

Worcester Polytechnic Institute



# Protecting Danish Consumers from the Hazards of Payday Loans

---

Supplemental Materials

A Term 2018

**Robert Dwan**  
**Mitchell Holman**  
**Ethan Merrill**  
**Junhong Zhang**

**Advisors:**

**Professor Holly Ault**  
**Professor Katherine Foo**

**Sponsor:**

**Forbrugerrådet Tænk**  
**(The Danish Consumer Council)**

**Forbrugerrådet**  
**Tænk**

An Interactive Qualifying Project submitted to the Faculty of Worcester Polytechnic Institute in partial fulfillment of the requirements for the Degree of Bachelor of Science.

<b>Appendix A: Authorship/ Contributions</b>	<b>2</b>
<b>Appendix B: Interview Protocol</b>	<b>4</b>
<b>Appendix C: Behavioral Specialist Interview Questions</b>	<b>4</b>
<b>Appendix D: Center Left Member of Parliament Interview Questions</b>	<b>6</b>
<b>Appendix E: Left Member of Parliament Interview</b>	<b>8</b>
<b>Appendix F: Right Member of Parliament Interview Questions</b>	<b>9</b>
<b>Appendix G: Payday Lender Interview Questions</b>	<b>11</b>
<b>Appendix H: The Danish Consumer Council Interview Questions</b>	<b>14</b>
<b>Appendix I: Financial Counselor Interview Questions</b>	<b>15</b>
<b>Appendix J: Industry Researcher Interview Questions</b>	<b>16</b>
<b>Appendix K: Advertising Survey (Categories)</b>	<b>18</b>
<b>Appendix L: Website Survey</b>	<b>19</b>
<b>Appendix M: Opinion Spectrums</b>	<b>20</b>
<b>Appendix N: Financial Statements Analysis</b>	<b>21</b>
<b>Appendix O: Impairment</b>	<b>26</b>
<b>Appendix P: Discussion of Market Adhesion in Payday Lending Market</b>	<b>27</b>
<b>Appendix Q: Summary of 2014 UK Regulations on Payday Loans</b>	<b>27</b>
<b>Appendix R: Step Change Debt Charity Analysis on UK Regulation Effectiveness</b>	<b>28</b>
<b>Appendix S: Citizen Advice Analysis on UK Regulation Effectiveness</b>	<b>29</b>
<b>Appendix T: Payday Lending States Status in the United States</b>	<b>31</b>
<b>Appendix U: Sponsor Description</b>	<b>31</b>
<b>Appendix V: Advertisement Evaluation Data</b>	<b>32</b>
<b>Appendix W: Interview Coding</b>	<b>43</b>

## **Appendix A: Authorship/ Contributions**

### **Chapter 1: Introduction**

(Mitchell Holman, Robert Dwan)

### **Chapter 2: Background**

Intro

(Mitchell Holman)

Payday loans can lead consumers to a cycle of debt

(Mitchell Holman, Junhong Zhang)

Payday loan borrowers are more likely to be underbanked and financially vulnerable

(Mitchell Holman, Robert Dwan, Ethan Merrill)

Profitability is low in payday lending

(Ethan Merrill, Junhong Zhang)

Payday lenders have a high customer acquisition cost

(Mitchell Holman, Ethan Merrill)

Internationally, regulations have been implemented to protect consumers from payday loan indebtedness

(Mitchell Holman, Ethan Merrill, Robert Dwan)

### **Chapter 3: Methodology**

Intro

(Junhong Zhang, Ethan Merrill)

Assess the business models of payday lenders

(Ethan Merrill)

Evaluate customer acquisition methods of payday lenders

(Mitchell Holman)

Identify the role of legislation on the payday lending

Industry in Denmark and internationally

(Robert Dwan)

### **Chapter 4: Results**

Current credit checking methods allow unqualified consumers to borrow payday loans

(Junhong Zhang, Ethan Merrill)

Payday lenders harm customers with a delinquency-intensive business

(Ethan Merrill)

Payday loan advertisements target impulsive consumers

(Mitchell Holman)

The cycle of debt is evident in Danish payday lending

(Robert Dwan, Junhong Zhang)

Initiatives should be taken to improve the payday lending market

(Ethan Merrill, Mitchell Holman)

A database has the potential to improve credit checking and lower delinquency

(Ethan Merrill, Junhong Zhang)

Regulations can prevent advertisements from targeting impulsive consumers

(Mitchell Holman, Robert Dwan, Junhong Zhang)

Several initiatives have the potential to curb the cycle of debt

(Robert Dwan)

Gauging the effectiveness of specific regulations is difficult

(Robert Dwan, Ethan Merrill, Junhong Zhang)

We propose a combination of regulations to protect Danish consumers

(Mitchell Holman, Ethan Merrill, Robert Dwan, Junhong Zhang)

### **Chapter 5: Recommendations**

(Mitchell Holman, Ethan Merrill, Junhong Zhang, Robert Dwan)

## **Contributions:**

**Mitchell-** Throughout this project I contributed heavily to the background and recommendations. I also did a lot of editing throughout the writing process. I also designed and performed the advertising survey and analysis. To go along with the advertising survey I did a lot of research on impulse purchasing. Throughout the interview process I conducted interviews with the Behavioral Specialist, Parliament Member, Financial Advisors, and Danish Consumer Council Economic Advisor. At these interviews I was the primary interviewer asking the questions. I transcribed and coded the interview with the Danish Consumer Council.

**Ethan-** While working on this project I primarily focused on the business model objective. This includes my writing in the background, methodology, and results chapters. I also performed research on the database legislation. I designed and built graphical representations of stakeholder's positions on various legislation. Additionally I designed the website survey, but did not collect data or analyze it. Through an analysis of multiple lenders annual reports I created assertions about the Danish payday lending industry. I performed interviews and drafted questions for the behavioral specialist, Socialist Democratic party member, industry expert, lender representative, and Liberal Party email interview. I lead every interview except the industry expert and behavioral specialist. As project manager I organized tasks and kept team focused when needed.

**Junhong-** In this project, I did my job in scribing and putting notes into presentable form, to keep track of the key action items and all other information we discussed in meetings. In terms of research, I had a focus in reading analysis papers to understand the internal logic connections within the payday lending industry, for the beginning of the project. I changed my focus later on collecting data that explains the current situation in Denmark, and data that can prove effectiveness of regulations. When our project came to major revisions on draft, I did more research in finding support for our intended points to make in our paper, and focused on revising the drafts to make logical connections between topics and get major problems within the industry to stand out. Other than that, I performed the website survey, and made graphics to display our findings in website survey and our interview with a payday lender.

**Robert-** In the writing portion of the project I contributed to all areas with the majority of my writing coming in the results section focusing on different legislations. Throughout the process I was also helping with the editing of all parts of the report. My research mainly focused on legislation and finding supporting evidence for our logical connections. I participated in interviews with a member of Parliament, the two financial advisors, and the industry expert. I was the primary interviewer for the industry expert and the note taker for the other two. I then transcribed and coded all three of these interviews, helping to create new emergent codes. I was the secondary contributor to the website survey helping collect information for almost half of the websites. As the designer, I placed all graphics and text into the booklet and designed the methodology overview graphic along with other graphics in our presentation.

## **Appendix B: Interview Protocol**

These interviews were performed in a semi-structured format to allow for follow-up questions and further inquiries. We conducted interviews using two group members in order to not overwhelm the interviewees. We met in an agreed upon location, we recorded only with the consent of the interviewee, and took notes on what was said during the interview. Questions were provided to the interviewee beforehand to give them a sense of the types of questions that would be asked. If an interviewee was unable to meet for an interview, the questions were answered over email.

## **Appendix C: Behavioral Specialist Interview Questions**

### **Objective: Understand consumers' relationship with payday lending in Denmark.**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). We are conducting interviews to learn about Danish consumers Payday Loan use. During this interview, we will ask you about your expertise and how it relates to payday lending in Denmark. Our goal is to gather information about Danish Payday loan use. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree \*turn on recorder\* I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue.  
\*Pause\*

This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

1. What led you to want to study Consumer Behavior?
2. Are you familiar with the payday loan industry in Denmark?
  - i. What aspects of behavioral economics do you see in payday lending?
3. Has the Danish Competition and Consumer Authority looked into the payday lending industry or the lending industry as a whole?
  - i. They did the 48 hour cool down
  - ii. Definition too narrow in the policy, longer than 3 months
  - iii. Did the Danish Competition and Consumer Authority find a problem within the industry?
  - iv. Would enhanced competition provide a more consumer friendly environment?
4. How do companies target marketing at specific demographics?
5. What are some ways (and or examples) that advertising is manipulative in the context of consumer behavior?
6. Which cognitive biases and heuristics are typically targeted by advertising,
7. Does Scandinavia have a culture of debt?
  - i. How does Denmark relate to Scandinavia in terms of this culture of Debt?
  - ii. What are consumer feelings towards the culture of debt?
8. How has the lending industry in Denmark changed in recent years?
  - i. How have these industry changes affected consumer behavior?
9. What kind of information would allow consumers to make informed decisions?
  - i. How should this information be presented to consumers?
10. Does the average consumer understand what ÅOP is?
  - i. What would be a way of presenting the information conveyed by the ÅOP so that consumers have a better idea as to how much they will end up paying for the Loan?
11. What is your opinion (if any) on the Danish government's regulation of payday lending?
  - i. Have these regulations been effective in shaping consumer behavior?
12. Do you have ideas or thoughts on how the lenders should be regulated using nudge theory to shape consumer behavior?

- i. What is the role of regulation in an open, capitalist market?
  - ii. When is the right time to inhibit consumer choice with regulation?
  - iii. What other ways can we protect consumers from making economic decisions that are irrational for their long term financial stability?
    - i. Is education effective and why?
13. Do you know of anyone else who is currently doing behavioral economics research on debt in Denmark?

#### **Appendix D: Center Left Member of Parliament Interview Questions**

**Objective: Learn about current regulations and regulations in development. Also learn about effectiveness of implemented initiatives.**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). We are conducting interviews to learn about Danish consumers Payday Loan use. During this interview, we will ask you about your research on payday loans and how it relates to Denmark. Our goal is to gather information about Danish Payday loan use. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree \*turn on recorder\* I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue.  
\*Pause\*

This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

1. We noticed you are on the business, growth, and export committee, what drives your interest in this area?
2. Are you familiar with payday loans (Kviklån)?
3. How important is it for young people to not get in trouble financially?
  - i. Do you think the availability of payday loans negatively impacts the stability of young people's financial future?
  - ii. What are options to help protect specifically the younger generation?
4. What legislation has been implemented to regulate payday lending? When?
  - i. What was the reaction from the consumers? The lenders? Do you have examples from your constituents?
5. Have the current regulations been effective in helping protect consumers?
  - i. What factors did parliament consider when drafting these regulations?
  - ii. We understand your party did not support the 15% OPP limit bill, why is this?
  - iii. Could you tell us about the list of 10 regulations on payday loans the Social Democrats have developed? What factors were considered when you were drafting them?
  - iv. Are there studies that have looked into the effectiveness of these regulations?
6. Currently payday lenders are not required to report information related to their businesses. What information do you think is important to be disclosed by lenders?
7. Have attempts been made to regulate the advertisements of payday loans?
  - i. What types of regulations (if any) would you like to see along these lines?
8. In your opinion what is the best way to protect consumers from the practice of taking out payday loans to cover the cost of existing payday loans?
  - i. Should there be a hard stop limit on the number of loans a customer can take out at any given time or total?
9. Are there any precedents for lending regulation which you look to in other countries?
10. Are there any regulations that are going to be implemented, or are currently under debate regarding payday loans?



- i. What is the position of your party and the left and right more generally on consumer lending regulations?
- ii. Does your party have specific ideas on payday lending legislation?
- iii. Does the other party have opposition to these ideas?
- iv. From what we understand, the left side of parliament is more in favor of business regulation and the right is more in favor of consumer education, how do you see a compromise between these two views? Which approach is more in favor currently?

### **Appendix E: Left Member of Parliament Interview**

**Questions Objective: Learn about current regulations and regulations in development. Also learn about effectiveness of implemented initiatives.**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). We are conducting interviews to learn about Danish consumers Payday Loan use. During this interview, we will ask you about your research on payday loans and how it relates to Denmark. Our goal is to gather information about Danish Payday loan use. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree \*turn on recorder\* I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue.  
\*Pause\*

This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

1. We noticed you are on the finance committee, what drives your interest in this area?
2. Are you familiar with payday loans (Kviklåns)?
3. What legislation has been implemented to regulate payday lending? When?
  - a. What was the reaction from the consumers? The lenders? Do you have examples from your constituents?

4. Have the current regulations been effective in helping protect consumers?
  - a. What factors did parliament consider when drafting these regulations?
  - b. Are there studies that have looked into the effectiveness of these regulations?
5. Currently payday lenders are not required to report information related to their businesses. What information do you think is important to be disclosed by lenders?
6. Have attempts been made to regulate the advertisements of payday loans?
  - a. What types of regulations (if any) would you like to see along these lines?
7. In your opinion what is the best way to protect consumers from the practice of taking out payday loans to cover the cost of existing payday loans?
  - a. Should there be a hard stop limit on the number of loans a customer can take out at any given time or total?
8. Are there any precedents for lending regulation which you look to in other countries?
9. Are there any regulations that are going to be implemented, or are currently under debate regarding payday loans?
  - a. What is the position of your party and the left and right more generally on consumer lending regulations?
  - b. Does your party have specific ideas on payday lending legislation?
  - c. Does the other party have opposition to these ideas?
  - d. From what we understand, the left side of parliament is more in favor of business regulation and the right is more in favor of consumer education, how do you see a compromise between these two views? Which approach is more in favor currently?

## **Appendix F: Right Member of Parliament Interview Questions**

**Objective: Learn about current regulations and regulations in development. Also learn about effectiveness of implemented initiatives.**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). We are conducting interviews to learn about Danish consumers Payday Loan use. During this interview, we will ask you about your research on payday loans and how it relates to

Denmark. Our goal is to gather information about Danish Payday loan use. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree \*turn on recorder\* I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue.  
\*Pause\*

This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

1. Are you familiar with payday loans (Kviklån)?
2. How important is it for young people to not get in trouble financially?
  - i. Do you think the availability of payday loans negatively impacts the stability of young people's financial future?
  - ii. What are options to help protect specifically the younger generation?
3. What legislation has been implemented to regulate payday lending? When?
  - i. What was the reaction from the consumers? The lenders? Do you have examples from your constituents?
4. Have the current regulations been effective in helping protect consumers?
  - i. How were these regulations developed? What information in terms of expert suggestions, data, or the consultation of other countries regulations was used?
  - ii. Are there studies that have looked into the effectiveness of these regulations?
5. Are there any regulations that are going to be implemented, or are currently under debate regarding payday loans?

- i. What is the position of your party and the left and right more generally on consumer lending regulations?
  - ii. Does your party have specific ideas on payday lending legislation
    - i. How did your party choose/develop these legislation ideas?
  - iii. Does the other party have opposition to these ideas?
  - iv. In what way can the different parties compromise on payday lending legislation?
6. Do you think that Danish payday lenders are currently transparent with their operations?
  - i. What information is important to disclose to consumers?
  - ii. Is there any specific information you would like to see be more public?
  - iii. Should the lenders be forced to disclose this information in a way that is more easily understood by consumers?
7. Do you notice payday lending advertisements?
  - i. What is the content and who do these advertisements appeal to?
8. Have attempts been made to regulate the advertisements of payday loans?
  - i. What types of regulations (if any) would you like to see along these lines?
9. Are you in favor of or against the following and why?
  - i. Implementing a hard stop on the number of simultaneous loans
  - ii. Setting up a government run database of payday loan users
  - iii. Limit on ÅOP (Annual Percentage Rate)
  - iv. Limit on maximum value of consumer loans

## **Appendix G: Payday Lender Interview Questions**

### **Objective: Learn about the business model in the payday lending industry**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). Our team is conducting interviews to learn about Danish consumers Payday Loan use. During this interview, we will ask you about how the payday loan business is structured. Our goal is to gather information about Danish Payday loan businesses. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree \*turn on recorder\* I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue.  
\*Pause\*

This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

1. How long have you been working in the financial industry? When did you become the spokesman for the trade organization?
2. What is your target market and what is the customer profile of your company?
3. How do you communicate with and acquire customers?
  - i. What are your methods of advertising and roughly what portion of your expenses is it?
  - ii. Is this typical for payday lending companies in general, or do larger companies like vivus operate differently?
4. How long do you estimate it takes a first time customer to acquire a loan?
  - i. How long by your estimate does it take a repeat customer to acquire a loan?
  - ii. Are these typical lengths of time for the industry?
5. What information is required from the borrowers?
  - i. How is this information from the borrowers used?
6. What information do you use to assess risk of a possible customer?
  - i. How do you use this information to assess credibility (algorithms, individuals, etc)
7. Is there a method to see a possible customer's debt and if they currently have other loans?

8. Can you estimate the percent of new applications approved? Is this normal in the industry?
  - i. What rate of defaults do you experience?
  - ii. What rate of defaults does the industry as a whole experience?
9. Could you walk us through the steps you take when issuing a new loan to a customer?
10. What are some challenges you face in your business? (Ask for example)
11. What are your various streams of revenue such as interest and fees?
  - i. What is the distribution of your revenue in these categories?
  - ii. Is this a typical revenue distribution for payday lending as a whole?
12. What are the major expenses involved in your operation?
13. What regulations have the largest impact on the business?
14. How has your business changed when new regulation was implemented in the past
15. Are there any regulations you would like to change?
  - i. How would you want them to change?
  - ii. Would you see an industry code of conduct as a possible way to regulate the industry?
  - iii. Does the trade organization have a code of conduct now?
16. Are you in favor of or against the following and why?
  - i. Implementing a hard stop on the number of simultaneous loans
  - ii. Setting up a government run database of payday loan users
  - iii. Limit on AOP (Annual Percentage Rate)
  - iv. Limit on maximum value of consumer loans
17. How do you see the business models of short term lenders evolving in the future?
18. Do you think that debt is a problem in Denmark?
19. Are there any other individuals who we should interview to gain a greater understanding of the industry?
20. Do you have any data from the industry trade organization or your company that you are willing to share?

