Building Better Borrowers

A better way into credit for the prime customers of tomorrow

loqbox

loqbox.com

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Foreword



The UK credit system works well for people who are already established within it. For millions of others, it can be hard to access the products they need. Between four and five million have little or no credit history, often because they're young, new to the UK or avoided credit altogether. More than 16 million have experienced adverse credit. Others are self-employed or earn irregularly, so their income does not fit the pattern lenders expect. At Loqbox, we call them pre-prime: people with the potential to become the prime customers of tomorrow.

Getting started can be the hardest part. One of the products specifically promoted to help people build a history is a credit builder card, with an interest rate averaging around 36% APR. This is nearly double the rate on student cards, which many young people cannot get, as nearly seven in ten 18–year-olds had not secured a university or college place by results day this year. So the people with the least experience of credit often face some of the market's highest borrowing costs.

There's also been a lot more focus across the industry on how people can build a stronger credit profile safely and effectively. Last year, the FCA published findings that questioned how effective certain credit builder products are for consumers.

Against that wider backdrop, our first Impact Report looks at the experiences and outcomes of more than 291,000 Loqbox members over up to two years, and compares them with more than 300,000 similar people who had not used Loqbox.

For members who paid us every month for a year and missed no payments elsewhere, the average first year improvement was 73 points, while comparable consumers who were not members showed no increase. Among members new to credit, credit card holding rose from around 15% to over 46% in under two years, against 22% to 29% among comparable consumers.

These findings are observational, but they show what building better borrowers can look like when people get the guidance and support to improve their credit score and grow their savings. The task is not to lower the standards for accessing credit.

It is to give more people a fair opportunity to meet them.

That's why we're calling for a better way in.

Tom Eyre

Co-Founder and CEO, Loqbox

The wider challenge

Widening access to credit is an important part of financial inclusion, but the type of credit people can access, its cost and whether it is sustainable matter too.

For Loqbox, this reinforces the importance of creating better routes into, or back into, mainstream credit, helping people build their financial foundations before they borrow, and supporting access to credit that is appropriate and affordable.

In its 2026 policy briefing on credit cards, financial difficulty and persistent debt, StepChange Debt Charity estimates that:

5%	5% of UK adults, around 2.5 million people, are in persistent credit card debt
46%	Almost half of people in persistent credit card debt have sub-prime card debt
34%	One in three actively borrowing on a sub-prime card are in persistent debt, compared with 9% of those using only mainstream cards
1.2×	For someone borrowing £1,000 at 40% APR, StepChange models that remaining in persistent debt could result in interest costs of almost 1.2 times the original amount borrowed[1]

StepChange notes that credit cards can provide accessible and flexible credit, but its research also highlights the particular challenges persistent debt can create for people with lower financial resilience.[2]

[1] *Based on a six year journey: 36 months at the minimum, then a three year paydown plan at 30%.*
[2] *StepChange (2026) Policy briefing: Credit cards, financial difficulty and persistent debt. Available online.*

Our call, a better way in

Building better borrowers does not mean widening access to credit at any cost. Credit should be appropriate, affordable and provided when someone is equipped to manage it. Yet for many people building or rebuilding a credit history, the first step on offer is a high-cost credit card.

We believe good credit building should go further, helping people build savings, knowledge and confidence alongside a track record of responsible credit management.

We're calling for three changes

Offer more than one way in

01

High-cost cards should not be the default route into credit, or back into it. Anyone pointing people towards credit building should show other options alongside credit builder cards, including saving-based credit building, rent reporting and free steps like joining the electoral roll.

The FCA should restart its work on minimum payments

02

We support StepChange's call to lift the minimum payment to a level that prevents persistent debt, and to require repayment screens that show the real cost of each repayment choice. Any change would need to be phased in carefully, so that people already struggling with repayments do not face a sudden increase in what they have to pay.

Guidance should change with the market

03

MoneyHelper, the credit reference agencies and the comparison sites commonly describe a credit card repaid monthly as the standard way to build a credit history. We would welcome that guidance being updated to reflect the range of ways people can now evidence repayment behaviour, and to be clearer about the potential cost of the products most often recommended.

