



Behind the Numbers: Insights into Consumer Credit

The CEO Guide to Growth

Consumer credit

Market overview

The continued expansion of consumer credit saw net consumer credit flows were £1.6–£1.7bn per month in July–August 2025, according to the Bank of England, with annual growth picking up. Outstanding balances were already above £230bn by late-2024 and have risen further in 2025.

The forecast is for steady medium-term growth of 5.8% in 2025, 6.8% in 2026 and 5.5% in 2027. This growth is driven by financial resilience remaining stretched for many households: c.26m of UK adults exhibited characteristics of vulnerability and c.13m had low financial resilience. The continued digitised payments saw cash fall to below 10% of all UK payments last year.

Main players

The banks and monoline issuers continue to dominate credit cards, personal loans and overdrafts; specialist lenders operate in near-/non-prime and retail POS finance; motor-finance providers (bank-owned and captives) anchor HP/PCP; and BNPL continues to scale across demographics.

Routes to market

The typical routes are a mix of direct digital, price-comparison sites, retailer and OEM partnerships (checkout finance) and co-brands. The servicing footprints are concentrated in London and major regional hubs of Birmingham, Manchester, Leeds, Bristol, Edinburgh and Glasgow.



Regulation and policy

For CMOs Consumer Duty remains the organising principle; the FCA is refining aspects (particularly for wholesale-facing firms) while reiterating its retail-protection focus. The Government has now confirmed its final position to bring BNPL within the FCA perimeter and draft legislation began in May 2025; firms should plan for authorisation, affordability assessments and fin-prom compliance ahead of expected go-live in the mid-2026 window.

Last May saw the FCA finalise new consumer-credit data reporting (PS25/3) with granular product-sales/performance data to target harms and reduce ad-hoc requests with implications for MI, data quality and outcomes testing.

Propositions

that improve financial resilience

For those companies targeting consumers with no credit history or low credit scores, the key is to create a proposition that is fair, flexible and demonstrably improves financial resilience.

The ongoing cost-of-living crisis has increased demand for short-term liquidity, while also elevating regulatory scrutiny and reputational risk. Many households face higher energy bills, growing rent and increased food costs alongside burdening transport and childcare expenses.

They provide an ideal customer profile for many consumer credit companies, recognising that for this audience mainstream banking can be expensive or impractical for a number of reasons including:

- overdraft interest and account fees erode disposable income
- lengthy onboarding and rigid underwriting exclude those with thin or volatile files
- branch closures limit access for cash-reliant customers.



Job insecurity compounds the challenge they face with zero-hours contracts, the gig economy or variable overtime. This often makes affordability assessments unstable and increases the risk of arrears.

Marketing Perspective

From a marketing perspective, creating consistent architecture rather than a single brand name is an obvious approach. This means propositions combine:

- transparent pricing with no hidden fees
- flexible repayment schedules that adapt to income variability
- immediate decisioning powered by Open Banking data
- built-in budgeting tools and arrears support
- explicit pathways to build or rehabilitate credit, whether that is on-time-payment reporting to credit reference agencies or graduated limits
- having a customer service that is omnichannel and multilingual where relevant; that can be proactive during signs of vulnerability.

The marketing strategy for these products must be precise and responsible. The positioning should emphasise control, dignity and predictability; giving clarity around know-what-you-pay rather than instant cash.

Having clarity around messaging means APRs or total cost should be clear, together with eligibility criteria, and credit-building benefits. It is useful to build in the preferred proof points so that responses are gathered around customer-outcome metrics, five-star service ratings and independent accreditations. This builds trust and creates authenticity for the product offering. Similarly, tailoring journeys for customers identified as vulnerable gives an ease of access.



Creating responsible marketing

Responsible marketing avoids urgency triggers that could be deemed harmful. The choice of media channels should focus on high-intent and community outlets such as:

- price-comparison sites
- employer or union partnerships
- housing associations
- community groups
- responsible-finance directories.



delivering results...

STRATEGIES that create campaigns

A recent project with a credit comparator company to produce a marketing strategy focused on customer engagement, conversion, and brand purpose.

We redesigned the CRM programme to deliver highly personalised, automated, and offer-based communications across email, SMS, and push notifications. This approach increased engagement through data-driven targeting and lifecycle journeys that guided customers from onboarding to conversion.

We also launched a new purpose-led brand platform, positioning the company as an advocate for financial progress and embedding this mission across all customer touchpoints.

