Respected Short-Term Lender Cashfloat Offers Guidance About the Affordability Assessment Process

Authorised UK lender, Cashfloat, advises consumers on what to expect during a loan application

Cashfloat Streamlines Loan Affordability Checks Using Open Banking

LONDON, UNITED KINGDOM, August 5, 2026 /EINPresswire.com/ -- With an estimated 15% of UK adults using short-term borrowing for everyday expenses, increasing to 28% of couples with children and 33% of single parents, direct lender Cashfloat, is aiming to improve understanding of what loans involve and how the application and assessment processes work.

The firm, which has been offering responsible short-term loans since 2014 and has served thousands of customers, focuses on fairness and information-sharing to help consumers manage their finances, understand their options, and access support during financial difficulty, reducing the risk of late payments or debt reliance.

> Open Banking is a safe, controlled way for lenders to complete loan application checks faster, securely and with complete data protection."
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> *Peter Kimpton, Chief Operating Officer*

Why Consumers Applying for Loans Face Unexpected Issues

Many households applying for a loan for the first time may not have experienced credit checks, affordability assessments, or the need to submit self-declarations of their income and expenses before. For some, these processes are relatively straightforward, but for others, they can cause stress and anxiety about sharing their financial information.

Lenders have a regulatory responsibility to ensure they ask the right questions and compile data about each applicant's financial position before they can offer a loan, which means they must be able to:

Confirm the person's regular income and where it originates from, such as employment, benefits, child maintenance or self-employment.
Assess the regular outgoings and financial commitments of the applicant, including mortgage or rent payments, living costs, the number of dependents and existing debts.
Verify whether the loan is affordable and whether they can approve the application with evidence that the consumer will be able to manage the repayments.

Loan providers also require permission to run credit checks, must record the age and employment status of each applicant, need to ask about the purpose of the loan, and may require evidence of declared income or outgoings.

Cashfloat indicates that when consumers are unaware of the information they'll need to disclose, or aren't prepared for the level of detail they must provide, they can find the loan application process daunting, unnecessarily long-winded, and complex, especially if they are asked to produce payslips and other documentation to verify the data they have entered.

Innovation in Short-Term Lending Streamlines Loan Applications

Cashfloat uses Open Banking in its loan application process and focuses on affordability checks as a primary way to assess whether a borrower can keep up with their repayments without being at risk of financial distress.

Chief Operating Officer Peter Kimpton explains that 'Open Banking is a safe, controlled way for lenders to complete loan application checks faster, securely and with complete data protection. In many cases, it can reduce the need for borrowers to fill in lengthy forms or mitigate the stress of trying to calculate budgets and outgoings for those experiencing a financial emergency.

We introduced Open Banking to make accessing responsible lending easier, but also to take the strain away from consumers, who can decide if and when they permit Cashfloat, or any other lender, to communicate with their bank.

Open Banking incorporates APIs, a type of software application, and bank-grade security protections. That means information is shared between a lender and a consumer's bank in real-time, without storing data or creating an ongoing link between organisations that could be exposed to vulnerabilities.

In addition, consumers choose which data they consent to share, provide permission that automatically expires after 90 days, and can withdraw their consent at any time. The benefit is we can confirm a customer's identity and affordability incredibly quickly, and ensure the lending decisions we make are responsible and based on up-to-date information.'

Cashfloat was one of the first lenders to introduce Open Banking within loan application assessments back in 2020, and today the technology is used to some extent by as many as 90% of short-term lenders.

The company stresses that ensuring consumers know how Open Banking works, how their data is protected, and the information they'll be required to disclose can ensure that applying for a loan is simpler, because borrowers can prepare for the process before they start the application, reducing many aspects that can cause unnecessary stress.

About Cashfloat
Cashfloat is a UK direct lender providing online lending services. Cashfloat considers applications from customers with a range of credit histories, subject to eligibility and affordability checks. Cashfloat is fully authorised and regulated by The Financial Conduct Authority.

Customers experiencing financial difficulty may benefit from seeking free and independent debt advice before taking on additional borrowing.

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