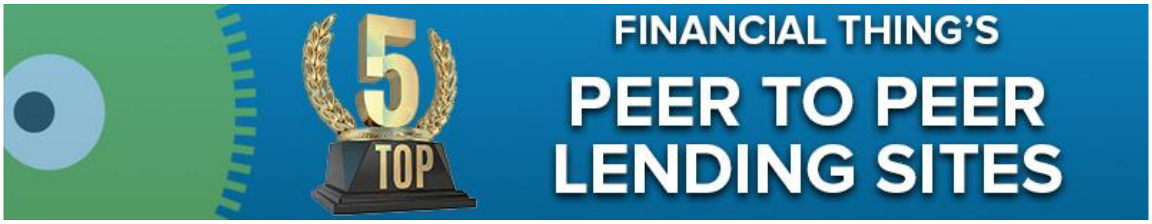


(Updated For 2023)

- By Laurence @ Financial Thing –

(Disclaimer: This list is for information purposes only and by downloading it, you do so understanding the list is not intended to be financial advice. This information has been prepared without taking into account your objectives, financial situation or needs. You should consider its appropriateness for your circumstances. All investments carry risk. The FSCS does not cover peer to peer lending investments and your capital is at risk. Please don't invest more than you can afford to lose. Financial Thing and myself may not be held liable for any investment decisions you make from reading any information I provide. If you are unsure about whether or peer to peer lending is for you, you can find more peer to peer lending articles here).

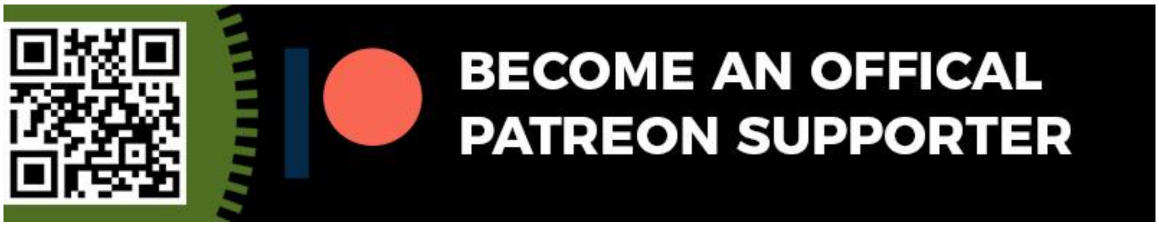
In the peer to peer and crowd lending world, changes occur often and rapidly. This highlights how important it is to diversify across stable companies offering realistic returns. Investment choices can be overwhelming and astute investors make frequent adjustments. Hence my Top 5 list.

My Top 5 list should be viewed objectively and is not intended to be financial advice. Please do your own research and make decisions based on what is right for you. As an experienced investor, I've learned you and I can have two very different experiences and results investing through the same company because of the products we select or the loans we choose.

What I view as risky, you may not. For me, £5,000 to me might be a lot of money to risk but for you, it may not. You might be happy to receive 4% returns whilst I may not be. I may choose loans that perform better than the ones you choose. Please don't invest in something you don't understand. You work too hard for your money to lose it and I want you to be successful. Always keep these things in mind when making investment decisions.

Here is my current Top 5 peer to peer and crowd lending companies list. I invest my own money through each of these five companies so this list is based on my personal experiences and opinions.

All of the information offered at Financial Thing is completely free and has been since 2015. However, running the website incurs expenses which are becoming more costly. Wondering how you can support Financial Thing? I've created a Patreon page where you can become a monthly supporter and receive perks for as little as one cup of Starbucks coffee per month. Every little bit helps so please consider joining by clicking on the banner below:



Please join the private Financial Thing Facebook Group where you can interact with myself and many other like-minded investors:

And subscribe to the Financial Thing YouTube channel where I livestream every Thursday evening answering all your investing questions live. Plus, you will find lots of great videos about peer to peer lending and DIY investing:

Now on to the Top 5…

#1: Loanpad

Thumbs Up:

- Lower risk property asset backed product with low loan-to-values
- Two products, instant access and 60-day access*. £10 min. ISA available
- Interest paid daily
- Your funds are automatically diversified across all loans
- No fees except 0.5% for early access on 60-day access.
- Nine lending sources, the main source being a conservative lender with 40+ years of experience
- CEO's legal background has given him extensive experience in property development lending deals.
- Each lending source has their own money invested in each loan

Thumbs Down:

- Lower annual interest return rates under pacing inflation
- £10 min investment so some cash drag
- All eggs in the property development basket

Loanpad Conclusion

Loanpad offers two lower risk p2p products that are secured by property. After meeting with CEO Louis Schwartz several times, I'm comfortable with Loanpad's business model. I love the fact that Louis has extensive legal knowledge and experience in real estate lending. I also like that Louis has a long-term relationship with Loanpad's main lending source Handf Capital and his eight other lending sources. Handf puts its own money into each deal and is in second position to Loanpad's investors should a loan default. Additional lending sources have been added and so far investing has been easy and I've received the promised daily interest. Despite Loanpad's lower than inflation returns (nearly all investments are this way), I believe Loanpad offers one of the best low-risk peer to peer lending products on the market.