## **Appendix H: The Danish Consumer Council Interview Questions**

**Objective: Learn about what goes into developing an initiative and the effect initiatives had.**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). We are conducting interviews to learn about Danish consumers Payday Loan use. During this interview, we will ask you about your research on payday loans and how it relates to Denmark. Our goal is to gather information about Danish Payday loan use. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree *\*turn on recorder\** I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue.  
*\*Pause\**

This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

1. How long have you worked with the Danish Consumer Council?
2. What is the relationship between the Danish Consumer Council and representatives in Parliament?
3. How does the Danish Consumer Council work with Parliament to develop initiatives?
4. What are the main factors taken into consideration when developing a new initiative?
5. Does the Consumer Council currently have payday loan related regulations that they are trying to pass through parliament?
6. What is an example of a successful initiative you enacted?

- i. Are there studies that have looked into the effectiveness of these regulations?
7. How does legislation play into payday lending?
  - i. How does education play into payday lending?
  - ii. How can the two mesh to create a better payday lending atmosphere?
8. Do you have information on why Danish people take out payday loans and on what they use the money?
  - i. Do the ads that payday loan companies influence the purchases consumers make with the loan?
  - ii. What types of ways could you regulate these ads in order to protect consumers from taking out payday loans for unnecessary purchases?

## **Appendix I: Financial Counselor Interview Questions**

**Objective: Learn about why individuals take out payday loans and on what they spend the money.**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). We are conducting interviews to learn about Danish consumers Payday Loan use. Our goal is to gather information about Danish Payday loan use. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree \*turn on recorder\* I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue.  
\*Pause\*

This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.



1. How long have you been a financial counselor?
2. How common is it for people who have used payday loans to come to you for help?
  - i. How many people have you helped get out of financial trouble as a result of payday loans?
3. What are ways you help people recover from the cycle of debt?
  - i. Are there specific programs or strategies you recommend?
4. Are there any programs that you think could be implemented to better assist people trapped by payday lending?
  - i. Is there any way that the government could better serve those who are in this situation?
  - ii. Is education effective in helping protect consumers from payday loans?
    - i. What are the limits to education?
5. What are the common uses for payday loans?
  - i. What proportion of loans are used on essential(shelter, food, transportation and healthcare) vs non-essential purchases?
  - ii. Do people have a plan to pay the loans back upon taking them out?
6. How do Lenders target customers with their ads, how have clients been influenced?
  - i. Should there be limitations on this advertising?
7. Is hard stop on the number of simultaneous loans a good idea?
8. Would you be in favor of setting up a government run database of payday loan users?
9. Should there be a limit on maximum value of consumer loans?
10. Does the typical Danish Consumer understand what ÅOP means?
  - i. Is there a better way of presenting this information?
  - ii. Should there be limits on ÅOP?

## **Appendix J: Industry Researcher Interview Questions**

**Objective: Learn about the UK payday lending market and regulations.**

We are a project team working with the Danish Consumer Council (Forbrugerrådet Tænk). We are conducting interviews to learn about Danish consumers Payday Loan use. During

this interview, we will ask you about your expertise and payday lending laws in the United Kingdom and how they might relate to Denmark. Our goal is to gather information about Danish Payday loan use. We strongly believe this kind of research will ultimately benefit consumers and enhance their experience.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names or identifying information will appear on any of the project reports or publications. Additionally we would like to record and transcribe these interviews if you are ok with this please agree \*turn on recorder\* I will ask now that we are on, do you consent to being recorded for this interview? We would also like to take notes during the interview, if you are not okay with these please let us know. We have brought a short consent form, if you agree with its terms please sign it and we will continue. This is a collaborative project between the Danish Consumer Council (Forbrugerrådet Tænk) and Worcester Polytechnic Institute, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

1. Who should use payday loans?
2. What was the process for creating the 2014 UK regulations?
3. What were some problems with the lending market before this legislation was enacted, and how have they changed?
4. What are some negative effects of the legislation put in place?
5. To what degree do payday lenders still operate in the UK after this regulation?
  - a. How has the size of lending companies (individual market participants) changed as a result of the regulations put in place?
  - b. Should the payday lending industry exist? Why or why not?
6. High customer acquisition costs are clearly a major component of the industry, is there a way to operate in the industry without these high costs?
7. How have customer acquisition strategies evolved as a result of the regulations implemented in the UK?
8. The APR limit significantly limits the types of loans which can be offered. Are there other ways to shape the market instead?
9. How can more transparency be added to the lending market?
10. Can you provide more detail on the standardized banking API?
  - a. Can consumers give lenders access to their information via the API?
  - b. Who manages, runs, owns openbanking?
    - i. It was set up by the Competition and Markets Authority on behalf of the UK Government?
  - c. Are companies mandated to use the API?
  - d. Would the standard be available to other providers?
  - e. Is there a transaction database or is it all peer to peer information sharing?

11. How do you see the High Cost Short Term Loan evolving in the future? Where is the industry going?
12. Can more effective credit checks protect consumers?
13. What are your thoughts on the following regulations for the lending industry, their relative effectiveness, pros, cons etc?
  - a. Implementing a hard stop on the number of simultaneous loans
  - b. Do you believe that a government run database of consumer credit would help or hurt consumers?
  - c. Limit on AOP (Annual Percentage Rate)
  - d. Limit on maximum value of consumer loans
  - e. Limiting marketing
  - f. Consumer Education
14. In what ways could you limit marketing of payday loans to protect consumers?

### **Appendix K: Advertising Survey (Categories)**

These are the categories that were used on the advertising survey. Each advertisement was reviewed and analyzed if there was information that fit under the categories listed below the information was filled into that field. The media type for all of the advertisements we used were video. The slogan of the company was recorded in case that gave us information about how they sell their product. If the ad had a title that was recorded. The advertised use relates to if the ad provided an item that the loan should be spent on while the main selling point was often a short phrase that made the loan attractive to the customer. Normally the main selling point related to speed or discounted loans. The raw data advertisement survey is listed further down in the supplemental materials.

<b>Payday Loan Company</b>	<b>Approximate Age of Actor/Model</b>	<b>Media Type</b>	<b>Slogan</b>
<b>Slogan Translation</b>	<b>Title</b>	<b>Title (English Translation)</b>	<b>Live Action Yes/No?</b>
<b>Cartoon Yes/No?</b>	<b>Advertised Use</b>	<b>Main Selling Point</b>	<b>Advertised Loan Amount</b>
<b>Length of Ad (seconds)</b>	<b>Location of Ad</b>	<b>Print Words on Ad</b>	<b>Print Words on Ad (English)</b>
<b>Fine Print Translation</b>	<b>Fine Print</b>	<b>Fine Print Translation</b>	

## Appendix L: Website Survey

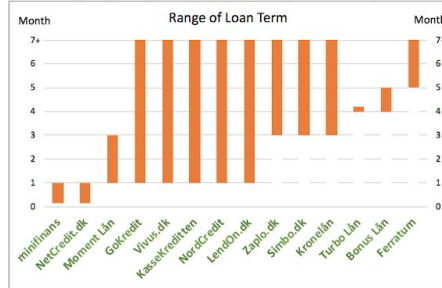
For the website survey, we looked at 14 different danish payday loan websites and collected information on their usability, the products they provide, pricing of the products, and their age requirements. We browsed each website, looked for pricing figures, and attempted their application process to obtain all information that could benefit our research. For the data collected, we displayed them by computing average and showing the distribution of data points. The websites we looked at include close to if not the whole population of online payday lenders in Denmark. The graphs can represent the current Danish payday lending market in 2018, and they provide plenty information for research on payday lending.

General Info			Usability			Product & Pricing						Credit Rating Methods	Website URL
Denmark Sites	Date Collected	Website Name	Information Fields (#)	Clicks Until Info Required (#)	Advertised Time to Go Through Application	Product type: (Payday, installment, Credit, combination)	Annualized interest rate (% AOP)	Minimum Loan	Maximum Loan	Min Policy Term (Months)	Max Policy Term	Minimum Age Requirement	Website URL
1	08/24/18	Simbo.dk	8	1	30	Credit	706.4	100.00	15,000.00	3	unlimited	19	<a href="https://www.simbo.dk/">https://www.simbo.dk/</a>
2	08/25/18	Vivus.dk	8	1	1	Credit	791.6	100.00	6,000.00	0.166666666	unlimited	20	<a href="https://www.vivus.dk/?v=1">https://www.vivus.dk/?v=1</a>
3	08/30/18	Ferratium Money	6	1	/	Installment	124.22	1,500.00	20,000.00	5	47	/	<a href="https://www.ferratium.dk/">https://www.ferratium.dk/</a>
4	08/31/18	Kronelån	7	1	30	Credit	706.4	100.00	15,000.00	3	unlimited	19	<a href="https://www.kn-kroneln-ksa.dk/">https://www.kn-kroneln-ksa.dk/</a>
5	09/01/18	Kasse Kreditten ( finans 247)	4	1	1	Credit	328.3	3,000.00	15,000.00	1	unlimited	21	<a href="https://kassekreditten.dk/">https://kassekreditten.dk/</a>
6	09/02/18	LendOn.dk	7	1	1	Credit	198.4	500.00	15,000.00	unlimited	unlimited	21	<a href="https://www.lendon.dk/">https://www.lendon.dk/</a>
		LendOn.dk				Installment	214.74	5,000.00	20,000.00	4	4		
		LendOn.dk				Payday	942.62	100.00	10,000.00	1		1	
7	09/04/18	Go Kredit	8	0	/	Credit	631.57	3,000.00	10,000.00	unlimited	unlimited	25	<a href="https://www.gokredit.dk/my/">https://www.gokredit.dk/my/</a>
		Go Kredit				Payday	899.86	3,000.00	6,000.00	1	1		
8	09/05/18	NordCredit	10	1	/	installment	145.8	500.00	15,000.00	1	unlimited	21	<a href="https://nordcredit.dk/">https://nordcredit.dk/</a>
9	09/06/18	Bonus Lån	5	1	"easy"	installment	1359.495	100.00	10,000.00	4	5	20	<a href="https://bonuslaan.dk/">https://bonuslaan.dk/</a>
10	09/07/18	minifnans	8	1	/	Payday	688.89	500.00	12,000.00	0.166666666	1	/	<a href="https://minifnans.dk/loeningsdag/">https://minifnans.dk/loeningsdag/</a>
11	8/30/18	moment Lån	5	1	/	Credit	748.04	500.00	15,000.00	3	3	20	<a href="https://www.momentlaan.dk/">https://www.momentlaan.dk/</a>
12	8/30/18	Turbo Lån	5	1	/	installment	781.54	100.00	10,000.00	4	4	20	<a href="https://kn-turboin-ksa.dk/">https://kn-turboin-ksa.dk/</a>
13	09/18/2018	zaplo.dk	5	1	/	Credit	151.8	5000	25000	3	24	/	<a href="https://www.zaplo.dk/">https://www.zaplo.dk/</a>
14	10/04/2018	NetCredit.dk	5	1	/	Payday	1023.9	500	10000	0.166666666	1	20	<a href="https://www.netcredit.dk/">https://www.netcredit.dk/</a>
<b>Average</b>			<b>7</b>	<b>1</b>			<b>613</b>	<b>1388</b>	<b>13471</b>	<b>2</b>	<b>/</b>	<b>21</b>	

**Result:**

1. On payday lending websites, consumers need only one click to get to the application page, one of them needs none. The application process includes only 6 information fields on average.
2. Average AOP is 610%. Loan size range from 100 to 25.000 DKK. Average Loan size are from 1400 DKK to 13500 DKK
3. Average term of loans are 2 months to unlimited length of time
4. The average min age of obtaining a payday loan is 21 years old

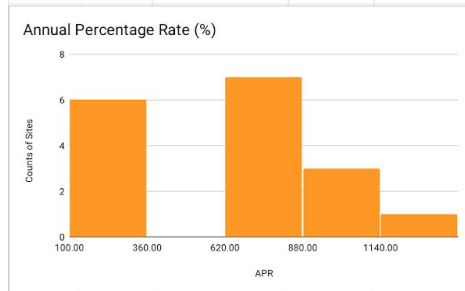
5. Loan Terms for Danish Payday Lenders



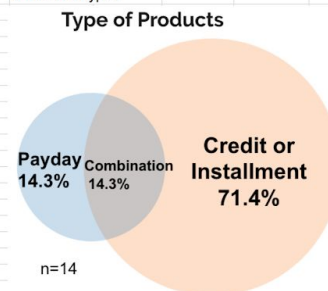
6. Range of Loan Size for Payday Lenders



7. Distribution of AOP

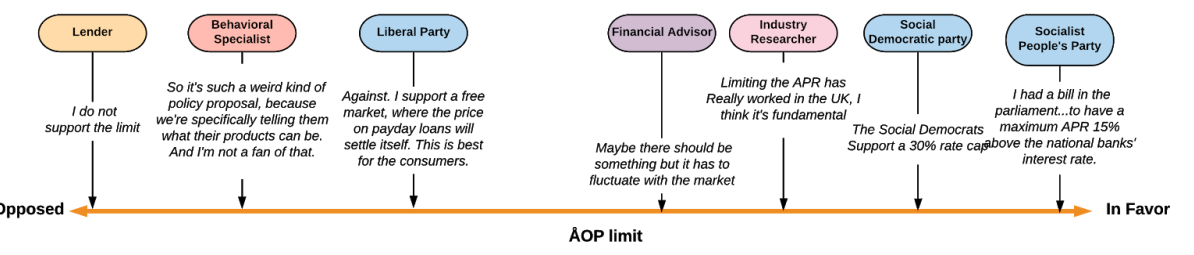
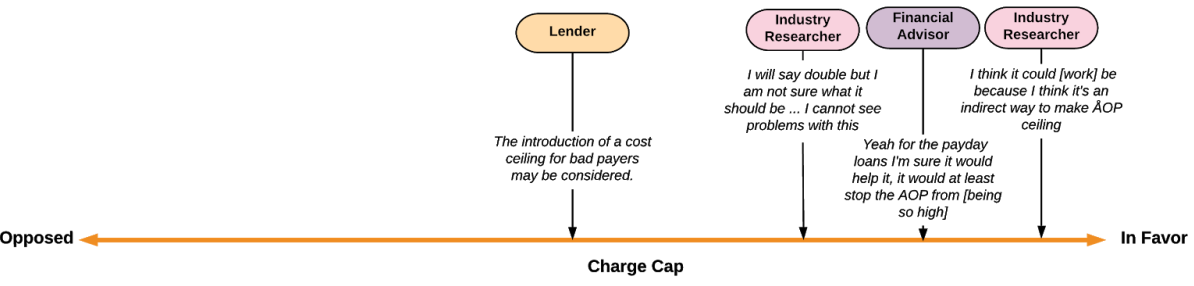
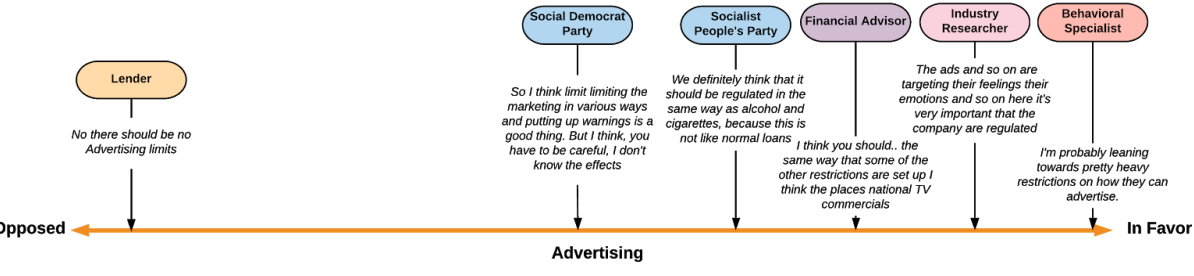
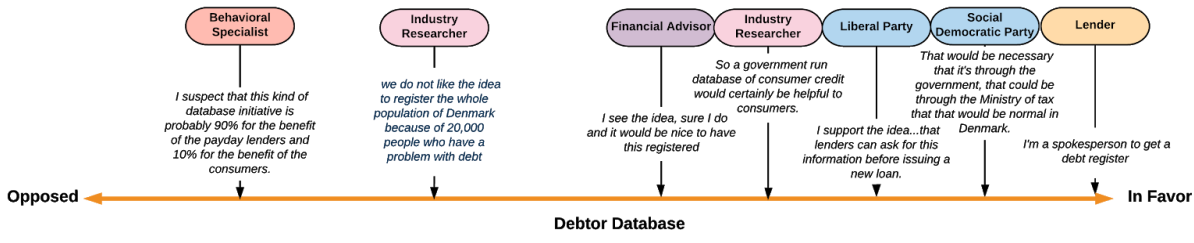


8. Product Types



## Appendix M: Opinion Spectrums

To understand where stakeholders are positioned on various aspects of payday lending and its legislation, opinion spectrums were developed. These spectrums show where stakeholders are positioned on the issues graphically, with supporting quotations. Because the responses received were qualitative, the stakeholders were arranged relative to one another based on the wording of their responses.



**Appendix N: Financial Statements Analysis**

Using the annual reports from the fiscal year 2017 for payday lender 4Finance and Ferratum, as well as the annual statement for Sparekassen Sjælland-Fyn, numerous analyses were performed(4Finance, 2017), (Ferratum, 2017), (Sparekassen Sjælland-Fyn, 2017). Currencies were not converted because not absolute value comparisons were made between the companies.

