

**PRESS RELEASE**  
**24 APRIL 2017**

### **BROKERS MEASURE IMPACT OF ONLINE FINANCE SOLUTIONS**

- 24% of brokers believe online finance solutions will have a positive impact in 2017
- Long-term however 52% of brokers expect online finance solutions to lead to reduced business
- Growth of used car market could boost broker business in 2017

As increasing numbers of customers go online to source car finance, brokers have expressed concerns about the impact this could have on their business models. Paragon Car Finance's latest Headlight Survey reveals that, when thinking about the long-term especially, brokers expect online finance solutions to lead to reduced volumes of business.

Asked what impact online finance solutions had upon their business in 2016 just under a fifth (19%) of respondents reported a negative impact. Nearly a quarter however (24%) described the impact as being positive citing benefits from faster decisions and greater efficiency.

Over the longer-term brokers concerns are more pronounced. More than half of brokers surveyed (52%) said that, long-term, online finance solutions would lead to a slight reduction in business demand. A further 10% stated that online solutions would lead to a significant reduction in demand. A further 38% anticipated no impact.

**Julian Rance, Head of Paragon Car Finance, said:** "2016 was a big year for new car sales and an increasing amount of this business is done online, often directly via a manufacturer's own finance products.

"Despite this trend however, it is likely that online purchases will remain largely restricted to the new car market. Purchasing a used car online involves much more difficulty and risk than does purchasing a new car and while customers might source used car finance online, it is likely they will still want to check a second-hand vehicle in person before purchase. This puts dealers, and by extension brokers, firmly in front of the customer at the point of sale.

"Furthermore, we should expect a 5-10% decrease in new car sales throughout the remainder of 2017, which in turn could lead to an increasing amount of business going to the used car market. As such some of the concerns brokers have about online competition will likely be alleviated over the course of the year."

**ENDS**

**For further information, contact:**

Liam Thompson

PR Account Manager

Tel: 0121 712 3161

Email: [liam.thomphson@paragon-group.co.uk](mailto:liam.thomphson@paragon-group.co.uk)

[www.paragoncarfinance.co.uk](http://www.paragoncarfinance.co.uk)

## Notes to editors

Paragon Car Finance is part of Paragon Bank PLC, a British bank with a specialist lending focus. Launched in February 2014, Paragon Bank applies its specialist lending expertise to offer competitive finance packages for customers in a range of carefully selected UK finance markets.

Established in 1985, The Paragon Group of Companies is a specialist lender and UK banking group. A FTSE 250 company, the Group has over £12.3 billion of assets under management and has helped one and half million customers with their finances.

*Paragon Car Finance is a trading style of Paragon Bank. Paragon Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England number 5390593. Registered office 51 Homer Road, Solihull, West Midlands B91 3QJ. Paragon Bank PLC is registered on the Financial Services Register under the firm reference number 604551.*

**About the Paragon Car Finance Headlight Survey:** The Paragon Car Finance Headlight Survey is a biannual survey of the UK's top 30 vehicle finance brokers operating across the UK. Situated at the centre of the UK car market, motor finance brokers link lenders to car dealers, specialist vehicle retailers and car buyers to source vehicle finance for the full spectrum of consumers and businesses across the UK. Active in the market each and every day, brokers are uniquely placed to comment on both the demand for and the supply of finance.