Complementing this, we developed and implemented a new social media strategy across paid and owned channels. By incorporating video we were able to educate customers on financial awareness and responsible credit use. The integrated strategy strengthened trust and improved conversion efficiency, enhancing brand recognition in a competitive marketplace.

The result was deepened customer loyalty for the company while demonstrating measurable growth in engagement, qualified applications and an overall trusted brand sentiment.

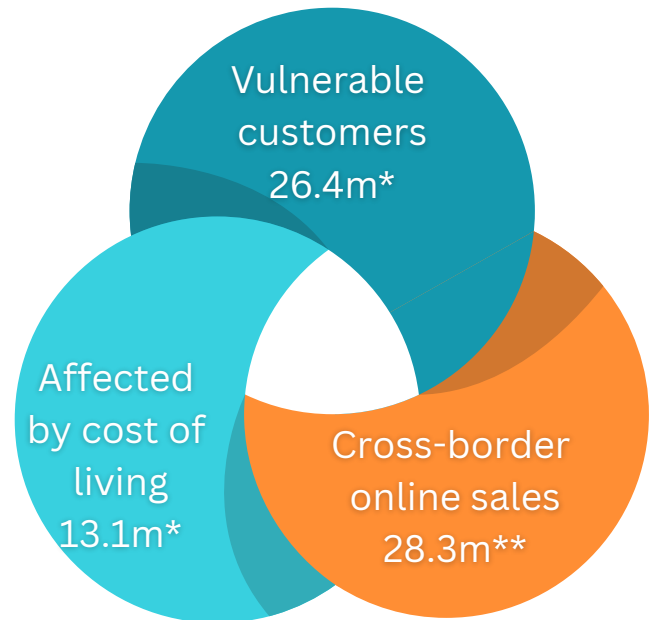
Transforming your marketing to achieve growth

Any effective growth strategy starts with a clear audience identification. This means moving beyond the broad 'prime/near-prime' labels into behavioural segments based on need states (such as cash-flow smoothing, emergency spend and large planned purchase) and income stability.

Using transaction-level data and bureau insights means the CMO can size affordability, vulnerability and propensity. Once these are established journeys can be designed, ensuring compliance with the FCA's social-media/financial-promotion guidance. This emphasises clear, fair and non-misleading communications across all digital channels.

The audience profile should articulate not only the target characteristics but also:

- eligibility and affordability thresholds
- pain points (fees, unpredictability, friction)
- preferred channels and devices
- outcome metrics (on-time payment, utilisation, NPS)



The chart scales each circle's area to its set size. Official statistics do not publish the intersections, so the overlaps in the diagram are illustrative and not area-accurate for intersections. * FCA ** Nosto.



Channel selection strategy

Identifying the most effective channels for consumer credit conversion means considering:

Price-comparison websites

Credit card and loan providers capture high-intent traffic via these with MoneySuperMarket being a prime example. Similarly Zopa's card is actively distributed there with clear feature framing, giving an example of performance media with strong disclosure.

Retail media and co-brands

NewDay's Partnership Card leverages John Lewis and Waitrose first-party audiences, and the retailer has expanded its retail-media network to offsite and connected-TV activation. This will help strengthen acquisition and re-engagement.

Point-of-sale finance

This is being used successfully by Barclays Partner Finance who acquire at checkout with Apple and other retailers. This is a classic 'moment-of-need' distribution that converts non-shoppers into applicants.

Influencer and creator

BNPL players use creators and contextual TV to help generate interest. Klarna's partnership with Channel 4's Married at First Sight UK is an example of interest-based targeting beyond checkout. Alternatively Clearpay publishes retailer-facing playbooks for influencer campaigns.

Brand-led ATL

The key here is to build trust and drive product education; Experian's "Big Financial Friend" TV and digital work use this approach to good effect.





Sabre Associates possesses extensive experience working with consumer credit companies, delivering tailored marketing solutions that drive measurable results.

Our team of seasoned marketing professionals brings together deep industry knowledge with strategic insight to develop and execute campaigns that enhance customer engagement, strengthen brand presence, and increase market share.

We understand the complexities of the consumer credit sector and create compliant, effective strategies that resonate with target audiences.

Whether you require support with delivering growth, lead generation or marketing campaigns we help you achieve your objectives. Contact our team today to discuss transforming your marketing activities for lasting impact.



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