## 4 Finance:

(1) Operating Costs	EUR '000 (all)
Marketing	-56143
Personnel	-98846
Lending Costs	-4310
Other Administrative Expenses	-17268
Depreciation & Amortization	-8987
Technology	-10813
Debt Collection	-8258
R&D	-8158
Other	-30490
Total Operating Costs	-243273

(2) Consolidated Net Impairment	
Non Net Impairments	-136478
Reversal of Debt on Debt Portfol	18921
Recovery from Written off Loans	9982
Net Impairment Losses	-107575

(3) Income Statement		Costs as a % of Income
Operating Income	402584	
Operating costs	-243273	60.43%
Net Impairment Losses	-107575	26.72%
Non Recurring Expense	-36999	9.19%
Net trading loss	-4005	0.99%
Income tax for reporting period	-27569	6.85%
Profit/Loss	-16837	4.18%

(4) Operating Costs and Impairment		
Other Costs	187130	-187130
Net Impairment	107575	-107575
Marketing	56143	-56143

- 1) A copy of the reported operating costs.
- 2) A copy of net impairment as reported
- 3) The income statement as reported. The costs as a percent of income are calculated to demonstrate their relative size to actual cash inflows. The percents do not sum to 100 because costs are greater than income, at 108% percent of total income.
- 4) A simplified cost comparison sheet. Expenses are listed in absolute values for charting purposes. This data is illustrated in the pi chart below.

<b>(5) Credit Quality of Loan Portfolio</b>	<b>Gross Receivables</b>	<b>Allowance for Doubtful Debts (Impaired)</b>	<b>Percent Impairment</b>
Not Overdue	254932	7062	2.77%
Overdue<90 Days	64048	22807	35.61%
Overdue>90 Days	150308	98147	65.30%
<b>Total</b>	<b>469288</b>	<b>128016</b>	
Overdue>30 days	214356	120954	
Percent overdue >30	45.68%		

<b>(6) 4Finance Long Term, Short Term Loans</b>	
Short Term Loans Due	442781
Impairments of Short Term	120951
<b>Net Short term</b>	<b>321830</b>
Long term loans	26507
Impairment of Long Term	7065
<b>Net Long Term</b>	<b>19442</b>
Percent Short Term	93.96%

<b>(7) Interest Income From Danish Loan Types Over Time</b>		
<b>Denmark</b>	<b>2017</b>	<b>2016</b>
Single Payment	29632	25904
Installment	11779	8895

- 5) This table shows the overall credit quality of outstanding liabilities at year end 2017. It is charted in the gross receivables pie chart below. The doubtful debts is the portion of the liabilities which are not expected to be returned. We calculated the percent impairment for each category to show the increase in expected impairment over increased delinquency time.
- 6) The overall makeup of 4Finance Group's credit portfolio is shown here. The percent short term loans is calculated in order to show how closely the overall credit portfolio aligns with payday lending.
- 7) In the final chart the rise of installment loans is evident, as they increase at a greater rate than single payment products, however both loan types are growing year over year.



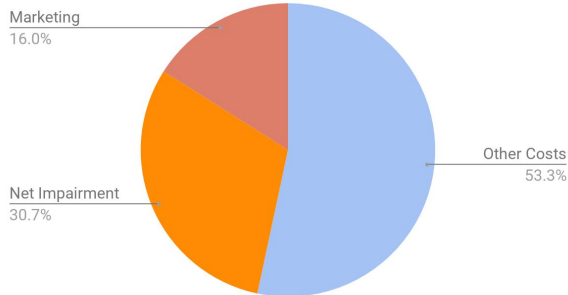
(8) Calculating 4Finance Share of Danish Mkt	
80% of Payday Mkt (DKR)	517266.69
100% of Payday mkt	646583.36
4Finance Danish Loans	54567
4Finance % of Danish Mkt	8.44%

(9) Total Outstanding Loans and Associated Profit/Loss	Gross Receivables	Interest Income	Net Impairment	Doubtful Debts	Doubtful Debts as % of Total Liabilities	Annual Impairment
4Finance Total Loans	469288	355167	107575	128016	27.28%	22.92%
Denmark	54567	41411	10421	16431	30.11%	19.10%
% of Business in Denmark	11.63%					

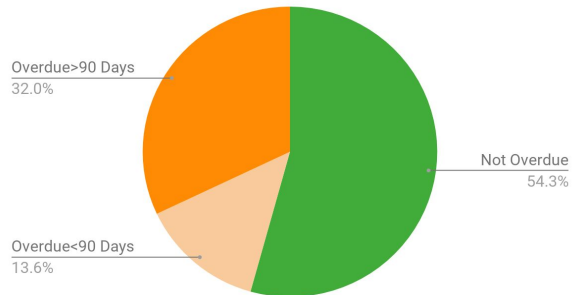
8) Here data is used from the balance sheet of for finance as well as the Danish Credit Råd, this is a payday loan industry group which claims to have 80% of the market as its members. Extrapolating from this, we calculated the size of the market, then found the percent captured by 4finance using their Danish payday loan information.

9) The total outstanding loans vs Denmark's total outstanding loans gives an idea of the total business conducted in Denmark by the 4Finance conglomerate. By understanding what percent of the company is Danish payday lending we can understand how relevant our analysis is to the Danish payday loan market. Also by calculating the impairment as a percent of total debts, we are able to understand the rate of impairment in Denmark vs the total business.

4Finance Operating Costs



4Finance Gross Receivables



## Sparekassen Sjælland-Fyn:

(1) Sparekassen Sjælland-Fyn Income Statement	DKK '000
Income*	1075838
Staff Costs and Admin Expenses	-691393
Amortisation, Depreciation	-58667
Other operating Expenses	-19190
Impairment losses on loans	-33440
Pretax Profit	273148

\*Net interest and fee income, Market Value Adjustments, Other Operating Income, Profit on investments

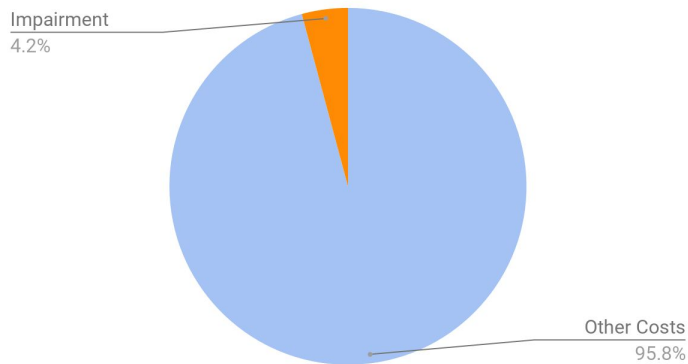
(2) Simplified Operating Costs	DKK '000	
Other Costs	769250	-769250
Impairment	33440	-33440

(3) Impairment Ratio	Millions		
	Loans/Advances	Impairments	Impairment ratio**
	11681	33.4	0.29%

\*\*The period's impairment losses as a percentage of loans, guarantees and impairment losses. -Key Performance Indicators, Financial Conduct Authority

- 1) This is the simplified income statement for Sparekassen Sjælland-Fyn. The income is consolidated as indicated in the chart.
- 2) Impairments and other costs are broken out in order to create the pie chart below.
- 3) This is an approximate impairment ratio calculation. This ratio is slightly higher than the official number.

Sparekassen Sjælland-Fyn Operating Costs



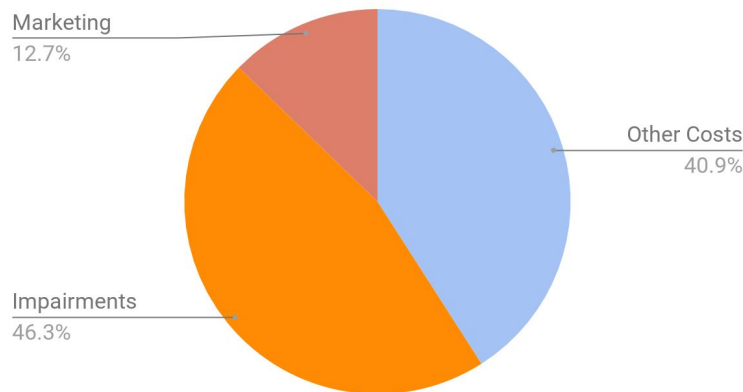
Ferratum:

(1) Ferratum Income Statement	'000 EUR
Revenue	52837
Impairments	-19779
Marketing	-5444
Personnel	-8149
Lending Costs	-2749
Other Administrative Expenses	-682
Depreciation & Amorization	-404
Other Operating Income and Expenses	-5507
Profit/Loss	10123

(2) Ferratum Simplified Income	Microloans	
Other Costs	17491	-17491
Impairments	19779	-19779
Marketing	5444	-5444

- 1) Ferratum's complete income statement for their microloans division
- 2) Ferratums income simplified for charting

Ferratum Operating Costs



## Appendix O: Impairment

### Impairment Details

In banking the revaluation of non-performing loans is a multistep process. Under the International Financial Reporting Standards (IFRS) accounting system (the system used by Danish banks), Impairments are considered to be the best measure of problem loans. According to the IFRS, a loan is impaired if there is objective evidence of a loss event, and that event negatively effects estimated future cash flows from the loan (IFRS, 2018). The EU has guidelines on default definitions, however it is not an accounting metric which is typically reported, this makes comparisons difficult. A loan is considered defaulted, and moved to defaulted status, if there is non-repayment for over 90 days past the due date. The IFRS 9 impairment standards will be implements for the fiscal year 2018.

## Appendix P: Discussion of Market Adhesion in Payday Lending Market

### Market adhesion

With the ultrahigh interest rates in payday loan industry, one would expect payday loan lenders to earn obscene profits on the backs of the customers, but in fact, the industry is only making an average of four percent return on investment in the United States (Wattles, 2017). The primary cause of this low profitability is believed to be from issuing credit to low quality, high risk borrowers, while heightened regulation and regulatory uncertainty also increase compliance costs. From many investors' point of view, the payday loan industry looks to be progressing further, because they think payday loans' explosive expansion and ultrahigh interest rates can cover the risk from bad debts. When loans are becoming more accessible as the industry develops, more customers with low credit flood into the market. While rational borrowers and good credit customers can repay their loans and get out, irrational borrowers and those with unstable income are very likely to stick with the business. As a result, customers with low credit will soon dominate the business because of their high adhesion.

## Appendix Q: Summary of 2014 UK Regulations on Payday Loans

The screenshot displays four orange boxes with white text, each containing a regulation number, a description, and a value:

- 1. Daily Interest: 0.8%
- 2. Maximum Default Charge: 126 DKK
- 3. Total Interest Cost Capped: 100%
- 4. Maximum # of Rollovers: 2

Below these boxes is a dark blue warning banner with white text: "Warning: Late repayment can cause you serious money problems. For help, go to [moneyadviceservice.org.uk](http://moneyadviceservice.org.uk). You can find a loan comparison site [here](#)."

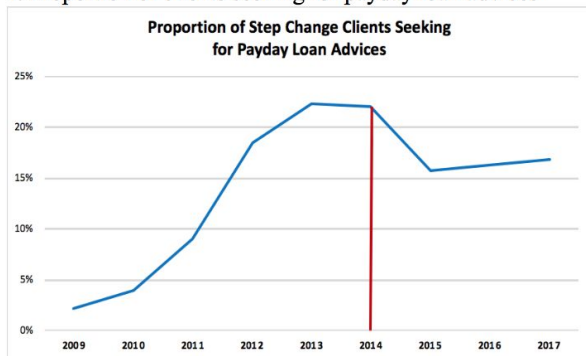
At the bottom is the Wonga website navigation bar, featuring the Wonga logo, a dropdown menu for "Our loans", and links for "How it works", "About us", "Cash Smart", and "My account". On the right side of the navigation bar are "Help" and "Login" buttons.

## Appendix R: Step Change Debt Charity Analysis on UK Regulation Effectiveness

### Payday Loan Analysis for Step Change Debt Charity Annual Reports 2009 - 2017

Year	Total Clients in Step Change	Proportion of Clients Seeking for Payday Loans Advices	Number of Clients Seeking for Payday Loan Advices	Average value of Payday Loans per Client	% change for proportion	% change for number of clients	% change for average payday loan value
2009	204227	2.20%	4493	1188	/	/	/
2010	201051	3.90%	7841	1220	77%	74.52%	2.69%
2011	193489	9%	17414	1267	131%	122.09%	3.85%
2012	196827	18.50%	36413	1657	106%	109.10%	30.78%
2013	300000	22.33%	67000	1647	21%	84.00%	-0.60%
2014	326029	22.10%	72052	1577	-1%	7.54%	-4.25%
2015	307043	15.70%	48206	1308	-29%	-33.10%	-17.06%
2016	339687	16.30%	55369	1415	4%	14.86%	8.18%
2017	357386	16.80%	60041	1519	3%	8.44%	7.35%

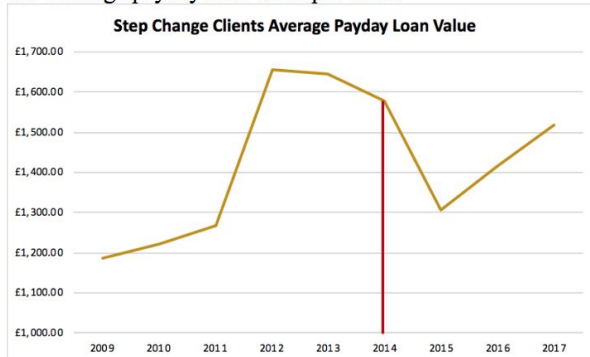
#### I. Proportion of clients seeking for payday loan advices



#### II. Number of clients seeking for payday loan advices



#### III. Average payday loan value per client



### Result:

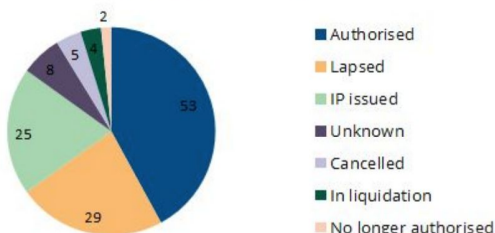
1. Following the 2014 UK regulations on payday loans, the proportion and number of Step Change clients seeking for payday dropped 17% after the legislation. These decrease in need for advices for payday loan issues suggest a healthier market with the regulations in place, meaning that the legislation was effective in protecting cosumers from payday loan indebtedness.

2. From the graphs below, we also acknowledge that the problem associated with payday loans rose again. This suggests that a shortcoming of the 2014 legislation is that its effect isn't long-lasting.

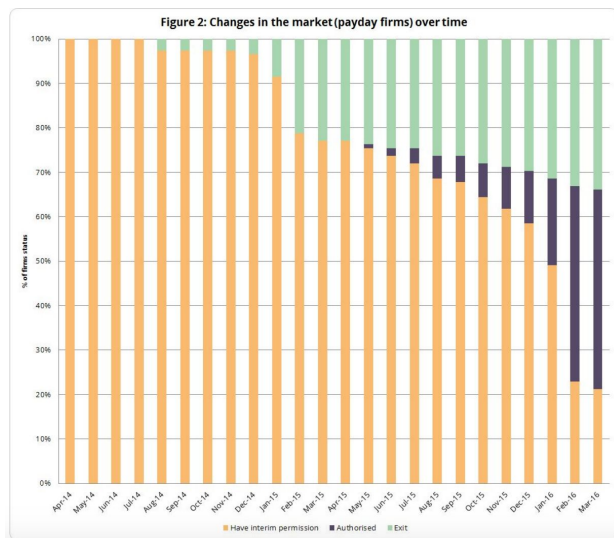
## Appendix S: Citizen Advice Analysis on UK Regulation Effectiveness

- Citizens Advice has seen a significant reduction in the numbers of clients with payday loan problems since the introduction of the price cap in January 2015:
  - A 45 per cent reduction in clients accessing advice about payday loan issues, which is in contrast to the trend with all debt advice which has remained stable and all advice given which has increased slightly.
  - An 86 per cent reduction in clients contacting our consumer service regarding payday loans between 2013 and 2016.
  - A 61 per cent post cap reduction in unique users accessing payday loan content on the external website.
  - Our expert advice team had 29 complex cases referred to them on payday loans leading up to the cap and have had zero cases since the cap.
- Since the 2013 peak there has been significant change in the makeup of the payday loan market which may have driven out irresponsible lending practices:
  - 42 per cent of the 126 firms, who were operating in the market in 2013, have received full authorisation to carry out payday loan or installment loan activity.
  - 20 per cent remain active in the market awaiting the outcome of their authorisation application
  - 38 per cent of firms have exited the market either through withdrawing, not applying for authorisation or going into liquidation.

