

Cheaps Loans Should be Viewed Holistically

When evaluating loan products customers are encouraged to consider the whole deal rather than just the headline interest rate.

July 25, 2007 (FPRC) -- Customers searching for the best value loans and mortgages are increasingly being attracted to the plethora of price comparison sites that are appearing on the internet. UK Loans broker Nice Loans has suggested that people should avoid making snap decisions based on the best buy tables provided by these sites.

The suitability of a particular loan plan for a customer is determined by a range of factors and by concentrating on the headline interest rate in their search for cheap loans, many customers could be selecting inappropriate arrangements.

Lower interest rates are usually offered for larger value loans causing some potential customers to consider borrowing more than they need in order to qualify for the lowest rates. Also loans that are repaid over longer periods of time may also attract lower rates. By selecting what may appear to be cheaper loans due to these features, customers could end up paying more than they need to.

Nice Loans also suggest that borrowers look closely at the various terms and conditions related to any loan they are considering. Upfront fees, processing charges and survey fees can all increase the cost of a loan and early redemption charges can come as an unwelcome surprise if the customer is not fully aware of these when taking up a loan. The cheapest loans should be judged by considering all these factors together not just the headline interest rate.

Nice Loans is fully supportive of the UK finance industry's Treating Customers Fairly (TCF) initiative being rolled out by the Financial Services Authority (FSA) which should make picking a suitable loan much easier by ensuring companies provide all relevant information to a customer to help them choose a loan product that suits their individual circumstances.

Contact Information

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