



Post-Brexit environment will have a positive impact on the UK's alternative finance industry

- Prodigy Finance study finds that 58% of alternative finance executives see their industry growing post-Brexit
- Regulation cited as the biggest challenge for companies in the UK alternative finance sector (40% of respondents).

London, Tuesday 10 April, 2018 – With just under a year to go until the UK leaves the European Union, nearly 90% of alternative finance executives see their industry either growing or staying the same after Brexit, according to research from [Prodigy Finance](#), a global lending platform that provides postgraduate loans to international students.

The data, collected from over 100 respondents in March 2018 at an industry event, shows that a majority 58% of respondents believe that the alternative finance industry in the UK will grow post-Brexit, with a further 30% expecting the industry to remain the same.

This positive sentiment is also reflected in a total of 70% respondents, who feel that the UK alternative finance sector is either moderately or very insulated from potential interest rates hikes in the US or the UK, leaving only a marginal group who express concern about the expected rises. In fact, only 10% of respondents see interest rates as the biggest challenge for companies in the sector.

However, what has been shown to be the greatest concern for the alternative finance sector in the UK is regulation (40%) shortly followed by issues surrounding the maturity of the sector (24%). These findings underscore the ongoing debate of innovation vs. regulation; how companies within alternative finance and fintech will be coming under closer regulatory scrutiny as the sector matures and whether this will create, or stifle, opportunity.

The study also revealed that a notable number of companies (28%) are engaging in a form of impact investing, with a further 19% of companies considering this approach. The most important criteria of impact investing amongst the respondents is primarily financial inclusion (38%), followed by environmental causes (31%) and then social impact (25%).

“It is great to see that there is an increasing interest in the world of impact investing, with almost half of the companies surveyed either considering or already engaging in ethical investing of some description. This is something that is at the core of what we do at Prodigy Finance; through our community platform, alumni, impact investors, and other private qualified entities, are able to invest in prospective students and tomorrow’s leaders, whilst earning a financial and social return” commented Oliver Aikens, Head of Capital Markets at Prodigy Finance.

“As for Brexit, whilst it may create limits for the UK economy, it is important that companies in our industry look beyond borders and take on a more global perspective. According to the data this change appears to be well underway and resonates with us at Prodigy Finance, which is based on the belief that access to finance should be borderless”.

Other key findings

- Respondents think that the next wave of capital into alternative lending is going to come from institutional investment (39%), retail investors (17%) and family offices/UHNWI (11%).
- 17% of respondents think that political instability is the greatest challenge for companies in the UK’s alternative finance sector, with 14% stating competition and a further 10% stating consolidation.
- Only 5% of respondents see governance and healthcare as the most important element of impact investing.

Methodology

Prodigy Finance surveyed 117 senior executives at an alternative finance focused event in, March 2018.

About Prodigy Finance:

[Prodigy Finance](#) empowers international students from over 150 countries to attend the world's top universities. With our borderless credit model, we aim to change the way the world sees funding. We do this by sourcing funds from investors who are looking for an opportunity that gives them both a financial and social return, by investing in students from around the world. And over the last ten years we've given out over \$500 million in loans to students as they chase their dreams.

For more information, please contact:

Prosek Partners

Deanna Green +44 (0) 20 3878 8559 / dgreen@prosek.com

