

## 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.**

Please note that Loanpad is not covered by the Financial Services Compensation Scheme (FSCS). As with any investment, your capital is at risk and your investment may go up or down in value.

### 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.

Our model of sharing secured property loans with established lenders is designed to help protect your money so that our investors take the safer part of the loan (the senior tranche secured model).

We make comprehensive checks – such as 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 any investment, your capital is at risk and the value of your investment may go up or down in value. We do all we can to keep this risk to a minimum, but we can't remove it completely.

The four main risks to bear in mind are: a loan not being repaid, a delay to withdrawing your money, the risk of lower than expected returns and economic factors.

Please see our Risk Notice and the Invest or ISA pages for more information on these risks and the mechanisms we have in place to deal with them.

Please note that Loanpad is not covered by the Financial Services Compensation Scheme (FSCS).

## 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 as far as possible by the security (property assets) on each loan.

**The Interest Cover Fund we offer does not give you a right to a payment so you may not receive a pay-out even if you suffer loss. The fund has absolute discretion as to the amount that may be paid including making no payment at all. Therefore, investors should not rely on possible pay-outs from the Interest Cover Fund when considering whether or how much to invest.**

## 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](#).

## Platform wind-down

To prepare for the unlikely event that a decision is taken to conduct a platform wind-down, we have a robust plan in place to manage the loans (alongside our lending partners) to ensure that the income generated from the loanbook is sufficient to cover the costs of managing the loans during the wind-down process.

We have incorporated into our analysis the reduction in Loanpad's daily income as the loanbook is wound down and we also have capital set aside (which will be increased with the size of the loanbook) to ensure that there are sufficient financial resources to conduct an orderly wind-down.

All of the money in Loanpad cash accounts 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 a platform wind-down is initiated or we were to go out of business.

Please see our [FAQ](#) for more information.

## 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](mailto:support@loanpad.com) or calling 020 3829 4555.

## 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](mailto: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](http://www.loanpad.com/complaints-policy).