We are not all legalised loan sharks!

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We swim in the same pool as the Legalised Loan Sharks, we are viewed by many as Sharks, yet we are not legalised Loan Sharks but rather the Dolphins of the “High Cost Short Term Industry”. An industry littered with big lenders offering over priced Payday Loans to consumers. It is easy to view the whole loans industry as legalised loan sharks, in fact even some of our Members of Parliament seem to believe that we are all the same.

So how do you tell the difference between a **Dolphin** and a **Shark**?

A Shark offers payday loans that are designed to be paid back on the customers next pay day. The Shark is unlikely to make any profit if the customer pays the entire loan back on time. The Shark wants, no needs, the customer to extend or roll over the loan, maintaining the capital balance, and only pay interest or for a small amount, maybe 10%, of capital to keep the loan for many months. He ideally wants the customer to roll over month after month and never pay off the loan.

The Shark often charges a fee of anything up to £20 to transfer the loan to the customer, by reducing the amount sent to the customer. He then charges interest on the transfer fee. The Dolphin still has to pay their bank the transfer fee, but as this is often as low as 30p they do not feel the need to pass this charge onto the customer.

The Shark may even charge the customer to roll over the loan, or fine the customer if they are a few hours late in making a payment. Some add penalty fees if the loan is paid on the day it was due, but later in the day, so the customers are not actually late but the shark still like a little bite if possible. They will certainly add interest and fees as often as possible, be it when the customer can pay, can’t pay or even goes into debt. Some even charge up to £70 to apply for a loan. The Shark does not really care if his loan pushes the customer further into debt.

A Dolphin is different. To a lot of people Dolphins and Sharks are the same – after all both swim in the sea and have fins. We need to swim in, eat in and make a living from the pool, but we have a very different approach to life. True Blue Loans is a Dolphin in that pool.

The Dolphin charges daily interest only and have no other fees, no transfer fees, and no arrangement fees. Its loans are still expensive, but fair. The customer is free to pay off early and only pay interest up to the day they repay.

The Dolphins customer must complete an affordability check as part of the application process to ensure that they can afford the repayments. Each instalment is the same to make for easy budgeting and if the customer pays a few days late they just pay a couple of days of extra daily interest. The Dolphin customer cannot top up the loan or extend it, nothing that could push the customer into further debt. The Dolphins spend a fortune on checking credit reference agencies and other external databases trying to ensure that the loan is affordable to the customer and that no fraud is being committed. The Shark doesn’t need to worry as they make their money on the ones who pay back.

True Blue Loans (http://www.trueblueloans.co.uk) is not the only Dolphin out there, but they are hard to spot. Have a look at our video to see how we are different

http://fidelityworks.wistia.com/medias/9cii8ong2v

It is a shame that we are all viewed as Sharks, and are likely to be treated by members of the public, MP’s and Regulators as Legalised Loan Sharks who should be treated with contempt.

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