

kelly.richard@cashfloat.co.uk

Ofer Valencio Akerman (SEO and Security)

akerman@masterlevelseo.com

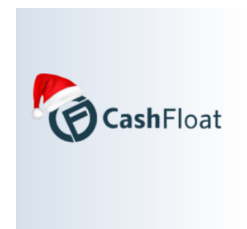
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As payday loan complaints rise, lenders are tightening their lending criteria, leaving thousands of people stranded for credit.



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[Cashfloat.co.uk](https://www.cashfloat.co.uk)

T. 020 3757 1933

E. kelly.richard@cashfloat.co.uk

W. <https://www.cashfloat.co.uk/>

Additional Contact(s):

Online Strategy: akerman@masterlevelseo.com

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