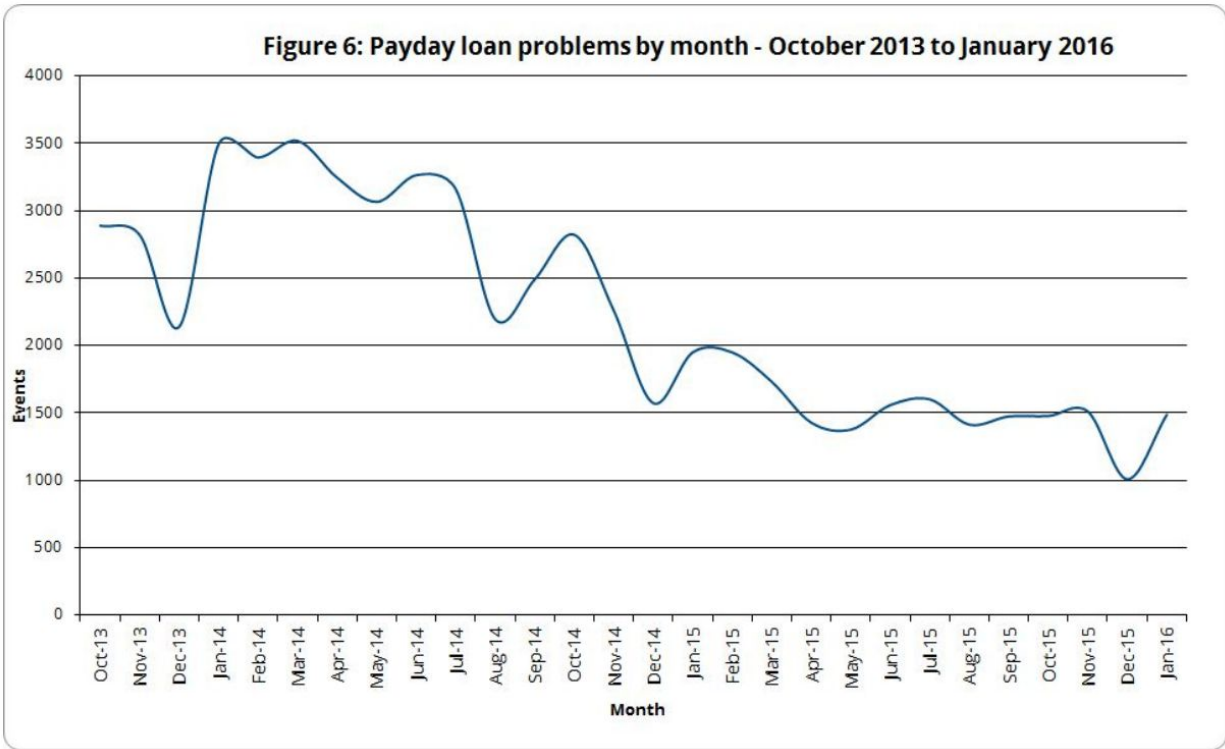
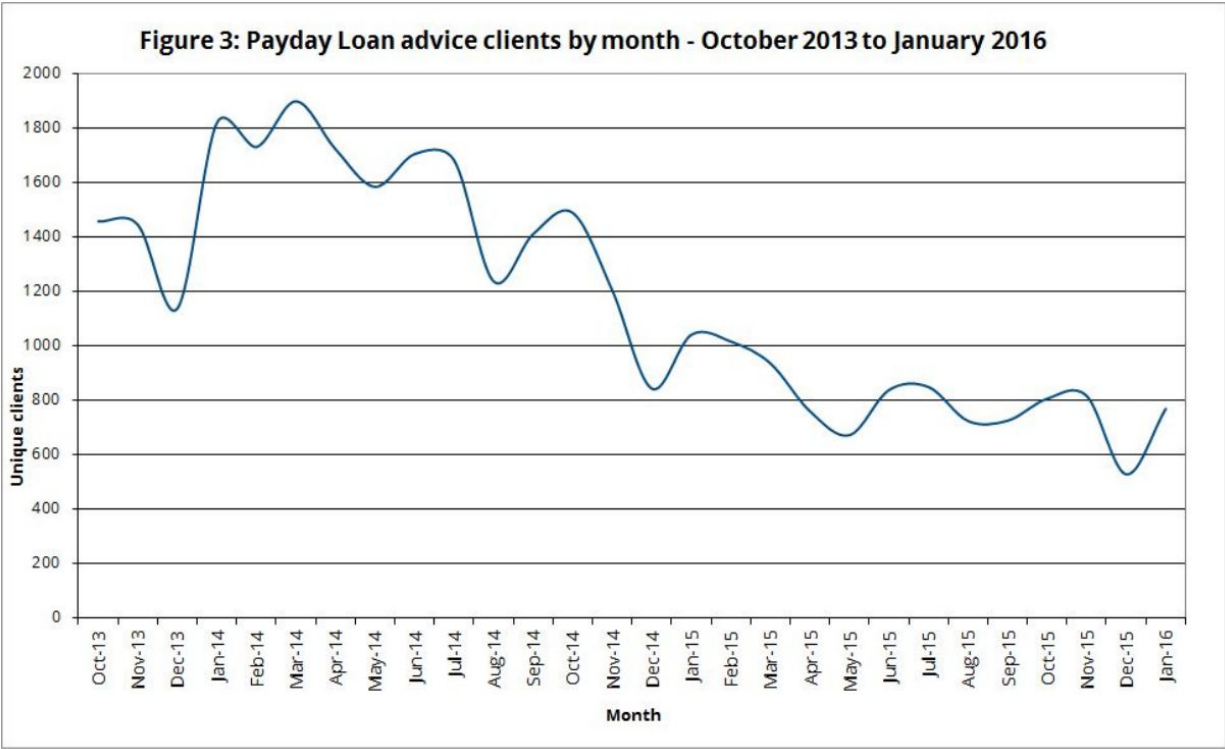
**Figure 1: Current FCA status for firms in payday loan market**



**Figure 2: Changes in the market (payday firms) over time**











## Appendix V: Advertisement Evaluation Data

Payday Loan Company	Media Type	Slogan	Slogan Translation	Title	Title (English Translation)	Live Action Yes/No?
Vivus.dk 1	Video	Når det er vigtigt for dig	When it's important to you	Er du klar til skolestart?	Are you ready for the start of school?	No
Vivus.dk 2	Video	Når det er vigtigt for dig	When it's important to you	Er du klar til skolestart?	Are you ready for the start of school?	No
Vivus.dk 3	Video	Når det er vigtigt for dig	When it's important to you	Sommerferie-planer?	Summer Vacation Plans?	No
Vivus.dk 4	Video	Når det er vigtigt for dig	When it's important to you	Sommerferie-planer?	Summer Vacation Plans?	No
Vivus.dk 5	Video	Når det er vigtigt for dig	When it's important to you	Lån op til 12.000	Loans up to 12.000 Kr.	Yes
Vivus.dk 6	Video	Når det er vigtigt for dig	When it's important to you	Nye kunder kan låne op til 6.000	New Customers Can borrow up to 6.000 Kr.	Yes
Vivus.dk 7	Video	Når det er vigtigt for dig	When it's important to you	Tid til en ny cykel	Time for a new bike?	Yes
Vivus.dk 8	Video	Når det er vigtigt for dig	When it's important to you	Tid til en ny cykel	Time for a new bike?	Yes
Vivus.dk 9	Video	Når det er vigtigt for dig	When it's important to you	Tid til nye gadgets?	Time for new gadgets?	Yes
Vivus.dk 10	Video	Når det er vigtigt for dig	When it's important to you	Tid til nye gadgets?	Time for New gadgets?	Yes
Vivus.dk 11	Video	Når det er vigtigt for dig	When it's important to you	Er du klar til Festival?	Are you ready for the Festival?	No
Vivus.dk 12	Video	Når det er vigtigt for dig	When it's important to you	Er du klar til Festival?	Are you ready for the Festival?	No

<b>Payday Loan Company</b>	<b>Media Type</b>	<b>Slogan</b>	<b>Slogan Translation</b>	<b>Title</b>	<b>Title (English Translation)</b>	<b>Live Action Yes/No?</b>
Vivus.dk 13	Video	Når det er vigtigt for dig	When it's important to you	Lån op til 12.000	Loans up to 12.000 Kr.	Yes
Vivus.dk 14	Video	Når det er vigtigt for dig	When it's important to you	Nye kunder kan låne op til 6.000	New customers can borrow up to 6.000 Kr.	Yes
Vivus.dk 15	Video	Når det er vigtigt for dig	When it's important to you	Eksisterende kunder kan låne op til 12.000,- til for eksempel en fladskærm	Existing customers can borrow up to 12,000, for example a flat screen	Yes
Vivus.dk 16	Video	Når det er vigtigt for dig	When it's important to you	Nye kunder kan låne op til 6.000,- uden renter i op til 30 dage!	New customers can borrow up to 6,000, - without interest for up to 30 days!	Yes
Vivus.dk 17	Video	Når det er vigtigt for dig	When it's important to you	Lån op til 12.000,- og få svar med det samme	Loans up to 12,000, - and get immediate answers	Yes
Vivus.dk 18	Video	Når det er vigtigt for dig	When it's important to you	Nye kunder kan låne op til 6.000,- uden renter i op til 30 dage!	New customers can borrow up to 6,000, - without interest for up to 30 days!	Yes
Vivus.dk 19	Video	Når det er vigtigt for dig	When it's important to you	Tid til at opgradere mobilen eller andet?	Time to upgrade your phone or other?	No
Vivus.dk 20	Video	Når det er vigtigt for dig	When it's important to you	Tid til at opgradere mobilen eller andet?	Time to upgrade your phone or other?	No
Vivus.dk 21	Video	Når det er vigtigt for dig	When it's important to you	Brug for penge til nye oplevelser?	Need money for new experiences?	Yes
Vivus.dk 22	Video	Når det er vigtigt for dig	When it's important to you	Brug for penge til nye oplevelser?	Need money for new experiences?	Yes
MiniFinans.dk 23	Video	N/A	N/A	Lån penge på MiniFinans	Loan money on MiniFinans	No
MiniFinans.dk 24	Video	N/A	N/A	Lån op til 4 000 kr første gang du låner på MiniFinans	Loan up to 4,000 kr the first time you borrow at MiniFinans	No

<b>Payday Loan Company</b>	<b>Media Type</b>	<b>Slogan</b>	<b>Slogan Translation</b>	<b>Title</b>	<b>Title (English Translation)</b>	<b>Live Action Yes/No?</b>
Lendon.dk 25	Video	Mangler Du Penge Nu? Brug Lendon.dk	Do you need money now? Use Lendon.dk	Forbrugslån Kampagne	Consumer Loan Campaign	No
Lendon.dk 26	Video	N/A	N/A	TjekLån – Sammenlign billige og hurtige kviklån, forbrugslån, billån, hurtiglån og lån penge nu	Check Loan - Compare cheap and fast credit loans, consumer loans, car loans, quick loans and borrow money now	Yes
KasseKreditten 27	Video	Hele Danmarks Kassekredit	Denmarks overdraft Facility	N/A	N/A	No
Turbolån.dk 28	Video	Lidt hurtigere end alle de andre	Slightly faster than all the others	Kviklån med hurtig udbetaling	Quick loan with fast payment	no
Turbolån.dk 29	Video	vi overfører straks, også i weekender & helligdage	We transfer immediately, also on weekends and holidays	Lån penge straks af Turboman	Borrow money immediately by Turboman	Yes
Turbolån.dk 30	Video	Lidt hurtigere end alle de andre	Slightly faster than all the others	Vælg det hurtigste lån online	Choose the Fastest Loan online	No
Turbolån.dk 31	Video	Vejen til hurtig penge	The way for quick money	Hurtig lån	Quick Loan	No
Turbolån.dk 32	Video	Lidt hurtigere end alle de andre	Slightly faster than all the others	Lån Penge Nu - Lidt Hurtigere	Loans Money Now - Slightly Faster	No

Payday Loan Company	Cartoon Yes/No?	What to Use Loan On	Main Selling Point	Approximate Age of Actor/Model	Advertised Loan	Length of Ad (seconds)
Vivus.dk 1	Yes	School	Money Quick	N/A	12.000 DKK	20
Vivus.dk 2	Yes	School	No Interest 30 Days	N/A	6.000 DKK	27
Vivus.dk 3	Yes	Vacation	Money Quick	N/A	12.000 DKK	20
Vivus.dk 4	Yes	Vacation	No Interst 30 Days	N/A	6.000 DKK	27
Vivus.dk 5	No	Vacation	Quick Approval	25-30	12.000 DKK	6
Vivus.dk 6	No	Vacation	Quick Approval	25-30	6.000 DKK	6
Vivus.dk 7	No	New Bike	Money Quick	25-35	12.000 DKK	20
Vivus.dk 8	No	New Bike	No Interest 30 Days	25-35	6.000 DKK	20
Vivus.dk 9	No	New Gadget	Money Quick	30-40	12.000 DKK	20
Vivus.dk 10	No	New Gadget	No Interest 30 Days	30-40	6.000 DKK	20
Vivus.dk 11	Yes	Music Festival	Money Quick	N/A	12.000 DKK	20
Vivus.dk 12	Yes	Music Festival	No Interest 30 Days	N/A	6.000 DKK	27

Payday Loan Company	Cartoon Yes/No?	What to Use Loan On	Main Selling Point	Approximate Age of Actor/Model	Advertised Loan	Length of Ad (seconds)
Vivus.dk 13	No	New TV	Quick Approval	20-25	12.000 DKK	6
Vivus.dk 14	No	New TV	Money Quick	20-25	6.000 DKK	6
Vivus.dk 15	No	New TV	Quick Approval	20-25	12.000 DKK	20
Vivus.dk 16	No	New TV	No Interest 30 Days	20-25	6.000 DKK	20
Vivus.dk 17	No	Vacation	Quick Approval	20-30	12.000 DKK	20
Vivus.dk 18	No	Vacation	No Interest 30 Days	20-30	6.000 DKK	20
Vivus.dk 19	Yes	New Phone	Quick Money	N/A	12.000 DKK	20
Vivus.dk 20	Yes	New Phone	No Interest 30 Days	N/A	6.000 DKK	27
Vivus.dk 21	No	Money for a Party	Quick Money	20-30	12.000 DKK	20
Vivus.dk 22	No	Money for a Party	No Interest 30 Days	20-30	6.000 DKK	20
MiniFinans.dk 23	Yes	New Phone/Shoes	Simplicity	N/A	4.000 DKK	30
MiniFinans.dk 24	Yes	New Phone, TV, Travel, Clothes	Simplicity	N/A	4.000 DKK	30

Payday Loan Company	Cartoon Yes/No?	What to Use Loan On	Main Selling Point	Approximate Age of Actor/Model	Advertised Loan	Length of Ad (seconds)
Lendon.dk 25	Yes	Broken Washer, New Shoes	No Interest 30 Days	N/A	15.000 DKK	15
Lendon.dk 26	No	Nothing	Simplicity	N/A	4000 DKK	15
KasseKreditten 27	Yes	Nothing	Simplicity	N/A	15.000 DKK	15
Turbolån.dk 28	yes	Bike, Lawnmower, Fix a Shower	Speed	N/A	NA	25
Turbolån.dk 29	No	Paying for a Date	Speed	25	10.000 DKK	20
Turbolån.dk 30	Yes	Bike	Speed	N/A	N/A	7
Turbolån.dk 31	Yes	Phone, Watch, Ring, Fidget Spinner, TV	Speed	N/A	N/A	7
Turbolån.dk 32	Yes	Nothing	Speed	N/A	N/A	7

Payday Loan Company	Words on Ad	Words on Ad (English)	Fine Print
Vivus.dk 1	Er du Skoleklar? Lån op til 12.000 Pengene her og nu	Are you ready for school? Loans up to 12.000 dkk Money here and now	N/A
Vivus.dk 2	Er du Skoleklar? Nye kunder Lån op til 6000 Uden renter i op til 30 dage	Are you ready for school?/ New customer can borrow up to 6.000 Kr. Without interest for 30 days	Tilbuddet gælder kun første kredit. Ved en løbetid på 3 mdr. : Samlet kreditbeløb 6000 kr. Månedlig minimumsbetaling: 1200 kr. Samlede kreditomkostninger: 2400 kr. Samlet tilbagebetalingsbeløb 8400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Der er fortrydelsesret på kreditaftalen.
Vivus.dk 3	Sommerferie-planer? Stay-cation? Eller udlandet? Lån op til 12.000 Pengene her og nu	Summer Vacation Plans? Stay-cation? or abroad? Loans up to 12.000 Kr. Money here and now	N/A
Vivus.dk 4	Sommerferie-planer? Stay-cation? Eller udlandet? Nye kunder Lån op til 6.000 Uden renter i op til 30 dage	Summer Vacation Plans? Stay-cation? or abroad? New customers can borrow up to 6.000 Kr. Without interest for up to 30 days	Tilbuddet gælder kun første kredit. Ved en løbetid på 3 mdr. : Samlet kreditbeløb 6000 kr. Månedlig minimumsbetaling: 1200 kr. Samlede kreditomkostninger: 2400 kr. Samlet tilbagebetalingsbeløb 8400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Der er fortrydelsesret på kreditaftalen.
Vivus.dk 5	Lån op til 12.000 Svar med det samme	Loans up to 12.000 Kr. Answers immediatly	N/A
Vivus.dk 6	Nye kunder kan låne op til 6.000 Svar med det samme	New cutomers can borrow up to 6.000 Kr. Answers immediatly	N/A
Vivus.dk 7	Lån op til 12.000 Pengene her og nu Måske til en ny cykel Hvis det er vigtig for dig	Loans up to 12.000 Kr. Money here and now Maybe for a new bike If thats what youre into	N/A
Vivus.dk 8	Nye kunder Lån op til 6.000 Uden renter op til 30 dage Måske til en ny cykel Hvis det er vigtig for dig	New customers can borrow up to 6.000 Kr. Without interest up to 30 days Maybe for a new bike If thats what youre into	Tilbuddet gælder kun første kredit. Ved udnyttelse af kreditten (løbetid) i 3 mdr. : Samlet kreditbeløb 6000 kr. Månedlig minimumsbetaling: 1200 kr. Samlede kreditomkostninger: 2400 kr. Samlet tilbagebetalingsbeløb 8400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Det forudsættes, at kreditten tilbagebetales i helhed efter 3 mdr. Der er fortrydelsesret på kreditaftalen.
Vivus.dk 9	Lån op til 12.000 Pengene her og nu Måske til de nyeste gadgets Hvis det er vigtig for dig	Loans up to 12.000 Kr. Money here and now Maybe for a newest gadgets If its important to you	N/A
Vivus.dk 10	Nye kunder Lån op til 6.000 Uden renter op til 30 dage Måske til de nyeste gadgets Hvis det er vigtig for dig	New customers can borrow up to 6.000 Kr. Without interest up to 30 days Maybe for a newest gadgets If its important to you	Tilbuddet gælder kun første kredit. Ved udnyttelse af kreditten (løbetid) i 3 mdr. : Samlet kreditbeløb 6000 kr. Månedlig minimumsbetaling: 1200 kr. Samlede kreditomkostninger: 2400 kr. Samlet tilbagebetalingsbeløb 8400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Det forudsættes, at kreditten tilbagebetales i helhed efter 3 mdr. Der er fortrydelsesret på kreditaftalen.
Vivus.dk 11	Skal du på festival? På sofaen? Eller festival-crawl? Lån op til 12.000 Pengene her og nu	Are you going to the festival? On the couch? Or a festival crawl? Loans up to 12.000 Kr. Money here and now	N/A
Vivus.dk 12	Skal du på festival? På sofaen? Eller festival-crawl? Nye kunder Lån op til 6.000 Rentefrit i op til 30 dage	Are you going to the festival? On the couch? Or a festival crawl? New customers can borrow up to 6.000 Kr. Interest free for up to 30 days	Tilbuddet gælder kun første kredit. Ved en løbetid på 3 mdr. : Samlet kreditbeløb 6000 kr. Månedlig minimumsbetaling: 1200 kr. Samlede kreditomkostninger: 2400 kr. Samlet tilbagebetalingsbeløb 8400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Der er fortrydelsesret på kreditaftalen.

