



Moneynet supports drive for ethical advertising for loan products

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Consumer finance research specialist moneynet.co.uk champions move for clearer advertising of loan products to consumers.

PR9.NET October 05, 2005 - Almost two thirds of newspaper advertisements for loans are breaking the law – according to the UK's trading watchdog, a figure deemed "wholly unacceptable" by Richard Brown of the consumer finance website moneynet.

Moneynet has been championing greater consumer awareness of personal finance products for over eight years. In response to rising consumer debt in the UK, the financial research specialist is taking additional action to educate consumers on personal finance products such as personal loans, credit cards, mortgages and life insurance. Moneynet believes that clear loan information will not only help consumers to choose the most appropriate personal loan for their circumstances, but by understanding the terms of the loan, the consumer is more likely to be able to keep up repayments and avoid an adverse credit history, which could affect future applications.

According to a recent MORI poll, only 33% of people who have taken out a personal loan were aware that there was an early redemption charge, whilst an even smaller number of people could actually specify the percentage or figure of the early redemption charge. The same poll also highlighted that only two out of five people could correctly identify the financial term APR as the Annual Percentage Rate and only one in ten people were able to equate the APR with the interest rate.

Richard Brown, CEO of moneynet, stated, "At moneynet we question the effectiveness of quoting APRs in loan adverts for several reasons. Firstly we question whether the general public really knows what this means and even those people that do understand it are probably unaware of the effect of a change in the APR on actual monthly repayments. For example a 1% difference in the APR on a loan of £5000 over 3 years makes a difference in the monthly repayments of only £2.14. We would argue that whilst the APR is important in deciding which loan to choose it is not the only deciding factor. Other things such as early repayment penalties and the cost of payment protection insurance can be equally as important."

In addition to extensive price comparison research for loans and credit cards, moneynet also offers a wide range of free downloadable consumer information guides on credit cards, mortgages, loans, life insurance, ethical investing, family finance, student finance and insurance.

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About Moneynet

Moneynet.co.uk is the UK's most established personal finance research and data website. The company offers consumers a wide range of low cost financial products: from mortgages and personal loans; to car, home and medical insurance; credit cards; savings accounts and best-buy fixed rate products. Moneynet.co.uk is an ethical, impartial and comprehensive source of consumer finance information, covering the whole of the personal finance sector.

Moneynet was founded in 1997 by Chief Executive Richard Brown to simplify the personal finance market and provide consumers with impartial and interactive information on financial products and services.

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