Read my full Loanpad review here which includes a Loanpad video tutorial
Watch my latest YouTube interview with Loanpad's CEO here

#2: Lendinvest

Thumbs Up:

- Loans secured by 1st charges on property
- Profitable company with financial stability
- Large company with diverse array of other company arms
- Transparent information / publishes its loan book and lender borrower spreads
- Reasonable loan-to-values on loans / from 28-75%
- £4 billion + lent with low defaults

Thumbs Down:

- Not strictly p2p. Loan contracts are between lenders' and Lendinvest rather than directly with borrowers
- No secondary market to exit loans
- Advertised FSCS protection could be misunderstood
- Some loans are quite large (ex. one loan of £23m)
- Money deposited by debit card cannot be withdrawn for 90 days
- No access to valuation documents / heavy reliance on Lendinvest's due diligence

Lendinvest Conclusion

While Lendinvest isn't a peer to peer lending company (it's an AIF / Alternative Investment Fund), I decided to included them on this list because of the quality investment product they offer. First and foremost, Lendinvest is a profitably run operation, which many alternative finance companies are not. This inspires long-term confidence in knowing the company can sustain itself financially as Lendinvest is financial backed by its larger sister company. Lendinvest's interest returns are on the lower side for property bridging and development loans and its borrower and lender interest rate spreads can be quite high. I don't like the fact valuation documents aren't available so lenders have to do their own research in order to identify the good loans. Despite the negatives, if you're looking to invest through a well-funded and secure company that also offers a great auto-invest system, Lendinvest is definitely worth consideration.

Read my full Lendinvest review here

#3: Kuflink

Thumbs Up:

- Loans secured by property / low default rates
- Kuflink invests up to 5% (loans after April 2018) liquid cash of its own funds into loans
- Transparency - each loan is well documented and explained / property valuation reports are easily accessible
- Manual and auto-invest options on both ISA and standard accounts.
- You can cancel your loan bids prior to loan going live
- 14 day cooling off period for new customers
- Low £ minimums for reinvestment of interest payments
- Compounding interest on interest payments available on some loans
- Has a charitable foundation to help local community

Thumbs Down:

- Secondary market doesn’t allow you to buy a portion of sale amount
- 0.25% secondary market fee
- No way to early exit auto invested funds
- Website interface isn’t the best but it has vastly improved

Kuflink Conclusion

After several visits to Kuflink's offices and several meetings with the founders and staff, I’m comfortable with Kuflink’s inclusion on my Top 5 list. Kuflink offers asset backed property development and bridging property loans and has lent £260+ million to date. Kuflink's return rates remain competitive but be aware of the risks of property development lending, especially on second charge deals. The fact that Kuflink invests its own money into loans shows the Directors have confidence in their loans and their first loss guarantee provides extra security for investors. I don’t use the auto-invest products because payments are only received once per year and there’s no way to exit.

Read my full Kuflink review here
Watch my latest YouTube interview with Loanpad’s CTO and Head of Collections here

#4: Crowdproperty

Thumbs Up:

- Loans secured by property
- Excellent interest return rates
- Directors have a wealth of property investing experience
- £300+ million lent
- 100% capital and interest paid back and good default recovery
- Plenty of info on each loan
- Auto and manual invest

Thumbs Down:

- Capital and interest paid back at end of loan term of 6-24 months
- No secondary market for early loan exit
- Lender demand is high so loans can sell out in seconds
- High net worth lenders won't be able to deploy large amounts of funds quickly

Crowdproperty Conclusion

I've been investing through Crowdproperty for almost a year and I'm happy with the results so far. Crowdproperty has an excellent track record of loan repayment and the Directors have a wealth or property investing experience. The biggest downsides to Crowdproperty is their loans are smaller so lender appetite outweighs loan amount supply. It's not unusual to see 2000 investors investing in loans. This can result in some frustration for investors who have large balances they would like to invest. Other than that, Crowdproperty has been excellent so far and is growing at a rapid pace.

Watch my latest YouTube interview with Crowdproperty CEO here

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#5: Unbolted

Thumbs Up:

- Lender annual returns of up to 8%
- Auto-invest means hands-off and no investment time management
- Pawn style loans backed by secured assets such as gold and silver
- Conservative asset valuations
- Good default recovery

Thumbs Down:

- Borrowers paying 18% to 63% annual interest on loans. Unethical lending?
- Smaller company = possible higher risk
- Manual investing difficult due to high demand / no loan pre-funding
- Those looking to invest larger amounts may experience cash drag
- Very little asset information / not even a photo
- Auto-investing puts you into riskier / possibly unwanted loans
- No secondary market for exiting loans other than business loans
- Website lacking functionality, information / FAQ's

Unbolted Conclusion

Unbolted's pawn shop style loans help to fill a hole once occupied by defunct companies Moneything and Funding Secure. Auto-invest takes the time factor out of investing and you are able to limitedly select what types of loans you would like to be invested into.

Unbolted does have some downsides including the lack of a regular secondary resale market for exiting other than working capital loans, cash drag issues and limited manual investing opportunities.

See Unbolted's complete review here

BONUS

Here is a list of additional UK based peer to peer lending companies I don't invest through but would certainly consider if I had the available funds to do so:

Blend Network
Proplend
Easy Money
Assetx Exchange

RESOURCES

Become a Financial Thing Patreon supporter here

Interested in other companies not mention in my Top 5 list? Please read all my reviews or visit my offer and cashback page.

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Join the Financial Thing free private Facebook Group where you can discuss topics with fellow investors

Since peer to peer companies are constantly evolving and making changes, it's important to stay current. Please visit http://www.financialthing.com for more resources.

Peer to peer lending can be a part of a diversified investment portfolio but make sure you understand the risks involved and understand that there is no FSCS protection on your investments so your capital is at risk.