<b>Payday Loan Company</b>	<b>Words on Ad</b>	<b>Words on Ad (English)</b>	<b>Fine Print</b>
Vivus.dk 13	Lån op til 12.000 Svar med det samme	Loans up to 12.000 Kr. Answers immediatly	N/A
Vivus.dk 14	Nye kunder kan låne op til 6.000 Pengene her & nu	New cutomers can borrow up to 6.000 Kr. Money here and now	N/A
Vivus.dk 15	Lån op til 12.000 Få svar med det samme Måske til en ny Fladskærm Hvis det er vigtig for dig	Loans up to 12.000 Kr. Get answers right away Maybe for a new flatscreen If its important to you	N/A
Vivus.dk 16	Nye kunder kan låne op til 6.000 Uden renter op til 30 dage! Måske til en ny Fladskærm Hvis det er vigtig for dig	New customers can borrow up to 6.000 Without interest up to 30 days! Maybe for a new flat screen If it's important to you	Tilbuddet gælder kun første kredit. Ved udnyttelse af kreditten (løbetid) i 3 mdr. : Samlet kreditbeløb: 6000 kr. Månedlig minimumsbetaling: 1.200 kr. Samlede kreditomkostninger: 2.400 kr. Samlet tilbagebetalingsbeløb 8.400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Det forudsættes, at kreditten tilbagebetales i helhed efter 3 mdr. Der er fortrydelsesret på kreditaftalen.
Vivus.dk 17	Lån op til 12.000 Få svar med det samme Måske til en oplevelse Der er vigtig for dig	Loans up to 12.000 Kr. Get answers right away Maybe for an experience Thats important to you	N/A
Vivus.dk 18	Nye kunder kan låne op til 6.000 Uden renter op til 30 dage! Måske til en oplevelse Der er vigtig for dig	New customers can borrow up to 6.000 Without interest up to 30 days! Maybe for an experience Thats important to you	Tilbuddet gælder kun første kredit. Ved udnyttelse af kreditten (løbetid) i 3 mdr. : Samlet kreditbeløb: 6000 kr. Månedlig minimumsbetaling: 1.200 kr. Samlede kreditomkostninger: 2.400 kr. Samlet tilbagebetalingsbeløb 8.400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Det forudsættes, at kreditten tilbagebetales i helhed efter 3 mdr. Der er fortrydelsesret på kreditaftalen.
Vivus.dk 19	Tid til at opgradere mobilen? Et lille fix? Eller en helt ny? Lån op til 12.000 Pengene her og nu	Time to upgrade the mobile? A little fix? Or a brand new? Loans up to 12.000 The money here and now	N/A
Vivus.dk 20	Tid til at opgradere mobilen? Et lille fix? Eller en helt ny? Nye kunder kan Lån op til 6.000 Uden renter i op til 30 dage	Time to upgrade the mobile? A little fix? Or a brand new? New customers can borrow up to 6.000 Without interest for up to 30 days	Tilbuddet gælder kun første kredit. Ved en løbetid på 3 mdr. : Samlet kreditbeløb 6.000 kr. Månedlig minimumsbetaling: 1.200 kr. Samlede kreditomkostninger: 2.400 kr. Samlet tilbagebetalingsbeløb 8.400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Der er fortrydelsesret på kreditaftalen.
Vivus.dk 21	Lån op til 12.000 Pengene her & nu Måske til en oplevelse Der er vigtig for dig	Loans up to 12.000 The money here and now Maybe for an experience Thats important to you	N/A
Vivus.dk 22	Nye kunder kan Lån op til 6.000 Uden renter i op til 30 dage Måske til en oplevelse Der er vigtig for dig	New customers can borrow up to 6.000 Without interest up to 30 days Maybe for an experience Thats important to you	Tilbuddet gælder kun første kredit. Ved udnyttelse af kreditten (løbetid) i 3 mdr. : Samlet kreditbeløb: 6.000 kr. Månedlig minimumsbetaling: 1.200 kr. Samlede kreditomkostninger: 2.400 kr. Samlet tilbagebetalingsbeløb 8.400 kr ÅOP (Årlige Omkostninger i Procent): 791,6%. Debitorrente (årlig fast) 243,3%. Det forudsættes, at kreditten tilbagebetales i helhed efter 3 mdr. Der er fortrydelsesret på kreditaftalen.
MiniFinans.dk 23	N/A	N/A	Låneeksempel: Ved lån på 4.000 Kr. i 30 dage. Samlet tilbagebetalingsbeløb efter 30 dage er 4.740 Kr., svarende til 740 Kr. i kreditomkostninger. AÅP 688,69%. Ansåger skal være fyldt 21 år og må ikke være registreret i RKI
MiniFinans.dk 24	N/A	N/A	Låneeksempel: Ved lån på 4.000 Kr. i 30 dage. Samlet tilbagebetalingsbeløb efter 30 dage er 4.740 Kr., svarende til 740 Kr. i kreditomkostninger. AÅP 688,69%. Ansåger skal være fyldt 21 år og må ikke være registreret i RKI



<b>Payday Loan Company</b>	<b>Words on Ad</b>	<b>Words on Ad (English)</b>	<b>Fine Print</b>
Lendon.dk 25	Har du en dårlig dag Ansøg på 1 minute 30 dage gratis	Are you having a bad day? Apply in 1 minute 30 days free	Gælder kerditgodkendte, nye privatkunder. saml. kreditbeløb 15000kr. uden fast løbetid. Ved 3 mdrs løbetid saml. tilbagebetalingsbeløb 19650 kr (3 rater), rate udgør den påløbne rente (pånær 3 rate), saml. kreditomk. 4660 kr, fast debitorrente 206,3% og ÅOP 206,3% 14 dages fortrydelsesret
Lendon.dk 26	N/A	N/A	tilbudet gælder for privatpersoner, som kan kreditgodkendes og er nye kunder. Samlet kreditbeløb 4000 DKK med en løbetid på 30 dage. Samlet tilbagemødbetalingbeløb med 1 rate 4000 DKK. Samlede kreditomkostinger 0 DKK. Fast Debitorrente 0,00%. OP 0,00%. 14 dages fortrydelsesret på kreditaftalen.
KasseKreditten 27	N/A	N/A	N/A
Turbolån.dk 28	Hos Turbolån gør vi alt hvad vi kan for at sikre at du får dine penge hurtigt når optager nyt kviklån. Vi ved at når man optager et kviklån er det fordi man har brug for penge nu - ikke om en uge. Har du nogen særlige spørgsmål eller ønsker til dit kviklån, vil vi meget gerne høre fra dig. Du er altid velkommen til at ringe eller skrive til os. Find alle kontaktoplysninger og information på vores	At Turbolån we do everything we can to ensure that you get your money quickly when taking out new credit loans. We know that when you raise a loan, it's because you need money now - not in a week. If you have any special questions or wishes for your merchant loan, we would love to hear from you. You are always welcome to call or write to us. Find all contact information and information on our	N/A
Turbolån.dk 29	N/A	N/A	ÅOP 759,79%
Turbolån.dk 30	N/A	N/A	N/A
Turbolån.dk 31	N/A	N/A	N/A
Turbolån.dk 32	N/A	N/A	N/A

Payday Loan Company	Fine Print Translation	Link
Vivus.dk 1	N/A	<a href="https://www.youtube.com/watch?v=R0BvCzuaio">https://www.youtube.com/watch?v=R0BvCzuaio</a>
Vivus.dk 2	The offer applies only to the first credit. For a term of 3 months: Total credit amount 6000 kr. Monthly minimum payment: 1200 kr. Total credit: 2400 kr. Total repayment amount 8400 kr. Annual Cost Percent: 791.6%. Debtor interest rate (annual fixed) 243.3%. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=cc2hmOMui8">https://www.youtube.com/watch?v=cc2hmOMui8</a>
Vivus.dk 3	N/A	<a href="https://www.youtube.com/watch?v=DXc6MprL_n5Y">https://www.youtube.com/watch?v=DXc6MprL_n5Y</a>
Vivus.dk 4	The offer applies only to the first credit. For a term of 3 months: Total credit amount 6000 kr. Monthly minimum payment: 1200 kr. Total credit: 2400 kr. Total repayment amount 8400 kr. Annual Cost Percent: 791.6%. Debtor interest rate (annual fixed) 243.3%. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=3hJZyjhPMzo">https://www.youtube.com/watch?v=3hJZyjhPMzo</a>
Vivus.dk 5	N/A	<a href="https://www.youtube.com/watch?v=9rVIHRjIzCQ">https://www.youtube.com/watch?v=9rVIHRjIzCQ</a>
Vivus.dk 6	N/A	<a href="https://www.youtube.com/watch?v=BLZBGPEg_v18">https://www.youtube.com/watch?v=BLZBGPEg_v18</a>
Vivus.dk 7	N/A	<a href="https://www.youtube.com/watch?v=qA72uL2PDNE">https://www.youtube.com/watch?v=qA72uL2PDNE</a>
Vivus.dk 8	The offer applies only to the first credit. When using the credit (maturity) for 3 months: Total credit amount 6000 kr. Monthly minimum payment: 1200 kr. Total credit: 2400 kr. Total repayment amount 8400 kr OPP (Annual Cost in%): 791.6%. Debtor rate (annual fixed) 243.3%. It is assumed that the credit will be repaid in full after 3 months. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=8mg7iVp1G7w">https://www.youtube.com/watch?v=8mg7iVp1G7w</a>
Vivus.dk 9	N/A	<a href="https://www.youtube.com/watch?v=r6zwGjIX10w">https://www.youtube.com/watch?v=r6zwGjIX10w</a>
Vivus.dk 10	The offer applies only to the first credit. When using the credit (maturity) for 3 months: Total credit amount 6000 kr. Monthly minimum payment: 1200 kr. Total credit: 2400 kr. Total repayment amount 8400 kr OPP (Annual Cost in%): 791.6%. Debtor rate (annual fixed) 243.3%. It is assumed that the credit will be repaid in full after 3 months. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=sYzWD3YQ7f8">https://www.youtube.com/watch?v=sYzWD3YQ7f8</a>
Vivus.dk 11	N/A	<a href="https://www.youtube.com/watch?v=eLD9WeW2PgY">https://www.youtube.com/watch?v=eLD9WeW2PgY</a>
Vivus.dk 12	The offer applies only to the first credit. For a term of 3 months: Total credit amount 6000 kr. Monthly minimum payment: 1200 kr. Total credit: 2400 kr. Total repayment amount 8400 kr. Annual Cost Percent: 791.6%. Debtor interest rate (annual fixed) 243.3%. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=3LWT_BY2ifA">https://www.youtube.com/watch?v=3LWT_BY2ifA</a>

Payday Loan Company	Fine Print Translation	Link
Vivus.dk 13	N/A	<a href="https://www.youtube.com/watch?v=FcvvtFYEqVU">https://www.youtube.com/watch?v=FcvvtFYEqVU</a>
Vivus.dk 14	N/A	<a href="https://www.youtube.com/watch?v=2j1YNMDSYS0">https://www.youtube.com/watch?v=2j1YNMDSYS0</a>
Vivus.dk 15	N/A	<a href="https://www.youtube.com/watch?v=tHkOd11s1c4">https://www.youtube.com/watch?v=tHkOd11s1c4</a>
Vivus.dk 16	The offer applies only to the first credit. When using the credit (maturity) for 3 months: Total credit amount: 6000 kr. Monthly minimum payment: 1,200 kr. Total credit: 2,400 kr. Total repayment amount 8,400 kr APR (Annual Percentage Rate): 791.6%. Debtor rate (annual fixed) 243.3%. It is assumed that the credit will be repaid in full after 3 months. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=m4KwldUCPAs">https://www.youtube.com/watch?v=m4KwldUCPAs</a>
Vivus.dk 17	N/A	<a href="https://www.youtube.com/watch?v=lupGHIPWzG0">https://www.youtube.com/watch?v=lupGHIPWzG0</a>
Vivus.dk 18	The offer applies only to the first credit. When using the credit (maturity) for 3 months: Total credit amount: 6000 kr. Monthly minimum payment: 1,200 kr. Total credit: 2,400 kr. Total repayment amount 8,400 kr APR (Annual Percentage Rate): 791.6%. Debtor rate (annual fixed) 243.3%. It is assumed that the credit will be repaid in full after 3 months. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=dkWv7Z-U5kw">https://www.youtube.com/watch?v=dkWv7Z-U5kw</a>
Vivus.dk 19	N/A	<a href="https://www.youtube.com/watch?v=ktr6T67J_f8">https://www.youtube.com/watch?v=ktr6T67J_f8</a>
Vivus.dk 20	The offer applies only to the first credit. For a term of 3 months: Total credit amount 6,000 DKK Monthly minimum payment: 1,200 kr. Total credit: 2,400 kr. Total repayment amount 8,400 kr. OPP (Annual Cost in%): 791.6%. Debtor rate (annual fixed) 243.3%. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=vAR3thM8704">https://www.youtube.com/watch?v=vAR3thM8704</a>
Vivus.dk 21	N/A	<a href="https://www.youtube.com/watch?v=7EvfWxA_MV3Y">https://www.youtube.com/watch?v=7EvfWxA_MV3Y</a>
Vivus.dk 22	The offer applies only to the first credit. When using the credit (maturity) for 3 months: Total credit amount: 6,000 kr. Monthly minimum payment: 1,200 kr. Total credit: 2,400 kr. Total repayment amount 8,400 kr OPP (Annual Cost in%): 791.6%. Debtor rate (annual fixed) 243.3%. It is assumed that the credit will be repaid in full after 3 months. There is a right of cancellation on the credit agreement.	<a href="https://www.youtube.com/watch?v=GXAvgwiPbdI">https://www.youtube.com/watch?v=GXAvgwiPbdI</a>
MiniFinans.dk 23	Loan example: For loans of 4,000 Kr. for 30 days. Total refund amount after 30 days is 4,740 Kr., Corresponding to 740 Kr. in credit costs. AÅP 688.69%. Claims must be 21 years old and must not be registered in RKI	<a href="https://www.youtube.com/watch?v=46X1VwsUecM">https://www.youtube.com/watch?v=46X1VwsUecM</a>
MiniFinans.dk 24	Loan example: For loans of 4,000 Kr. for 30 days. Total refund amount after 30 days is 4,740 Kr., Corresponding to 740 Kr. in credit costs. AÅP 688.69%. Claims must be 21 years old and must not be registered in RKI	<a href="https://www.youtube.com/watch?v=q4_IARVqOJE">https://www.youtube.com/watch?v=q4_IARVqOJE</a>

Lendon.dk 25	Applicable to newly licensed new private customers. comp. credit amount 15,000kr. without fixed maturity. At 3 months maturity collect. refund amount 19650 kr (3 installments), rate represents the accrued interest (approx. 3 rate), collect. kreditomk. 4660 kr., Fixed debt rate 206.3% and ÅOP 206.3% 14-day right of cancellation	<a href="https://www.youtube.com/watch?v=yLoKm5ZAPAk">https://www.youtube.com/watch?v=yLoKm5ZAPAk</a>
Lendon.dk 26	The offer applies to individuals who can be creditapproved and are new customers. Total credit amount 4000 DKK with a maturity of 30 days. Total refund amount with 1 rate 4000 DKK. Total credit expense 0 DKK. Fixed Debtor Rate 0.00%. UP 0.00%. 14-day right of cancellation on credit agreement.	<a href="https://www.youtube.com/watch?v=xRdV1bBF0Ew">https://www.youtube.com/watch?v=xRdV1bBF0Ew</a>
KasseKreditte 27	N/A	<a href="https://www.youtube.com/watch?v=bg3l-Cimnw">https://www.youtube.com/watch?v=bg3l-Cimnw</a>
Turbolån.dk 28	N/A	<a href="https://www.youtube.com/watch?v=hAIBP3Ras0c">https://www.youtube.com/watch?v=hAIBP3Ras0c</a>
Turbolån.dk 29	APR 759.79%	<a href="https://www.youtube.com/watch?v=W6iPM_UpWfc">https://www.youtube.com/watch?v=W6iPM_UpWfc</a>
Turbolån.dk 30	N/A	<a href="https://www.youtube.com/watch?v=QdYgLVX990k">https://www.youtube.com/watch?v=QdYgLVX990k</a>
Turbolån.dk 31	N/A	<a href="https://www.youtube.com/watch?v=gFSOcFqVqL8">https://www.youtube.com/watch?v=gFSOcFqVqL8</a>
Turbolån.dk 32	N/A	<a href="https://www.youtube.com/watch?v=IToBgWmv_dJU">https://www.youtube.com/watch?v=IToBgWmv_dJU</a>

## Appendix W: Interview Coding

Code: Financially Vulnerable	
Interviewee	Quotation
Parliament member in Socialist People's Party	12:51 I think thing though, I think it's ideological differences. And that if if we just do like other things, we don't need the ceiling or the max like if we have regulation concerning that you take an individual approach to the loan taker and say, you know, can you manage this loan and these payments if you if you have more like an individual approach then that would like keep some of the people who actually can't afford it will keep them from from taking out the

	loan or if we regulated in in other areas they think that would be enough so I think it's a political issues political disagreement on whether or not you can put a ceiling or max on on the APR.
Parliament member in Denmark Liberal Party	8:44 It is important – of course – that people are educated when it comes to personal finances. The less people in financial troubles – the better.
Parliament member in Social Democrats	
Payday Lender	
Financial Advisors	<p>2:45 I would say at least two thirds of the people we see here have payday loans. Usually it seems to be like the last resort. Well, we see, of course, a few that just started off and went skydiving on it, but But usually, it's just about two thirds of that has that kind of loan. We see regular loans as well.</p> <p>3:14 Yeah, it depends a lot actually some of them if we feel that the okay citizens of lack of a better name, if we feel the citizen is is quite capable on their own, we try to push the assignments onto them, we tried to get them to contact the loaner and kind of help them on the way but some of them we have to do the whole circle like a okay how much is your income, what kind of expenses Do you have to have any money left for paying these and then kind of set the direction in which they need to get rid of these loans. Sometimes it's it's about you know, stop paying all of them just pay on one and get rid of that and then start paying on another. So it's it differs greatly but we tried to make the citizen do the work themselves in order for them to be capable to do more than just having help from us.</p> <p>4:12 Yeah, yeah, we usually we usually check up on their budget that even though they say like I know my budget we tried to make sure, 100 percent sure and does it work but often people come in and say we never have enough money and then when we start looking at it they are kind of surprised where where does the money go?</p> <p>4:34 Is there like a typical like demographic that has payday loans?</p> <p>4:41 younger</p> <p>4:44 maybe people it's, I will say it is typically people with no or low education</p> <p>4:51 low education, no income, maybe even they they're sick and stuff</p> <p>4:57 and desperate people</p> <p>4:58 Yeah, we basically started off with my, my conviction was that these people were kind of they've gotten themselves into trouble.</p> <p>5:10 but from seeing a lot of different destinies here I would say that some of them are actually</p>