What we commit to

01

A way to build credit without using a revolving credit balance with high interest rates

02

Education and coaching alongside saving

03

Reporting payments accurately, including missed ones

04

Continuing to report on our outcomes

01

Credit, savings, knowledge and confidence: the Loqbox outcomes for the pre-prime consumer

Loqbox is a financial wellbeing business helping people build their credit, grow their savings and learn about how money works.

At its heart, Loqbox exists to build better borrowers. We help people who cannot yet access the financial products they want, or cannot access them on affordable or attractive terms, to demonstrate positive financial behaviours, build savings and strengthen their credit profile, knowledge and confidence.

We use the term pre-prime to describe people who may not yet be considered prime customers, but who are building the financial capability, behaviours and track record to become the prime customers of tomorrow.

Building better borrowers does not mean assuming that people are inherently poor financial risks. Many are managing their money responsibly but lack the data, experience or opportunity needed to demonstrate it.

As they progress through their Loqbox journey, we want people to be in a stronger financial position. That can mean having built a pot of savings, strengthened their credit profile, developed a better understanding of how the financial system works, and gained the confidence to make progress towards their personal goals.

> *I have long talked about our members being 'pre-prime', meaning they are potentially the prime customers of tomorrow, they just need the opportunity to evidence their capabilities and competencies.*
>
> *We will continue to evolve our product to not only build better borrowers, but to reward those better borrowers with better access to products and services.*

Tom Eyre

Co-Founder and CEO, Loqbox

Financial inclusion: access that works for the individual

According to HM Treasury's Financial Inclusion Strategy, published in 2025:

> *"Financial inclusion means that everyone can access the financial products and services they need to participate fully in the economy, manage their money with confidence, and plan for the future."*[3]

HM Treasury *Financial Inclusion Strategy, 2025*

[3] *HM Treasury (2025) Financial Inclusion Strategy. Available online.*

We see this definition as an important starting point. For us, however, meaningful financial inclusion is not simply about whether someone can access a financial product. It is about whether they can access the right product, at the right price, at the right time, for their individual circumstances.

For a meaningful proportion of our members, limited financial knowledge and low confidence can be barriers to becoming better borrowers.

In our research, we have observed a pattern that can reinforce itself:

01 Some members told us they did not understand how credit worked

↓

02 Some felt embarrassed or uncomfortable asking for help

↓

03 That lack of knowledge, combined with shame or anxiety, can lead them to avoid their finances altogether

This is why the Loqbox experience places as much emphasis on developing knowledge and confidence as it does on its credit-building and savings tools.

Ultimately, it is this combination that can build the financial resilience and capability we recognise as key characteristics of better borrowers.

Building financial resilience

Resilience is a consumer's ability to withstand negative financial shocks, such as an unexpected expense or loss of income, without suffering severe hardship or being unable to meet essential household bills.

Financial resilience matters because unexpected events can quickly become major setbacks when there is no financial buffer. A boiler breaking down, for example, is easier to manage when someone has savings, or access to affordable credit.

Loqbox aims to support resilience in two ways: by helping consumers build a pot of savings, sometimes for the first time in their lives, and by increasing access to credit responsibly.

Building financial capability

Capability is the combination of the knowledge, skills, attitudes and motivations people need to manage their money effectively and make sound financial decisions.

Loqbox helps build capability by giving people accessible ways to develop positive financial habits, while helping them understand how credit and the wider financial system work.

Together, resilience and capability can give people greater confidence in managing their finances and making decisions about their financial future.

From restricted access to greater choice

For some Loqbox members, the challenge is not an absolute lack of access to financial products. They may be able to obtain credit, but the products available to them may come with terms, conditions, or at a cost that does not work well for their circumstances.

We therefore think about financial inclusion not simply as moving people from excluded to included, but as helping people move towards better, more appropriate financial choices: the right products, at the right price, at the right time for the individual.

As this Impact Report will show, Loqbox puts this approach into practice by helping members build financial resilience, capability and confidence, providing a route into, or sometimes a way back into, a financial system in which they may previously have felt excluded or constrained.

