

Loanpad investor key information

This document summarises some important things to know before deciding to open a Loanpad account.

This information is not a replacement for our [investor terms and conditions](#) – please read these carefully before investing with Loanpad.

Who we are

Loanpad Limited is a company incorporated and registered in England with company registration number 09479658. Our registered office is at 254-258 Goswell Road, London, EC1V 7EB.

We're authorised and regulated by the Financial Conduct Authority under firm reference number 741576. You can find more details about us on the [Financial Services Register](#).

What we do

Loanpad allows you as an investor to lend your money directly to borrowers using our platform – this is called peer-to-peer lending. We find, approve and fully manage the loans, including collecting and distributing payments to you.

Please read our [investor terms and conditions](#) for more details of the services we provide for our investors.

Who we lend to

We offer loans to companies or individuals looking for short-term (3 to 18 months) property development, bridging or business funding. All our loans are shared with established lending companies (lending partners) and supported by property, which means we have tangible security to sell if we need to recover the loan and repay our investors.

We make comprehensive checks – including credit checks, property valuations and legal due diligence – on all borrowers before approving loans.

Investing on the Loanpad platform

The first step is to deposit money into your Loanpad cash account. To start lending and earning interest, you then move your money into a Classic and/or Premium account. You don't pay fees for Loanpad accounts, as our borrowers cover all Loanpad fees.

All money invested in Loanpad is spread across all the loans in our portfolio each day. This both lowers risk by spreading investments and keeps the process simple for our investors.

We keep any money that hasn't been loaned in a ring-fenced Barclays Bank UK account, in line with Financial Conduct Authority (FCA) rules. This account is completely separate from our day-to-day operations, and neither we nor our creditors have any right to the money in this account.

Reinvesting and withdrawing

Once you have money in a Classic or Premium account, you'll earn daily interest paid into your cash account. You can choose to have this interest reinvested (auto lending) or paid into your nominated bank account once a month (auto withdraw). Both of these options are available in the 'Preferences' tab on your dashboard.

When you want to move money out of your Classic or Premium accounts back to your cash account, we'll place your request in a 'sale queue' which we process each day at midday. As long as we have available funds in the system (liquidity) we'll transfer your money straight away, but from time to time there may be a delay. For more information on withdrawing your money, please see our [FAQs](#) and [investor terms and conditions](#).

Paying tax on your interest

It's your responsibility to pay any tax you owe on the interest you earn using our platform. We won't deduct tax from the interest or other money we pay to you.

The tax you pay will depend on your personal circumstances and tax rules may change. If you have questions about paying tax, you should get advice from an independent financial or tax advisor.

If you need to contact HMRC, their helpline is 0300 200 3312.

Interest rates on your lending

You can see interest rates for our Classic and Premium accounts at any time on our website. You'll earn interest each day at the rate specified.

We monitor interest rates against the performance of the loans on our portfolio. Rates can go up or down. If ours do change, we'll let you know in advance and clearly explain the reason for the change.

The risk to your money

Lending money using the Loanpad platform should be seen as an investment. And as with all investments, your money is at some risk. We do all we can to keep this risk to a minimum, but we can't remove it completely.

Our model of sharing secured property loans with established lenders so that our investors take the safer part of the loan (the senior tranche secured model) is designed to protect your money. And while our interest cover fund helps protect the stability of your income, it doesn't protect against risk to the money you have invested.

We're authorised and regulated by the Financial Conduct Authority – but, like all peer-to-peer lending, not by the Financial Services Compensation Scheme (FSCS).

For more information on how we keep risk to your money low, please see our [FAQs](#).

Interest cover fund (ICF)

The Loanpad interest cover fund (ICF) is a ring-fenced fund designed to cover any missed interest payments and protect the stability of your daily interest.

If a borrower falls behind with their repayments, this fund will cover the interest to you. It isn't a guarantee of interest always being paid – as the fund could become depleted.

If we make a payment out of the ICF, we'll continue to do all we can to recover that money from the borrower – and this will go back into the fund to replace money used.

The ICF doesn't cover the money you have invested in loans – this is protected by the security (property assets) on each loan.

Closing your account

You can close your account at any time by giving us notice, as long as your money isn't tied up in loans or loan offers. You can see more about this and our right to stop your Loanpad membership in our [investor terms and conditions](#).

If Loanpad goes out of business

This is unlikely to happen, but we have a robust back-up plan in place in line with FCA regulations.

We have an agreement with a back-up service provider who would step in and manage all our loan agreements (alongside our lending partners) and keep interest payments to investors in place.

We have capital set aside to keep things running smoothly and make sure our investors get their money back.

All of the money in the Loanpad cash account is kept in a completely ring-fenced Barclays Bank UK account, in line with FCA rules. This is kept 100% separate from our day-to-day operations and your cash holdings would be returned directly to you if we were to go out of business.

We're here to help

If you're unsure about anything, you can find lots of useful information in the [FAQs](#) on our website and in our [investor terms and conditions](#).

If you still have questions, feel free to contact our helpful client services team by emailing support@loanpad.com or calling 020 3829 4541.

Not happy?

We hope you'll be completely satisfied with your Loanpad experience. But if you're not, and would like to complain, please email complaints@loanpad.com with details of your complaint and your Loanpad account number.

We'll do our best to put things right for you straight away. If we haven't managed to do this in eight weeks, you can refer your complaint to the Financial Ombudsman Service. We'll give you information about how to do this both when we first acknowledge your complaint and when we send you our final response.

For more information about how we'll handle your complaint, please visit www.loanpad.com/complaints-policy.