

Government's 'Eat Out to Help Out' Scheme Resulted in an Immediate 41% Spike in Payday Loan Applications, A Report Found

A report by Cashfloat.co.uk found that payday loan applications spiked by 41% on the 3rd August 2020, the day the government Eat Out to Help Out scheme began.

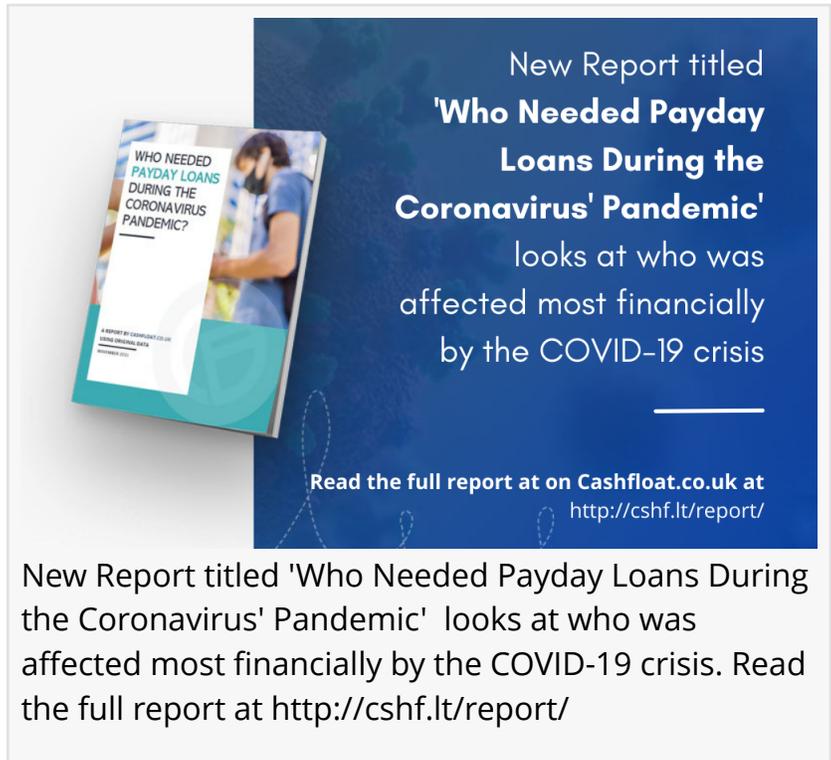
LONDON, UNITED KINGDOM,
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-- On the 8th July 2020, the UK government announced an 'Eat Out to Help Out' scheme, where customers could get a 50% discount to eat at restaurants that registered with the government scheme. The project officially started to operate on the 3rd August 2020 and ended on the 31st August 2020 - with the system being active every Monday, Tuesday and Wednesday during these dates. Restaurant owners and other business owners in the hospitality industry praised the initiative at the time and said it helped boost business.

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The scheme helped business owners out, but what about the people that borrowed expensive loans so they could afford a 50% discount to dine out?”

*Sarah Connelly, Analyst and
Writer for Cashfloat*



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Read the full report at on Cashfloat.co.uk at <http://cshf.lt/report/>

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But what about consumers? Cashfloat, a London-based payday lender that specialises in [loans for bad credit](#), published a report last week titled 'Who Borrowed Payday Loans During the Coronavirus Pandemic', which analysed payday loan applications received during the first year of the pandemic.

Compared to the day before, it found that payday loan applications spiked 41% on the first day of the 'Eat Out to Help Out' scheme. This could suggest that people wanted to borrow money to take advantage of the scheme, where

they otherwise wouldn't have. The full report is available on Cashfloat's website [here](#).

Sarah Connelly, an analyst and writer for Cashfloat, commented:

"For people who couldn't otherwise afford the luxury of dining out, a 50% discount is too good an offer to pass up. Yes, the scheme helped business

owners out, but what about the people that wanted to borrow expensive loans so they could afford a 50% discount? Payday loans are really expensive, and shouldn't be used for something like eating out in a restaurant. That's why Cashfloat asks for the 'Loan purpose' in our application form, and we only approve a loan request if the answer meets our lending criteria. "

The findings in the report were collated from first-hand data captured through [Cashfloat.co.uk](https://www.cashfloat.co.uk) and its affiliate websites. It analyses just under a quarter of a million payday loan applications submitted during the first year of the pandemic, from 1st March 2020 until 28th February 2021.

The report contains an analysis of how the number of applications for payday loans changed during the pandemic. It also includes the demographics of payday loan applicants during this period, including their age, gender, relationship status, location, jobs, salaries and more.

For exclusive statistics from Cashfloat or to request a custom report, you can contact Cashfloat's team at newsroom@cashfloat.co.uk.

We hope you found this release interesting. If you end up using any of the information in this release, please provide a link to [Cashfloat.co.uk](https://www.cashfloat.co.uk).

About Cashfloat

Cashfloat is an FCA authorised direct lender that offers payday loans, personal loans and small instalment loans via its popular website [Cashfloat.co.uk](https://www.cashfloat.co.uk). Since launching in 2014, it has developed into one of the leading payday loan brands, recognised and trusted by thousands of UK consumers across the UK.

Cashfloat is part of the Western Circle Group, which builds advanced artificial intelligence technology systems to deliver safe and flexible loans online.

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Visit <https://www.cashfloat.co.uk/payday-loans/> for more information about our product

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