In their own words

The outcomes we aim to support are perhaps best understood through the experiences of our members.

“Being financially free. Able to be more confident with my finances. I’m confident at the moment but I want to be in a space where ‘I’ve got this’ and I don’t have to worry.

I’m confident I know what I’m doing, and can do pros and cons if issues arise. Being able to mentor people in my family to help them understand is also important to me.”

Interview participant
in response to the question “What does a good financial future look like for you?” (Internal Discovery Phase Research, 2026)

Credit — before it terrified me, but now I'm getting a bit confident with my finances.

I think of building my finances.

Interview participant
(*Internal Discovery Phase Research, 2026*)

They really helped me build my credit score, and with saving as well, so it was literally two birds, one stone.

Michael
Impact Report Contributor (*Internal Case Study, 2026*)

02

Increasing access to credit, responsibly

Widening access to appropriate, affordable credit is an important part of financial inclusion.

But access alone is not enough. Credit must be suitable for the individual and provided at a point when they are equipped to manage it sustainably.

Different parts of the market are working towards this goal in different ways. Open Banking can help lenders build a broader picture of an applicant's circumstances where conventional credit data provides an incomplete view.

However, additional data cannot always address a limited credit history: where someone has little or no experience of borrowing, there may still be insufficient evidence of how they manage credit over time. Other providers have extended lending to people with non-prime credit profiles.

This can improve access, but it also reinforces the importance of robust affordability assessments, appropriate product design and support for customers who may be at greater risk of financial difficulty.

Recent market data indicates that early arrears are increasing among some newly originated credit-card and unsecured-loan accounts.

Loqbox offers a complementary route. It gives members an opportunity to build a payment history, strengthen their financial capability and demonstrate positive financial behaviours before seeking wider access to credit.

Our aim is not access at any cost. It is to help members become better prepared to use credit safely and to improve these individuals' prospects of accessing products that are appropriate for their circumstances.

Credit observations

Our analysis follows 291,050 members who joined Loqbox between 2022-24, for up to 24 months after sign-up, and includes 1.6 million credit observations.

We linked what each member did with us to the credit record held on their file. That meant we could group members by behaviour rather than reporting a single average: how many monthly payments they made, and whether they kept up their payments elsewhere at the same time.

70%

We grouped members by starting position – thin file or new to credit, a history of adverse credit information, and mainstream profiles. Thin file and new to credit members make up around 70% of the members in our analysis.

300k

We also worked with our partners to compare the outcomes observed in Loqbox members with the credit profiles of over 300,000 similar individuals who had not used Loqbox, as a control group.

Impact at a glance

+73 points

Credit score improvements were strong

Members who kept up with their Loqbox payments throughout the year, and didn't miss any payments elsewhere, saw their credit score increase by around 73 points on average. Comparable consumers who did not use Loqbox showed no increase.

+95 points

Improvements continued over time

Over two years, members who maintained all their payments added around 95 points to their credit score.

+24 points

Consistent payments were associated with stronger outcomes

Across all members, including those who missed payments or did not complete the year, the average first-year improvement was 24 points, around a third of the gain seen among members who paid consistently.

+137 points

Members starting in sub-prime made the greatest gains

Those who joined with a sub-prime score and made all payments to us and other financial accounts over a year added on average around 137 points.

90%

Most consistent members improved their score

Among members who maintained their payments for two years, 90% saw their score improve, compared with 70% of members overall. Almost half (45%) improved by 100 points or more.

46% *(was 15%)*

Credit card access increased

Among thin file members, the proportion holding a credit card rose from around 15% to over 46%. Among comparable consumers who did not use Loqbox, it rose from 22% to 29%.

£450

Balances remained broadly stable

In the first year, average credit card balances remained around £450 among thin file members and around £600 across all members.

2.3% *(from below 1%)*

Mortgage holding increased

The proportion of thin file members with a mortgage account recorded on their credit file more than doubled, from below 1% to around 2.3% over two years, compared with a 20% increase among comparable consumers.

03

How Loqbox supports different member needs

Our analysis showed that members came from a wide range of backgrounds, income levels and financial starting points, with different reasons for joining Loqbox.

