

New-age dilemma of people with cash - but no credit

/EINPresswire.com/ UK (Submitpressrelease123.com - press release) High-earners refused personal finance by banks now form a new "well-to-do" category of people who struggle to buy cars on credit, a major non-prime lender has revealed.

Motor finance specialist The Funding Corporation says its findings came after analysing millions of pieces of customer data in conjunction with credit ratings agency Experian.

The new category has been dubbed the "adverse affluent" because, despite a comfortable lifestyle, their adverse credit record can result in an automatic decline from mainstream lenders.

Such customers, says the company, often have only marginally impaired credit files - but are being regarded as being no different from serial defaulters by bigger institutions.

The company says its recent profiling exercise was probably one of the most detailed analyses of "non-prime" motor finance borrowers since the onset of the credit crunch.

Over five million items of customer information were used by Experian to create pictures of borrowers based on their lifestyles and interests as well as their incomes.

The new sector is typified by people owning their own home, able to afford high-end consumer goods, reading broadsheet newspapers, taking regular holidays, and in secure employment.

But despite access to many trappings of the good life, says The Funding Corporation, what remains unavailable to them is finance from high street lenders.

"There have always been assumptions made about the credit-squeezed, but our analysis shows that stereotyping is no longer possible," said The Funding Corporation's Richard Cox.

"Just about every profession is represented among the adverse affluent, and it will have come as a shock to many to find themselves turned down for car finance by a lender.

"Until quite recently, credit blemishes such as a missed instalment to a wine club or a late credit card payment might have been nodded through by a bank.

"Now they can add up to an automatic rejection without any consideration given to a person's ability to afford the loan repayments," said Richard who is Head of Motor Operations at the company.

Many adverse affluent, he added, show no evidence of having chronic money management problems, and are often the victims of past minor lapses which have since been remedied.

These factors, he said, are taken fully into consideration by his company in order to reach a decision.

Vehicles funded by The Funding Corporation are supplied by the group's retail company [ACF Car Finance](http://www.ACFCarFinance.co.uk) which has branches throughout the country (see www.ACFCarFinance.co.uk).

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ACF Car Finance is Britain's leading supplier of high-quality used cars to people whose credit status might otherwise prevent them from obtaining car credit (<http://www.acfcarfinance.co.uk/car-credit/>). ACF Car Finance has earned a strong reputation within the finance and motor industry for its standards of customer care, and the quality of the friendly, professional advice provided by members of its fully-trained team. The company has a Facebook page at www.Facebook.com/ACFCarFinance, and can be followed on Twitter at www.Twitter.com/ACFCarFinance.

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