	<p>not completely without blame but sometimes life happens that they got sick, they got divorced something that happened along the way they kind of lost their way yeah started on this bad cycle of payday loans</p> <p>8:11 it's a it's a it's of course a reality TV program but it takes, it finds specific family or something that tends to use their money horribly but in the beginning it was kind of more of an educational program because they they would grab a young couple of this young couple had borrowed for new furniture for their apartment or something and then things started to go crazy and they had borrowed to get an Apple Computer and it ended up they paid like four times the worth of the computer within two years. And I think I think some people actually got there, had an eye opener for some of these but I'm fairly certain that most of them wouldn't know and wouldn't care</p> <p>8:53 yeah they are desperate, they want the money</p> <p>8:59 They are run by whatever Freud said in the brain was the part where you just wanted to do things.</p>
Behavioral Specialist	<p>35:47 So people don't take these loans in the weekend. It's not, they're not using these managed for partying that using them to buy these kind of consumer products. They're not taking up these loans in the end of the month. So we had this myth like so in the end of the month, they have used all their money and then they have to take out loans, not true they take up the majority of the two first two weeks of the month.</p>
Industry Researcher	<p>22:48 I think the worrying thing, the worrying thing to me is that the UK and Europe on average, 66% of those people employed, totally taken population of people employed near 66% are with SMEs. And it's very difficult to control the investor behavior of the SMEs as compared to large companies which I earlier been talking about so that's an issue if somebody thinking through how can you do that and you don't restrict obviously entrepreneurship so that I see as a problem</p>
Senior Economic Advisor	<p>8:30 more elderly people are coming in the register so it's not only young people it also elder but also also mothers who are alone with some children so it's a it's a</p>

Code: Youth	
Interviewee	Quotation
Parliament member in Socialist People's Party	<p>19:54 It's definitely young people, if you see just from the TV ad, so the ads online is definitely, you know, would you like the newest iPhone, would you like to go on holiday with your friends like, so they target people who perhaps have not learned a lot about what the real costs are of these loans are very expensive, it's a target young people who perhaps, is pretty impulsive, in what they purchase, they target things that also are something that young people would like to be like, you know, their friends, perhaps, you know, the newest smartphone or the like it going on on a holiday, even though you can't afford it, or, but actually, when you look at the report that the Danish Consumer Council have made, we can see that it's, it is a problem among especially young people, among young people who, who have difficulties seeing through all these numbers, and recognizing how expensive it is. And there's also like a social and economic divide is young people don't have the same resources</p>

	<p>as a other young people. So and, and when they start up their adult life by having like, a lot of debt, and they can manage and see the way through out through, then they try to fix that by getting new payday loans and so on. And that means that from the various early stops, they have unmanageable debt, and that can follow them for the rest of their life.</p> <p>21:52 And the report also shows that it affects their the mental well being and social well being, to a very large degree, like having unmanageable debt is like one of the biggest threat to to Yeah, mental well being. And so actually, I don't know if this is an English as well, but probably you talk to Morten about it. But it's a report that really shows what kind of people it is, it is young people. And that is a social economic divide also in in who, who's taking it.</p> <p>30:25 And it's, it's for some of these, especially young people, it ruins their lives</p> <p>32:06 education it doesn't it doesn't teach it doesn't work really because it works for the young people who already knows a lot about these things that already sensible about the economic choices and already have parents that can guide them. For those people, young people, they listen and they understand it to some extent, but for the rest of the group, they they listen, but they don't really get it and they forget it the next day and go and take a bad loan.</p> <p>34:15 you see young people will perhaps take out a loan of 10,000 danish kroner, which is not that much and they end up owing more than 100,000 or even 200,000</p>
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	<p>1:25 that is very important. And perhaps it's even more important today than it was 10 years ago. Because today, it seems like everything is so easy, everything comes easy. And everything goes easy. And if you if you think that your finances as a young person also comes easy and goes easy, or without thinking about it goes easy, then you might get into trouble. And it is so that many, many, many young people in Denmark have a job, even if they study they have they have their side it a kind of side job. Can you say that as small as Yes, yeah, work for 10 or 15 hours a week, for instance, just to have some some money to to study. And so that is that is, in fact, not the problem. The problem is, if you are a young person, and you were out of money, how can you get new money and if you don't earn your money by working then you might go to these kviklåns companies and ask them for a loan. And it is very, very easy to get a loan from them and it is very fast to get a loan. And normally, you just have this loan for three months, then you should have paid it back. And if you can't do that, then you take a new loan to buy the old loan and that is that is a row of actions that we want to stop. Because if you start as a young man or young woman with troubles in your financial part of your life, then it's very, very difficult to get on the right track again, so. So that's why we want to make it more difficult to get these loans and that we are more sure that these loans will be paid back again, on the other hand I must also say that we adults, if you can say it like this, we should also be aware that there are modern ways to get a loan and, you know, these electronic loans they it is it is a modern way to get a loan, and we should accept these new ways to do it. Not just say wait we have to forbid it, but accept that this is a way to, but be sure that to get an electronic loan you should be checked. Very, very, carefully should you should be checked. we see, I'm sorry to say we see too many young people in trouble, debt trouble and as a social democrat, I don't want that to happen. So that's why we've taken initiative to make it more difficult</p>
Payday Lender	<p>49:34 So for everybody's sake, we just said 25, it's much easier for one and I think when you're 25 you you have a sense of financial, like your private financials, you have a job, etc. So makes</p>

	<p>sense for us but it varies and I actually don't think there's anyone who's lending out money to people is just 18</p> <p>1:06 and I will customer for what they like to do geographically they're all over the all over the country they the most part of them live in an apartment is 50-50 male and female and the ages between 25 to 69 but the majority is from 30 to 69 think only 10% to 25-30 okay</p>
Financial Advisors	<p>4:34 Is there like a typical like demographic that has payday loans?</p> <p>4:41 younger</p> <p>6:34 yeah that's interesting because on the trains a lot we've seen like a lot of payday loans even in the few weeks that we've been here payday loan ads and they're always sort of targeting towards like Oh do you need a new bicycle or do you want to use it on this vacation so I was just curious to see</p> <p>6:54 I think I'm fairly sure that some of these especially the younger students well well not students but the younger people will fall for that kind of trick</p>
Behavioral Specialist	<p>35:47 So it's not primarily young people who use these loans is primarily people on benefits and people on pensions, it's not very educated, it's the poor, but not the very, very poor people don't I mean, there's a lot of myth surrounding.</p>
Industry Researcher	
Senior Economic Advisor	<p>9:50 friends and so on are together they we have seen evidence for in our report that the very important factor to true to the youth is to to to have a consumption which are very high to get into the the the friends community you're not community but the in the social status social status and if you cannot a if you're not to not have the money to get on a skiing Holiday and holiday and the new mobile telephone and cell cell phone you</p> <p>10:45 many young people take up this loans if they do not have the money and as I said last time we met it's not only a poor people's youth it because when you go to to little bit more rich people youth they the consumption</p> <p>Youth (18-30)</p>

Code: Progression of Industry	
Interviewee	Quotation
Parliament member in Socialist People's Party	<p>8:28 So it's actually it's definitely something that we like payday loans that we've seen, they are increasing both in the number of loans being given out, but also the amount that people owe, and we also see cases where people take out new payday loans to pay for for previous loans. And in that case, you can go from having borrowed a somewhat like small amount to owing out like a lot a lot of money</p> <p>14:29</p>



	<p>no. And we see like, every year there's an increase in the number of people taking out payday loans and the number of the amount of money that they're going to owe.</p> <p>14:41 And we we don't really see a development in in lower APR.</p> <p>16:39 But just a few numbers if you want. In 2010, there was a little bit more than 20,000 payday loans with combined amount of 37 million Danish Kronor. And in 2014, four years later, there was 136,000 payday loans and with a combined lending of 436 million, so just in four years, you can see like, how much it is rose.</p> <p>37:08 and other numbers this between I don't have newer numbers than 2014, probably the consumer Council have. But between just 10, 2010 and 2014, there was a rise in payday loans on 667%. So it just in four years, right.</p>
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	
Payday Lender	<p>43:13 its difficult to say, actually, because we know there's new regulation coming, we're going to be under the FSA and that will be an administrative burden for smaller companies like mine, because we are just four people here, so I don't have a compliance officer, I am the compliance officer Yeah, so I think you will see that less companies entering the market, is actually good, because if they enter they are , they are serious, they have this permit, yeah, things are in order. It's not It's not my responsibility to try and get them to conduct so I think you'll see less competition actually less larger companies not not a lot of small new ones but technology wise I have no idea everything is on mobile, and the the name ID is now also on the mobile but it doesn't affect our system because we to us it's as if you shouldn't imagine the mobile computer doesn't matter same the same technology</p>
Financial Advisors	
Behavioral Specialist	<p>21:35 So if you go back like 10 years, then cash loans suddenly existed. But these type of very short term credit, high interest loans did not exist in the sense that they do today. So in that sense, we're not a culture like we, we were probably not worse than most of Northern Europe, except for the UK, which is much worse than we are. But it's definitely something that's coming It's on the rise. And these type of payday loan industries have been increasing. And the markets been increasing pretty dramatically.</p>
Industry Researcher	<p>2:48 it would reduced the market by about 42%, I say about 50% and a number of the payday lending companies just dropped out in particular there has been, they were, a few were fined by the FCA because of breaching of regulations anyway. But it does seem to me that 16th century for these these companies are incredibly sophisticated as you'll know the number of companies in the states for instance, like cash American are incredibly sophisticated marketing and the use of technology to get people involved. So even today, I read somewhere in the conversation in fact, if you just go on take them to quick, quick loans not payday loans but quick loans a number of these companies come up now so I'm not sure how you how you classify as well payday loans as compared to just quick loans for instance, payday loan of course implies that you give the right for the contractor to go into your account and receive your bank account to receive the money that you own and when the payment your work payment reaches your account that that isn't necessarily the case on all these things it's just simply quick loans and they have fairly aggressive sort of policies of</p>

	<p>trying to obtain the cash if it's, there's an inability to repay</p> <p>18:49 So you said you saw some decline decline in the industry after the 2014 regulations from here where do you see the industry going</p> <p>18:58 I think it will carry on expanding because the state of indebtedness in the UK economy or by consumers is vast so what are they doing where do they go for for money they can't get money from conventional banking system another moment I mean, people are arguing about credit credit unions. Credit unions in the UK have never been that strong and being fairly Selective in some ways being parts of organizations like that, police confederation or something such as that. So I I see that the the Archbishop of Canterbury trying to set up these credit unions, but I just do not think that that that's the alternative i do think the alternative is actually looking at pay structures and inequality in income, which is getting wider and incredible. So I'd go for looking at more more to be investors and looking to then to control who they invest into in much more detail which is happening in the EU.</p>
Senior Economic Advisor	<p>12:36 if you asked me a year or two ago said the payday lending was the overall biggest problem but now I think it's the whole environment you can get credit everywhere. Yeah.</p> <p>24:00 you in the digitalization exploit consumer biases, you know the biases from the behavioral economics that the companies also read his books about behavioral economics. So they will use it strategically to target the consumer so they can use it with Algorithms so they can scrape data and see if you have looked at a holiday, you have looked at something neat about Thailand or something you will get a loan a targeted to a trip to Thailand and so on</p>

Code: Credit Checks	
Interviewee	Quotation
Parliament member in Socialist People's Party	Individual approach
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	<p>11:30 If you borrow money for consumption, all these loans should be put into this database and and the companies must go in and look what is going on here. They must do it and they can be punished if they don't.</p>
Payday Lender	<p>3:45 depends when they apply for the loan. If they apply in our opening hours. It's it's very few minutes, if it's a Friday evening, we don't pay out on Sunday morning. So, okay. And that actually leads into another question or further down about how you analyze on the customer applicants coming in. It's an algorithm based or like, strictly hand picked or combination, it's a company.</p> <p>4:12 Okay, um, can you elaborate more on what exactly your processes are those so when a customer buys what happens?</p>

	<p>4:21  Yes. Yeah. And they apply with their SSN Numbers. That's pretty crucial. Yeah, and they and they fill out their name and address, and also how many how high and what the expensives the have, and do first we check in with the things fall gimmicky stuff, you know, that's where the SSM that that they have a 100% match between the customer name and the address so someone can enter essence in front of that person, and how long they've been living under address. Because people move around a lot, it's not very safe to lend money to Yes, so that's a parameter that and if that's matches, we sent him a pin on their mobile phone to confirm that we have a contact. And after that we asked, we run like our internal data, it's like it to geographical and statistical data. So we know that if you live in this area, this age, this six agenda than you might be able to pay back. And so we have you get you get some sort of points for that. Also, which device you're coming in and use and stuff. And if we think the monthly expenses and looking to do we automatically race race it, you know, calculations, you raise the level of risk. I know know if let's say somebody say, Oh, I have 1000 monthly expenses? Yes. That's not very realistic. Yeah. Oh, yeah. So and then we, we say, okay, so you have this expensive to have this income, and you have this amount left, and it needs to be over a certain amount is to give out to them to make sure they're able to pay back? Yeah, yeah. And once that's done, that's a green light, we check them with Experian. And after that, we also do a check also, through experience, just a separate check on the blacklists politically exposed to persons, and also EU watch lists and terrorists. So because if you're on those lists, you're not going to get a loan. Yeah, so after that, it's a it's a green light. And then they have they get a page with a link to the contract, central contract, you will seem like you simply and also with an SMS saying, you have to approve the texts to approve the contracts. And after that, they end up on a scientist in our back office, where customer service, take a look and say, does this Look, all right, Did something go wrong? Because it's still a machine, and then we we pay out the money to a customer's account. Okay. Yep. Console,</p> <p>14:54  for credit register its's cheap, maybe 30,000 a year, but the information you get back might not even be worth worth it. For credit status, it's more expensive. So maybe 10 kroner per check which is a lot of money.</p> <p>22:55  But don't ask us to, to ask people to send their anything utility bills, anything like that, because that's just out of proportion for the loan. But also, the timing is really bad. doesn't really match up with anything. like at all . Oh, yeah. And then say, Okay, and now you have their income, you have the expenses, you need to at least have this minimum amount available, but they would never do that. They don't do that. So yeah, it's like, we have to try and then say, No, it's not okay, then, let's try this. Not good enough. So you never get just the face. It's like, Yeah, do this, do this, do this be much more easier for everyone to to run a business into it without having a little trouble, and discussions</p> <p>34:48  I actually would say that do our checks are much more evolved [than big banks]. Yeah. Because that's what we do. That's the FinTech part of it. That's what we do.</p>
Financial Advisors	
Behavioral Specialist	
Industry Researcher	<p>4:59  Well I say yes at the moment because I think in my view the the failure normally say it's important to have Responsible Lending so that you're not going to have you're going to identify p or that the lenders and you get to identify borrowers who are able to play but that's</p>

	I think it's difficult to determine to some extent if the borrower is you know, it has the ability to pay but however that there's there's rules regulations on that but the real problem is that of, certainly in the UK
Senior Economic Advisor	29:00 payday lending companies can have a higher much higher interest rates it because they do not a creditmaking a good credit assesment. So they have to be sure that the interest rate on the payday loan is so high that if the default on one consumer, they get enough income from other consumers. So and this is the idea behind the the credit the paid the price ceiling is that it will force the companies to do a better of credit assesment

Code: Education	
-----------------	--

Interviewee	Quotation
-------------	-----------

Parliament member in Socialist People's Party	32:06 Definitely. Yeah, yeah, like the right side of the aisle definitely says, you know, this is a problem but we need the schools to teach about teach about private like in economics and finances. And also the parents have a big responsibility here and we agree on both but the some of the research researchers that makes this report from track which is a foundation they said we looked into this and education it doesn't it doesn't teach it doesn't work really because it works for the young people who already knows a lot about these things that already sensible about the economic choices and already have parents that can guide them. For those people, young people, they listen and they understand it to some extent, but for the rest of the group, they they listen, but they don't really get it and they forget it the next day and go and take a bad loan.  33:14 So I think, you know, when people actually studied this field and say, you know, if it only works on the people who already would not do it and understand it, then it's not the way to go. And yes, of course, it is parents responsibility to teach their kids about this, but parents have different resources and and some of the parents don't understand themselves and perhaps are also the kind of people who took out bad loans and we don't think it should be we don't think that these young people should pay the price of having parents who can't guided them or don't have the resources to guide them
---	--

Parliament member in Denmark Liberal Party	
--	--

Parliament member in Social Democrats	
---------------------------------------	--

Payday Lender	
---------------	--

Financial Advisors	3:14 Some Consumers are assisted a little so they can learn how to deal with the situation on their own  9:20 the fact that we're sitting here is a testament to the government is actually trying a little bit but I think it's a lot more about I think there you could go three ways you could go in some kind of what you call it prehabilitation like do before people get into you know education in schools even the banks here are actually offering some kind of we will come out and educate the younger students I think that's a good idea I think it's really important idea and being a lot older than me I would say I didn't learn anything about you know regular economy in school I'm mystified by the fact that we didn't you know, how do you buy a house I didn't learn that in math. I didn't even try to calculate the things, so how much I paid back so I'd say that
--------------------	--

