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RateSetter ISA enjoys fantastic first year

- RateSetter investments outperformed all other mainstream asset classes in 2018
- 1 in 4 RateSetter customers earning tax-free with the ISA, one year after launch
- RateSetter ISA has already attracted £175m of subscriptions

Peer-to-peer lending platform RateSetter's ISA has exceeded expectations in its first year, having attracted £175m of subscriptions, and currently accounts for one-fifth of the platform's £830m funds under management.

Almost one-quarter of RateSetter investors have opened an ISA with 16,500 people currently enjoying their returns tax-free within the ISA wrapper.

In contrast to all other mainstream investments which fell in value last year, investments with RateSetter continued to generate steady returns averaging an annualised 4.5% throughout 2018.

Mario Lupori, Chief Investments Officer at RateSetter, said:

"We have always been confident that investing with RateSetter delivers excellent value and that the tax-free ISA wrapper makes investing more attractive still – but we have been blown away by the popularity of the RateSetter ISA in its first year!"

With even the best Cash ISAs barely matching inflation and the volatility of Stocks & Shares testing investors' nerves, the healthy and steady performance of the RateSetter ISA makes it stand out. 2019 could be the year that we see the Innovative Finance ISA really take off."

RateSetter launched its ISA in February 2018. The Innovative Finance ISA allows investments in peer-to-peer loans to be included in a tax-free ISA wrapper up to an investor's £20,000 annual ISA allowance.

To date, every individual investor has received all the capital and interest that they expected thanks to the Provision Fund which spreads each investor's risk across the whole loan portfolio and provides a buffer against poorly performing loans. The track record over the last eight years is impressive, but it is not a guarantee for the future and capital is at risk.

In total, more than 600,000 customers have used RateSetter to invest or borrow, making it the UK's most popular peer-to-peer lender. RateSetter recently announced it had passed the milestone of originating more than £3 billion of loans since launch.

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Notes to Editors

About RateSetter

RateSetter launched in 2010 to give people the opportunity to earn more on their money by allowing them to lend directly. This new asset class fills a gap for the retail investor between the low risk, low reward of cash and the high return, high volatility of shares.

RateSetter has originated more than £3bn of loans to individuals and businesses across the UK and generated over £120m in interest for its investors.

RateSetter has pioneered many firsts in peer-to-peer lending, including the Provision Fund model. The Provision Fund diversifies each investors' risk across all loans under management and provides protection against bad debt. As a result, to date, every individual RateSetter investor has received their capital and interest in full. Lending with RateSetter is an investment and capital is at risk. The investment is not covered by the Financial Services Compensation Scheme.

RateSetter brings together those providing capital with those seeking it. The interest rate on the platform is set by supply of and demand for money, resulting in a daily market rate that is becoming a benchmark for what lenders can earn.

RateSetter has won Best Peer-to-Peer Lender in the *FT and Investors Chronicle Investment and Wealth Management Awards* for four consecutive years. It has been the highest rated P2P lender by *Which?* readers for the last three years. In January 2019, it won Peer-to-Peer Provider of the Year in the *MoneyFacts Consumer Awards* for the fourth consecutive year.

In 2014, RateSetter became the first peer-to-peer lender to launch with a retail licence in Australia.

In June 2017, RateSetter's CEO and founder, Rhydian Lewis, received an OBE for contribution to financial services and specifically innovation in financial inclusion. The term *financial inclusion* normally refers to 'access to credit'; the purpose of RateSetter is also to give 'access to returns'.

RateSetter is regulated by the Financial Conduct Authority.

More information is available at www.ratesetter.com. Follow us on Twitter [@RateSetter](https://twitter.com/RateSetter).