**THE MODERN FACE OF PAWNBROKING…**

Pawnbroking today is part of the credit industry and is regulated alongside banks and other lenders by the Consumer Credit Act 1974. Pawnbroking shops are modern, well lit and offer a friendly personal service.

The average (mean) loan from a pawnbroker is £160 and the median loan is under £100. Around 85% of goods are redeemed. The usual loan period is 6 months, but many retailers allow 7 months.

The Pawnbroker does not want to sell items, since they effectively lose a customer for the future. If goods have to be sold the Pawnbroker deducts outstanding interest and fee and returns any proceeds of sale to the customer.

"Around 88% of goods are redeemed - it is not in the pawnbroker's interest for goods not to be redeemed."

**Daily Express 2011**

**…TRANSPARENT AND FAIR**

Every customer is given a pre-contract information sheet and the key terms of the loan are explained verbally. The cost of the loan is on the front page of the agreement so they know the cost of credit. It is completely transparent – they know exactly how much the loan will cost.

The BBC Money Box and BBC Breakfast TV (December 2011) identified that if you borrowed £100 from a Pawnbroker for one month you might pay back £108, whereas an unauthorised overdraft from a bank would mean you pay back up to £200.

**…HIGH CUSTOMER SATISFACTION LEVELS**

The Financial Ombudsman said that they had received just four pawnbroking complaints the last year they reported.

“The vast majority of customers we surveyed (95 per cent) were satisfied with the service they received from the pawnbroker they used. Eight in ten customers would use the same company again. Customer service, the speed of the loan decision and convenient location were the things that customers expressed most satisfaction about.”

**Personal Finance Research Centre, Bristol University (February 2011)**