	<p>would be one way to go I think I don't know I had had discussions with school teachers and stuff the sake of the are trying to develop along these lines</p> <p>13:10 So do you think there are some limitations to how much you can educate people on the source object?</p> <p>13:15 Yeah, definitely</p> <p>13:18 if they're not interested? Yeah, maybe you can..</p> <p>13:20 I have friends who have fairly high incomes don't even consider financial sides of things. They don't they don't plan for their retirement. They don't they don't even consider like you do I have enough money to borrow a car. If I want a car I'll purchase car and go on with it. So I think I think you need to be in a specific situation to kind of absorb the knowledge.</p> <p>21:42 I would I would rather go for educating people in the early ages and then having a safety net above the ones or below the ones that actually tend to end up in this and make sure that I don't know if it should be this or if it should be national or should it be governmental run. I don't care but there should be. But the funds seemed to be limited. Rather than expanding, which is sad. It used to be like big a big apartment complexes, you know, we call it concrete buildings somewhere because it's usually ghettos or something. And they used to have employees that would grab as soon as people will say, we're starting to not pay their rent, they would go and try and give them some some help. And that that fund, these funds have been scrapped. So basically, they don't exist anymore. Which is sad. Because I think there are a lot of ways we can capture these people also in criminal law when people tend to get... because we have a few like former convicts, I don't know if it's a horrible word convict. But if it's too much, I don't know. Maybe they've been in for like, three months or something. I don't know if you call it a convict. But anyway, somebody has been to jail for a little while. And when they come out, they have a huge debt, they have a debt from lawyers fees, and probably for damages of whatever they've done. And they, some of them are, seem keen to, you know, correct their life and go back but they can't seem to catch the break they need to break the cycle. And that's an easy way where you should also capture the ones because they will be prone to doing quick money. And they used to not holding up their end of the bargain. So so they will just not care some of them. Take out new loans, take out new loans.</p>
Behavioral Specialist	<p>10:42 I'm not, I'm not convinced that that's necessary for having something like understanding I mean, you don't have to be an economist to kind of understand that. It's, it's an expensive loan. And I think most of the customers in those markets understand that.</p> <p>23:22 And unfortunately, the kind of 10 years behind in the sense that they they're still sort of code in a information paradigm that if we just inform people, you know, then you're probably going to pick the right choice. And it's probably not true in this domain.</p> <p>24:52 I mean, it's been documented, we know that education isn't an effective remedy. I mean, financial literacy education has been demonstrated to happen almost no effect on financial and financial behavior in I mean, in meta analysis. So it's, it's probably a pretty moot point that's it's not gonna change anything. And even if it is, it's probably a very, very expensive way of changing even if we could impact people's financial behavior for financial education is probably pretty expensive. I mean, how would we do that round up everybody and force</p>

	them back to school?
Industry Researcher	<p>14:48</p> <p>I think it's not particularly, in other areas it hasn't really worked and if you really look at the literature and the evidence consumer education on finance it's been, it's been a failure really. On the other hand, appreciate that children's school should be able to have some of the subject like mathematics very much applied much more to real life situations so quickly for instance teaching children at school about interest rates and payday lending situations a scenario in real life situations why not I don't think in the UK see much of that going on at all that if you're talking about consumers sort of adult consumers I think the evidence is extremely weak they really need advisers, trouble is that you do not to pay for advice and settle a problem</p>
Senior Economic Advisor	<p>5:31</p> <p>when it comes to to payday lending I do not think of course there should be some education and some information about this payday lending but, in payday lending area I very strongly believe in there more strongly in them in other areas in the finance sector I believe in regulation because we know that the consumers are very impulsive when they decide if they have some</p> <p>37:00</p> <p>Of course, people should have some knowledge and education is always a good thing. But I think it's not education. That's the drive of this market is the drive of this market is advertising. It's impulsive things. So if you learn something in school, it's I cannot remember now what I learned in physics, physics, or in many things in school. And if you are in a situation where you whether companies sell products, very aggressive, I don't, I think the resources could be used better than on education and a lot of academic studies in general about financial literacy and financial education they are not the show that their effect.</p>

Code: Online business model	
Interviewee	Quotation
Parliament member in Socialist People's Party	<p>17:43</p> <p>But another thing is also that 30% of what these lenders they make, they come from the loan takers</p> <p>18:33</p> <p>borrowers that they have trouble paying back the, the rates or their loan, so actually, there's a business case, because the 30% of their like, earnings come from bad borrowers, and when they say the borrower, the lenders, that oh, we take an individual approach, we always look on the on the person can he or she pay back the loans, do they have the financial resources to pay back as a should, then when 30% of their income comes from people being cannot pay it back, and then they get like, really high fees, and, and other things, then it's like, it looks like almost a business case of also taking in borrowers who actually can't pay.</p> <p>25:18</p> <p>we can't we can't have a ceiling that's that low we need a high one because some of the our clients or customers it's very risky business then we would say okay, if it's so risky that you need a APR on 800% annually, then it's too much of a risk, like please, then you should not give loans to people were you we think the risk is that high.</p>
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	<p>4:24</p> <p>we should also be aware that there are modern ways to get a loan and, you know, these electronic loans they it is it is a modern way to get a loan, and we should accept these new ways to do it. Not just say wait we have to forbid it, but accept that this is a way to, but be</p>

	<p>sure that to get an electronic loan you should be checked. Very, very, carefully should you should be checked</p> <p>16:27 I don't think that you can control the internet. So so you want you have to be sensible and do what is best for the for the population. But you should also accept that today, we have other ways to do things and the internet, the all the electronic things, you you can't just skip them and say, well, we we won't, we won't allow electronic things in Denmark. That's what a silly thing to say. We would never say that. But we have to control it. And we have to ensure that that it's not spoiling young people. Not only young people, all people</p> <p>26:44 I can I can tell you that last year we had 8.7% loss. Well, yeah. Okay. And we're working on getting that even lower as it's still a loss for me as a big as this is a lot of money that we're losing and it's people ending up in bad situations. So and you know, I have Steph needing to call these [people] it's a long process Yeah, so it's bad for everyone</p>
Payday Lender	<p>41:32 I think it Yeah, defaults is the biggest expense, basically. And that's followed by staff expenses, because we have as a financial company also pay, we have to pay holiday allowance, but you also have to pay something called Vincent, which is like an extra tax added on financial companies, it's actually aimed at the banks because that's the way the government can make some extra cash, that's to to make sure they have some deposits when somebody, some banks went broke, but it's just affecting everyone. So if case you're an employee, 100 corner per hour, I would have to actually pay 130.</p> <p>17:53 my, as my main revenue stream says, from the establishment fees, and the monthly interest that we have in the credits we have, we have like a payday loans. And then we have a credit charge a fee, and then much interest. And I know those, like in the public, this, this understanding that we make money of ethics, and then a that's, that's, that's the entire business model. And I might have you ever done the math. So because a new lenders, they take a real a massive credit loss when they start In Denmark, it is two digits, millions, it's big. And you have to do that in order to get get the sort of the bad debt in your database to continue. So, you know who not to lend to again, because you don't have this register. And so it's,--</p>
Financial Advisors	
Behavioral Specialist	
Industry Researcher	<p>15:56 Um, so we saw in a pretty recent report that you were a part of it seems like customer acquisition costs are very big part of the industry so we're sort of wondering now that the regulations have been played have been put in place how companies have maybe changed their business models or how things have evolved as a result regarding customer acquisition costs marketing things along those lines</p> <p>16:25 yeah I don't know, i don't know what the evidence is to be quite frank I just thought you know that they are just these companies in my view just say statistically they change their business models around and still be fairly exploitive to be quite frank</p>
Senior Economic Advisor	

Code: Customer acquisition	
Interviewee	Quotation
Parliament member in Socialist People's Party	Mostly Marketing
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	<p>14:14 I also want to say that that we want to forbids advertisement for kviklån</p> <p>14:25 Because you see them allover you see them on buses, in buses, on the top of buses, on the buses, you see them everywhere. And you see them on TV, and we have to stop and it is just as we have regulation for alcohol advertisement that should not reach to the youth so we have something we can compare with we can say we have this this regulation we have about alcohol and youngsters who want to use the same model for quick Loans so that you don't meet this phenomenon or over. But because you do that today, it is all over.</p> <p>15:33 It's not permitted to advertise about alcohol on TV, it should not be allowed for kviklån, it's not allowed in the open area with advertisement for alcohol, it should not be kviklån. So. So same. So Exactly. So same thing, okay. Same because it's a model that that people would accept.</p>
Payday Lender	<p>9:40 So people out in the beginning, and also it, you know, we have different rules, like, I've been in this market for a few years, so I have a bigger bigger database, then your competitors, they start from scratch, so they don't know which areas not they don't know, you shouldn't send out some money to this person, etc. And so that that seems to be true, and also how you use that data you already have. That's an insight on how how the other companies do that specifically.</p>
Financial Advisors	<p>14:49 because it's easy. They they claim, they advertise and say you can just text one word, and then you will have 5000 within 12 hours.</p>
Behavioral Specialist	<p>14:32 So it's more of a motivational sort of kind of bias, right? Or a time temporal kind of bias, it has to do with satisfying very basic needs very fast.</p>
Industry Researcher	
Senior Economic Advisor	

Code: Marketing	
Interviewee	Quotation
Parliament member in Socialist People's Party	<p>23:19 We definitely think that it should be regulated in the same way as alcohol and cigarettes, because this is not like normal loans</p> <p>24:03 So I think it should be regulated. And we should define, like, the worst kind of loans and</p>



	<p>saying these kind of loans cannot be advertised in online on TV or radio. And also, if you turn on, like a Danish TV channel, where a lot of football matches is shown or sports matches, you will see that in the commercial breaks, there will be mainly to type two types of advertisements. commercials, one is for like gambling. And I'm playing on like, betting on football matches, or something like that. And the other one will be for payday loans. So actually, in a way people could sit at home perhaps having bad financial situation, they can borrow money from a payday loan to gamble on the football match, that they're watching, you know, as as we speak, and even the 48 hour period, they found a way around it by changing some of the other stuff.</p> <p>25:18 So I don't think we'll get a ban on the on the advertisements. There's not a majority that the political majority that wants to do that, but at least we could regulate it more. I think that's one thing.</p> <p>27:54 Yeah, that we should have like a ceiling or max. But also we can see that the very aggressive marketing and an advertisement that we see like growing year on year they have, they really have an effect on the number of people taking out these loans and and should be restricted or banned.</p>
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	
Payday Lender	<p>3:14 heavily funded Yeah, larger corporations, they have they have bigger marketing costs, and they do like TV outdoor in the metro. The trains? buses, yeah, yeah,</p> <p>TV radio out so all of that so we use affiliate marketing</p> <p>3:50 what it is? It's it's like ad network. So I have an agreement with a company Denmark and has like 20,000 website sites in there in the database, and they can pick my campaign and say, I want to run that ad on my website</p> <p>26:05 Interviewer:is that do you think that that should be industry standard or is it okay with like, we've seen a lot of ads for Vivus that are more pointed at younger individuals on and like consumer discretionary items. Um, so do you think that it's okay to be advertising that way? Lender - think, yeah, I see. Okay. I don't see an issue with that. Okay.</p>
Financial Advisors	<p>13:52 So how would lender like payday loan lenders target their ideal audience for their payday loans? Like, how do they market towards them?</p> <p>14:05 You said it yourself for instance the trains</p> <p>14:09 this instant need, you need a bicycle, you need something I think that's the way</p> <p>14:16 and also they do a lot of TV advertising, especially around specific programs. Oddly enough, it's the reality programs and sports. But other than that, I'm a bit surprised that so many are I mean, when I when people have to ask me what type of loans on there, I can only remember like, five there for probably 40. So I'm not sure where they are hitting these people I have not idea how to target them</p>

	<p>14:49 because it's easy. They they claim, they advertise and say you can just text one word, and then you will have 5000 within 12 hours.</p> <p>20:52 and do you think like limit on advertising can help this type of situation? Because if they aren't seeing the advertisements for the loans they might not have the idea to take them out.</p> <p>21:01 sure. Yeah, we, were not allowed to advertise for medicine and beer right? Alcohol or something. I mean, alcohol isn't working but but maybe the medicine is I have no idea Sure. Of course the less exposure a few a few of these would not be prone to take out loans</p> <p>21:26 I think maybe people will just be staying in need of money and they will like go and Google and find a way anyway.</p> <p>21:32 if you were to limit the advertising How would you go about doing that? prevent it in certain areas or how they advertise?</p> <p>21:42 No, I think you should.. the same way that some of the other restrictions are set up I think the places national TV commercials maybe not.</p>
Behavioral Specialist	<p>10:55 it's sort of a splash marketing, you know, just be everywhere. At least that's what we kind of concluded Back then. So, they want market presence, I mean, digitally and, and in the natural environment, they want to be as many places as they can,</p> <p>12:53 I think much of the marketing is designed to kind of create impulse impulsive needs, but to a higher degree, it's probably designed to be everywhere it's an impulsive need could arise.</p>
Industry Researcher	<p>13:56 the evidence is very limited, at the moment I think it's probably a good thing because the marketing is very sophisticated. And It gives the impression that it's, everything's going to be wonderful out there are after you have taken a loan and there will be no problems. So I think limit limiting the marketing in various ways and putting up warnings is a good thing and I think, you have to be careful. So I sort of putting I don't know the effect you probably have to look at some of the effects of warnings on cigarette packets and things such as that how effective that is,</p>
Senior Economic Advisor	<p>6:06 it's a the ads and so on are targeting their feelings their emotions and so on So here it's very important that the company are regulated so they behaving very good ways</p> <p>15:29 I think it's AOP is a very important figure. But many people do not understand it. Because it's a rather complicated to understand. So I think a good form of information would be to, to have to show maybe graphically, the total amount you learn compare to the total amount you have to pay back. So if you loan,</p> <p>29:00 payday lending companies can have a higher much higher interest rates it because they do not a creditmaking a good credit assesment. So they have to be sure that the interest rate on the payday loan is so high that if the default on one consumer, they get enough income from</p>

	<p>other consumers. So and this is the idea behind the the credit the paid the price ceiling is that it will force the companies to do a better of credit assessment</p> <p>33:30</p> <p>you can you can you can say that in some places as cigarettes and alcohol and so on You must not a marketing this kind of things focus on trains or where young people typically is and so on it's it's a place where you marketing and also in the way you marketing it you can set limits on for example alcohol You must not the I think you must cigarette you not sell it and I very tough way to to smoke cigarettes and so I do not know that exact thing but it has two dimension the place and the way you do it and and how and the way you do it how promising new says that this loan is you also have to to to have a good balance between the good things and the bad thing was a product it could be so for example cigarettes you you cannot have a cigarette</p>
--	--

Code: Interest rate cap	
Interviewee	Quotation
Parliament member in Socialist People's Party	<p>7:42</p> <p>six months ago, I had a bill in the parliament there was not a majority for it. But to have a maximum APR on 15% above the national banks. interests, loans. Yeah, like the flow, right. And some thought it was like too low. And we said, okay, we could raise it to 20 APR, or 25, the still a lot to give before you get to like, 7, 8 hundred, which is pretty normal for a lot of these loans.</p> <p>12:08</p> <p>Transaction fees.</p> <p>12:09</p> <p>Yes, yeah. So we have a ceiling on that. And that's something that the banks themselves like because, then it keeps the fees on on a fair amount. So for me, that was it was not a lot different than what we already have, and that all political parties support and the financial sector supports as well.</p> <p>15:54</p> <p>this is a proposed bill regarding a ceiling or max over the annual costs and percent APR for 15% above the like the the rates of the national bank</p> <p>16:29</p> <p>Do you know, off the top of your head what the National Bank rates are now?</p> <p>16:33</p> <p>right now. Yeah, like close to zero. I can't remember. Exactly</p> <p>16:37</p> <p>So it would be close to 15 percent.</p>
Parliament member in Denmark Liberal Party	Against. I support a free market, where the price on payday loans will settle itself. This is best for the consumers.
Parliament member in Social Democrats	30%
Payday Lender	<p>35:21</p> <p>Interviewer: Do you think that if it came down to it? Would there ever be a correct like, even, you know, sky's the limit? Is there a correct percentage that you would be okay, with?</p>

	I think what's, what's there is, ok it's okay.
Financial Advisors	<p>6:54 but usually if you we have like it depends what were the definition between a payday loan and a regular loan goes because we have some companies here that are not as horrible as the payday loans we know but but still have an interest rate of AOP of 25, 30, 40% but but not as terrible as a thousand percent that we sometimes see lend the money now and have it for just pay us back next month or otherwise it's gone</p> <p>7:31 speaking of the AOP, Do you think that like the typical consumer understands what that means?</p> <p>7:39 I think I think if you ask them, they can't explain it. but I think they have an idea that the higher the worse, but But that's it , I'm not sure they kind of following all the way through, that's for sure. Especially considering these Quick Loans where there's a fee if you don't pay</p> <p>7:55 do you think there's a better way of displaying that? so that it's more consumer friendly</p> <p>8:04 I have trouble seeing it.</p> <p>15:43 maybe there should be something but it has to fluctuate with the market of course right now AOP can be high if it's 25 because a normal loan is maybe 5% but you know, 10 years ago maybe 25 wasn't that bad because maybe a regular loan was 12-13% it's kind of hard to see the dilemma and trying to you know capture the actual issue and the problem</p>
Behavioral Specialist	<p>32:25 And this is gonna sound weird, but it's in a free market, it's very weird to kind of define what a product i- mean, limiting API is sounded like saying, you can only you can sell your cars, but they must be black mean, that wouldn't happen, right. So it's such a weird kind of policy proposal, because we're specifically telling them what their products can be. And I'm not a fan of that.</p> <p>34:22 If you do an APR limit, then how do you justify what kind of APR limit they have one in the UK, that's incredibly efficient, because it's pretty high, then you have some US states, some US states have APR restrictions, but then the market simply just disappears, you might as well just kind of ban the product.</p>
Industry Researcher	<p>11:46 Yeah, I think that's fundamental. I think it has really worked in the UK significantly. Places like, as I understand it, France, payday lending doesn't really exist because there is a strong culture of controlling interest rates with regard to lending situations.</p> <p>17:02 I think I think the most important thing that caused the problem in the UK was letting letting these companies charge enormous interest rates, you know, sometimes going up to about four 4,500% and it's just incredible incredible. and also, you know, people are attracted to the advertising but because of the sophistication and so forth and I just think that you just have to regulate and really has to be on the ball and then must be in these markets, heavy government intervention.</p> <p>18:07 Yeah, its a problem but I think in the long run it will be very helpful to have that charge</p>

	regulation rather than balancing off the choice really. I think these the people of using these these types of companies to raise money are desperate because there is a massive growing, and now they just want cash they don;t think about the repercussions of paying back and also I mean, in some rollover.
Senior Economic Advisor	

Code: Cool-off period

Interviewee	Quotation
Parliament member in Socialist People’s Party	<p>9:16 Yes, we like a large number of political parties. I think most of the parties represented in Parliament, they made some legislation together, where we put in place that you had to have like a 48 hours cool down period, but it hasn't really worked out the legislation was probably not formulated the right way. Because we've seen that a lot of the companies they like, move around in some Yeah, so the cooldown period have not worked like really well.</p> <p>14:10 to some extent it worked, but the providers of these loans, or the companies, they they found a way around it pretty fast. So it didn't have much of an effect.</p>
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	<p>8:32 That's what we tried to do last year was to say, if you want a kviklån you can get your money after 48 hours, you can't just get them now, you can get them after 48 hours. That was to be sure that you have had the time to think is it necessarily for me to take this loan. Is it wise for me? Is it okay for me? But, you know, the companies, they find other ways to do this. So they build up a kind of credit instead of a loan. So that's not working. So we have to do something else.</p>
Payday Lender	<p>30:21 and they want to this say 48 hours? it's like it doesn't help anything it's just if you have a debt problem in Denmark you're just delaying it 48 hours because people will come back they will take the loans anyways</p> <p>32:00 I have a payday product at the 48 hours and I have the credit that doesn't have the 48 hours. We pay out the money anyway so it has absolutely no it does not protect anyone and I know that the argument from also the consumer ombusman or whatever, where you're at is is that but people they regret that they took too long but they will also regret they took the loan 48 hours later</p> <p>32:47 Its just turbulence for me and delaying a debt problem. 48 hours. its not solving anything. that those two products was on was the credit or reaction to the 48 hour rule. Not exactly the 48 hour rule, but the market because I could see all my competitors doing it. So I have to follow follow up but our, our product is fairly new, the credit was launched in June.</p>
Financial Advisors	<p>15:07 Actually, there is. But but the these are payday loaners tend to get around. For instance, I think it was the government who maybe last year something made a new law saying that you're not, you have to have a 48 hour discretion period if you want to loan someone. But the payday loners went around this by saying, well, we don't give you any money we just give you a credit. So all of a sudden the law didn't work that way.</p>

	<p>16:10 and when that initial 48 hour cooldown period was enacted Did you see any like before they changed their business models to get around that did you see some sort of effect from it?</p> <p>16:21 No not at all and i think i think half of the reason for this is not that I think there was a change in it but I think we don't see it because people tend to come to us when it's gone wrong not during so the first let's just say five or six loans will be okay and they will get along and then maybe that 6, 8, 10 months they can handle the the fees and stuff and then all of a sudden it crashes. so I don't think we don't see it right the minute that market changes that's very limited</p>
Behavioral Specialist	<p>6:21 And yeah, so you guys probably know, we have this kind of 48 hours go over that that was a product of that one of the kind of first attempts of trying to develop more behaviorally based policy instead of kind of the traditional information or banned kind of strategies. Yeah,</p> <p>6:43 ight, and they they had a pretty narrow definition. So something like three months cash loans. Yeah. And obviously, the payday lender simply changed their loan structure to longer than three months, and then, you know, they escaped out of the out of the policy change.</p> <p>30:41 eah, it's rare, you can get a bill, but you don't have to pay bills for two days. That's specifically why we chose 48 hours. And you can have I mean, in Denmark, you can have a you can break down, but you can get to almost anywhere all the time in public. So it's not like we're severely limiting your ability to kind of work or function in society by this rule.</p>
Industry Researcher	
Senior Economic Advisor	

Code: Other regulations	
Interviewee	Quotation
Parliament member in Socialist People's Party	<p>25:18 And then another is to say, in our criminal code, we have a pretty like a ban on exploiting people's bad financial situation by loan getting getting them a loan to very high interest rates, but is not specific. So it's just then the Criminal Code, but it's never been used because it's not specific.</p> <p>38:36 but I think will you can put it, put it put it forward again, the discussion again, and then the social democrats suggestion was just like something they put out in the media. I don't know how they will formalize it. There's no real plan to not for them. But I'm sure that the minister he will invite us over for talk about if we can make like a broad agreement on possible regulation and legislation. Yeah, so that's probably the next thing that's going to happen that that he invites us over for negotiations, and see if we can agree on something too.</p>
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	<p>9:25 And we have said, we have suggested suggested that you can only have two quick loans at a time. Today, we have no control over that. And we see young people took , many loans, you you can't borrow more than 30,000 Kr. So there's a limit to how much money you can borrow.</p>

	<p>34:04 But we want to add to that, that you can't have more than two loans. And you can't borrow more than 30,000 kr for a consumption loan consumption, not for building houses.</p>
<p>Payday Lender</p>	<p>30:21 I don't think it's the one regulation is more like the climate that we're constantly under attack so you can't plan ahead and say okay next six months we're going to do this improve this process etc because this new regulation coming from I don't know Oh, there's going to be an election so we might like the social democrats because we have 10 suggestions and I have to spend three days of my holidays discussing this in the press that's annoying it's just turbulence but doesn't mean it's not constructive</p> <p>31:42 and they also have a right of regret they actually have to 14 days after you set your money paid out since 2010 and there is a right where you can say you can come on day 14 to say oh, I regret the taking this loan and then they'll say oh that's that's a shame if it's a payday loan were only charged a fee. I can just say, Okay, then you have to send me back the money within 30 days, then they get 44 days. of free money. ----h, and we see like one or two customers use that a month.</p> <p>38:47 i think i think it's more fair to say that you should say we also do that now it's called sum long costing -- the total amount you have to pay back that's that's the most fair amount to show you.</p>
<p>Financial Advisors</p>	<p>11:30 So it's I have difficulty seeing how you could without going totally crazy in laws and stuff it will be difficult to get rid of it</p> <p>12:02 But I think I think the government should look more into actually rehabilitation and being more concise this easily be applied to much more of the country than it already is. It could be even better marketed because the Danish consumer council doesn't want to market liking we're not gonna set up advertising in TV or something here, we are only going to be where these people are. So you can easily and our target group is actually the ones that are socially, socially that will have problems with it. It's not the debt per se, so regular family that has like a regular income stuff, we rarely touch these and they could also learn something about economy for sure there what they can do is what's okay within the laws and rules.</p> <p>18:13 I also see a lot of companies not in particular the day loaners but the payday loaners every kind of company they tried to make sure that whoever the loanee is he or she will pay just above the interest so basically the loan never goes down it's just the interest the keep paying and I think that that would be one thing that you should strike down on law wise you should. it's just bad counseling from from the people benefiting from it. And I think that should be, there's an ethics issue there that should be changed</p>
<p>Behavioral Specialist</p>	<p>19:22 I'm probably leaning towards pretty heavy restrictions on how they can advertise. And, and I would, I could imagine something like, take out, you know, you can advertise with pictures, you can only advertise with text, you can advertise in the in you can only maybe advertise online, you cannot advertise in the public sphere. And that's, yeah, so those type of limitations, but it's incredibly difficult because unlike tobacco, or alcohol, yeah, payday loans is kind of a an extreme of a very of a market that we don't want to limit right. So the credit market in general to be incredibly difficult to make as we discovered with the policy change proposal we came up with, they have a, they have the ability to change the products to look more like traditional credit products if they want and then escape kind of the types of bands</p>

	<p>and policies we have. So that's what makes this market different than tobacco advertisement here.</p> <p>23:22  and then we have to kind of do something about it, and probably at an EU level, because otherwise, we'll just have payday loan companies from other Europe, EU countries who can market the products. So that's something that's going to happen at some time. But I think we're pretty far from heavy handed regulation,</p> <p>28:22  So as I mentioned, I think that some products shouldn't be able to advertise with images. And if the product is heavily geared towards impulsive needs, then we know imagery is stronger than tests. So that could be a restriction, right?</p>
Industry Researcher	
Senior Economic Advisor	<p>4:05  so so on regulation I think it's very good to have a regulation so that the industry behave you assure that the industry the behavior good and also it's also off often is also more cheap for society then to give a lot of information to consumers is more cheap to to to be sure that by regulation that the companies behave in a good way</p>

Code: Limit on number of loans	
Interviewee	Quotation
Parliament member in Socialist People's Party	
Parliament member in Denmark Liberal Party	
Parliament member in Social Democrats	<p>8:10  and we have said, we have suggested suggested that you can only have two quick loans at a time.</p>
Payday Lender	<p>50:45  Yeah, that's just plain stupid. Sorry. But that's no, no, because a if they asked the industry to do like personal individualized credits assessments, then it should be individualized credit assessment based how much money you can loan and that should be available in this debt register. So if you have this income, we have these expenses, we have this amount of free money. And then we can see you have this, this and this long, though, then you shouldn't have an extra long but you know, someone had a good income saying you should only have two loans. And you took two loans</p> <p>51:25  Some people shouldn't have any loans and some should be able to have 10 loans.</p>
Financial Advisors	<p>16:54  what your thoughts on limiting how many loans a person can take out would that be helpful at all?</p> <p>17:11  it's a fine balance because you don't want to be like a nanny state of people who actually can pay them off or just need some money you limited them because you want to protect some somebody else so it's kind of</p> <p>17:24</p>



	it's it can be evasive for the people who are, doesn't doesn't have a problem with it.
Behavioral Specialist	
Industry Researcher	8:58 in effect it's helpful but what does it do if it then drives people into into poverty trap as well, if they can't get money, they can't repay what happens then, they are in you know, in a situation where they simply will go into bankruptcy. So yeah, it's a good idea. But there has to be some situation where you can protect those people who when they cannot pay, because I know there's a hard stop on the numbers situations before that if be rolled over people be exploited even more, you're still in a situation where people can't pay and that's that. If that makes sense.
Senior Economic Advisor	32:00 it could be effective but the problem is you have to have a register or something I do not know how to to to do it in practice but it could be good to see you must not have more than two or three so you have to pay back before you take out another but the problem is that the it could easily be in this way that you you take up one loan and pay and another back and then you always have three loans for example and you will never pay down that debt

Code: Limit on loan amount	
Interviewee	Quotation
Parliament member in Socialist People's Party	
Parliament member in Denmark Liberal Party	Against
Parliament member in Social Democrats	
Payday Lender	
Financial Advisors	18:07 and what about limiting the size of the initial loan help at all?  18:13 No because with the AOP just gets through the roof anyways so quickly goes goes berserk and people can't handle it.
Behavioral Specialist	41:57 Because what if I take if I take out a loan and I can repay then the today the product structures that I just simply pay another kind of round of interest. And I keep doing that for as long as I or until I can pay back the, you know, the initial so what we do to people simply default I mean, per government dictate, they simply default, if they can't pay back the loan? How would we kind of do that?  41:35 I think that for the 95% of people in this market it's it's more of the occasional use of the low these loans that's kind of hurting their financial well being then them going bankrupt from one loan, right. And that's kind of what the rollover limit is supposed to prevent this kind of kind of, you know, catastrophic bankruptcy of the individual, so it's fine, but it's not going to help the majority of people in this market who are not going bankrupt.
Industry Researcher	12:31 Sure, I think very difficult one, this one maybe, I think if you look at the average in the UK is

	about the credits about between 250 pounds and 300 pounds. And probably that's about the same in euros these days. Yeah, that's that the average that's being lent. So these situations where people that say the classic situation is that you may have a washing machine or something such as that, a car it breaks down you haven't got the cash, it's going to cost you maybe two 300 pounds to repair and, you know, young got the cash, so you go to a payday lending company and access the money from there. So I think you'd have to study the market first to find out what levels are in demand and then come to some conclusion
Senior Economic Advisor	33:00 consumer loan in total yeah I think it could be very difficult to to manage because people in different situations know some people starting a family life and they have to buy a lot of things and all the students and it could be very I don't think it's possible

Code: Database	
Interviewee	Quotation
Parliament member in Socialist People's Party	
Parliament member in Denmark Liberal Party	I support the idea, that the individual person should be able to get an overview of all loans, and that lenders can ask for this information before issuing a new loan.
Parliament member in Social Democrats	8:10 We want that all the companies all the banks, which make these loans that that they give information to a database every night that put in information to that database whom they have been giving loans this day, so that the next company can go in and see what about this gentleman here? What has he other loans? And where does he have them? So this should be this should be a way to be sure that you can only have two loans at a time of the of of this kind.  12:28 that would be necessary that it's through the government, that could be through the Ministry of tax that that would be normal in Denmark.  17:29 For instant, the database, that was one of his suggestions that everyone who lends money out to people should should by legislation take part in this database every night will be refresh so that next morning? Every other bank, every other electronic company or furniture company or whoever has these loans, can see what you have, what you have borrowed, or what you have what I have, and I know that the banks don't like this thing. They don't like. No, the banks, the banks don't like it, and I don't know why. But they don't like it. But I don't care if it if we if we want it to work, then it is necessary that everyone takes part of it. And you know, it's not a database that you and I can go in. And look at, yeah, it is not an open database. But it but it is for these companies for these banks. And so it is made for them so that they can see. And if they if they give a loan to a person who already has two loans, they will get punished. So that's also about this financial those who control we have we have something called finance to suited, and they and they control the banks and control other companies. And they they should they should control this database.
Payday Lender	11:34 That that's the problem. We don't have any debt register, you have something called credit status. Yeah. And you have something for the producer but it's it's privately owned companies and nobody uses them. So maybe three companies uses this one and five here, there is no way you can see how much debt the person is. And so even though I I do all this, I don't do the calculation say okay, this person can actually afford alone It's a sense it makes

	<p>sense that person can can ask followed by 20 banks at the same day Oh, and they will all come to the same conclusion This is a person who has a they have a job they have no social benefits everything's okay and and it might not be okay but there's no there's no way for us to see it so look I'm I'm a spokesperson to get a debt register I know sometimes issues pro and some things like no no no, nobody touches our privacy and it's like but it's of course it has to be a little with the consent if you want to apply here you need to accept that we check you in this would be something we would do for fun and it should be publicly managed as well so nobody has that information because it's valuable information</p> <p>16:13 And in terms of database, it's, we can't get that permission to do that.</p> <p>17:53 So because a new lenders, they take a real a massive credit loss when they start In Denmark, it is two digits, millions, it's big. And you have to do that in order to get get the sort of the bad debt in your database to continue. So, you know who not to lend to again, because you don't have this register. And so it's,--</p>
<p>Financial Advisors</p>	<p>19:19 Fine balance</p> <p>19:21 are we into GDPR or no I see the idea, sure I do and it would be nice to have this registered but once again there are people who are using these loans and actually going fine along with it for some reason I don't know why. so I think it's setting up a national database would kind of neglect I would rather have because we have this recorded RKI which is basically a company that you can you will be registered as a bad payer, bad debtor. if you if you don't..</p> <p>20:01 if you default on your loan</p> <p>20:08 yeah Yeah. And I wonder I think that could be national instead, because then you will at least have somewhere where you could even as we have people with mental illnesses that come to a mania depressing so in the mania period, they will spend money and take out loans and in the depressing period, they will just throw away the bills and stuff so basically the same vicious circle basically but if these people could register somewhere to say, I don't want to take out loans and companies have to check in this database then we would probably avoid some of the people. So rather than the specific, who has a browser the ones that don't want to have a loan or the ones that have already neglected or miss uphold the loan</p>
<p>Behavioral Specialist</p>	<p>37:21 So the payday loan companies can see how many loans an individual have with other lenders or other types of banking companies. And that's a horrible suggestion for many reasons. One of them is that it it's very rarely the case that government wants to enforce the use of a database. That's that's simply not something that happens also, it would simply mean that payday lenders old weed out the worst customers, but they're going to keep the most profitable ones. So it's not like it's going to help, it's actually going to help the companies more than it's going to help maybe the consumers because we care a lot about when people you know, can't pay back their loans. But it's a pretty natural reaction to this kind of market. Like if you're fishing and waters where people simply don't have the means and they need to take out these loans, then you're going to have a high rate of delinquency, and that's, that's actually a good sign. In a sense, people should probably default on their loans more than they do. That's a pretty common finding, instead of keeping, you know, keep paying to these loans in almost indefinitely because it can't pay back the initial</p> <p>38:57 initial. Yeah, so I I suspect, I haven't really kind of analyzed it in depth. But I suspect that</p>

	<p>this kind of database initiative is probably 90% for the benefit of the payday lenders and 10% for the benefit of the consumers. I have very, I haven't heard a great document for wide would help consumers a lot.</p> <p>39:32 It's sort of like, sort of like a database that be owned by the industry. That's pretty common, though, I mean, you have in the US, you, you could kind of compare it with credit scoring companies will also have a lot of data individuals, right. And they're not owned by the government. And then companies can pay for their services. But what the payday lenders one is that everyone is forced to use that service. And that's simply not an issue and in the city of any government would want enforce.</p> <p>40:51 And I I'm not sure about this, but from what I understand, it's almost exclusively payday lenders who are using it, but they want all financial institutions to contribute. So and the banks are simply saying, that's not going to happen. We don't want them because that's to have no benefit to them. Yeah, because the bank knows about they would know how, financially how well you're doing financially anyways, so they have no need for it. Yeah, so that's why they're proposing an enforcement strategy to make all financial institutions kind of us such a database, and it's not going to fly I think.</p>
Industry Researcher	<p>10:03 I think my view would be that, I think regulation and the investment by government intervention is a very positive thing. So a government run database of consumer credit would certainly be helpful to consumers. In my view, I mean, obviously, as well, determine in that may be and the detail may be questionable, but generally speaking it fine.</p>
Senior Economic Advisor	<p>39:00 payday lending is a problem theres a lot of people in Denmark where, who has not problems and we do not like the idea to register the, the whole population of Denmark because of in a private register because of a 20,000 people who has problem with debt, it's not a we do not like it and we do not like that the company's maybe could use this information to market and so on</p>