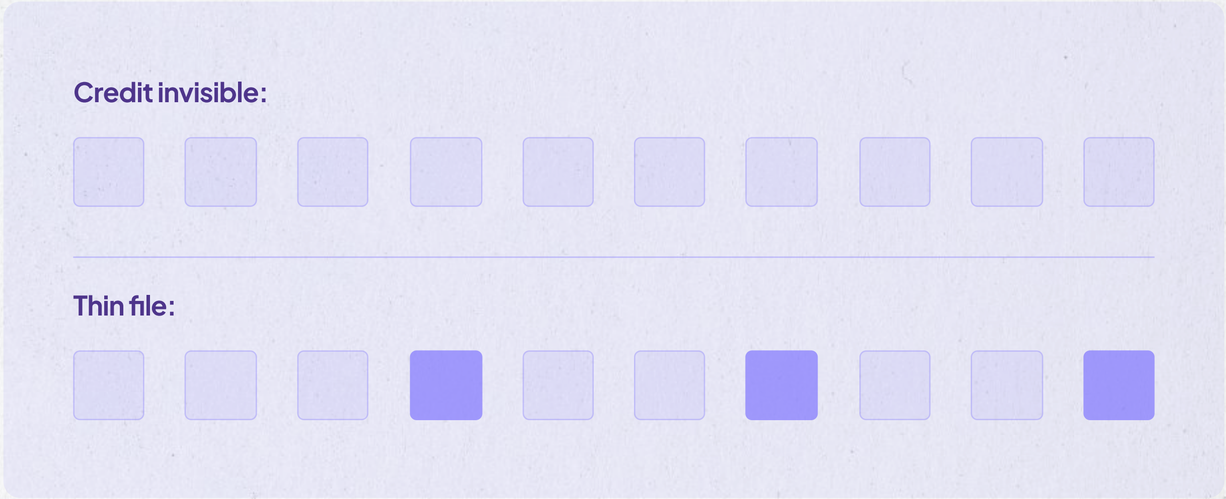
This section combines individual case studies with quantitative findings to examine how Loqbox supports three groups: people who are new to credit or have thin credit files, people rebuilding after adverse credit, and people with mainstream credit profiles working towards longer-term goals.

Across these groups, Loqbox aims to help members strengthen their credit profile, develop financial knowledge and confidence, and widen their prospects of accessing appropriate, affordable products.

Building a credit footprint: thin file and new to credit members

Credit invisible consumers have little or no credit history, while thin file consumers have some recorded credit information but not enough to give lenders a detailed picture of how they manage credit.

This does not mean they are unable to borrow responsibly. However, without sufficient information on which to assess their creditworthiness, lenders may treat them as higher risk even when they have managed their finances responsibly.



In 2023, Experian estimated that between **4–5 million people in the UK were credit invisible** because they had little or no financial data. Experian highlighted three groups commonly affected:

Credit invisibility can affect more than someone's ability to borrow. It may also make it harder to access everyday services involving identity verification or credit checks, including some mobile phone, broadband and rental agreements.

Young people

Young people who have not yet established a credit record.

Older people

Older people who have paid off their mortgage and make limited use of credit, or who have not previously relied on credit.

Recent immigrants

Recent immigrants and some returning expatriates who have little or no UK credit footprint. [4]

[4] *Experian (2023) Experian testing pilot service that could help new arrivals to the UK build a credit file in just three months. Available online.*

“

I couldn't get a phone contract. Wi-Fi I couldn't really get either...

I couldn't do anything...

I had to really, really budget just to make sure I got a new phone.

Michael
Impact Report Contributor
(Internal Case Study, 2026)

“

I had a really poor credit score from just doing nothing. I've paid all my bills on time and nothing missed.

So this [Loqbox] was a great way without taking on a credit card to build my credit score.

Internal Loqbox Member Survey Respondent
(March 2026)

“

Just separated from a 45-year marriage and found myself with no credit score as such due to my husband’s mismanagement of our finances.

Internal Loqbox Member Survey Respondent
(March 2026)

Strong credit score improvements

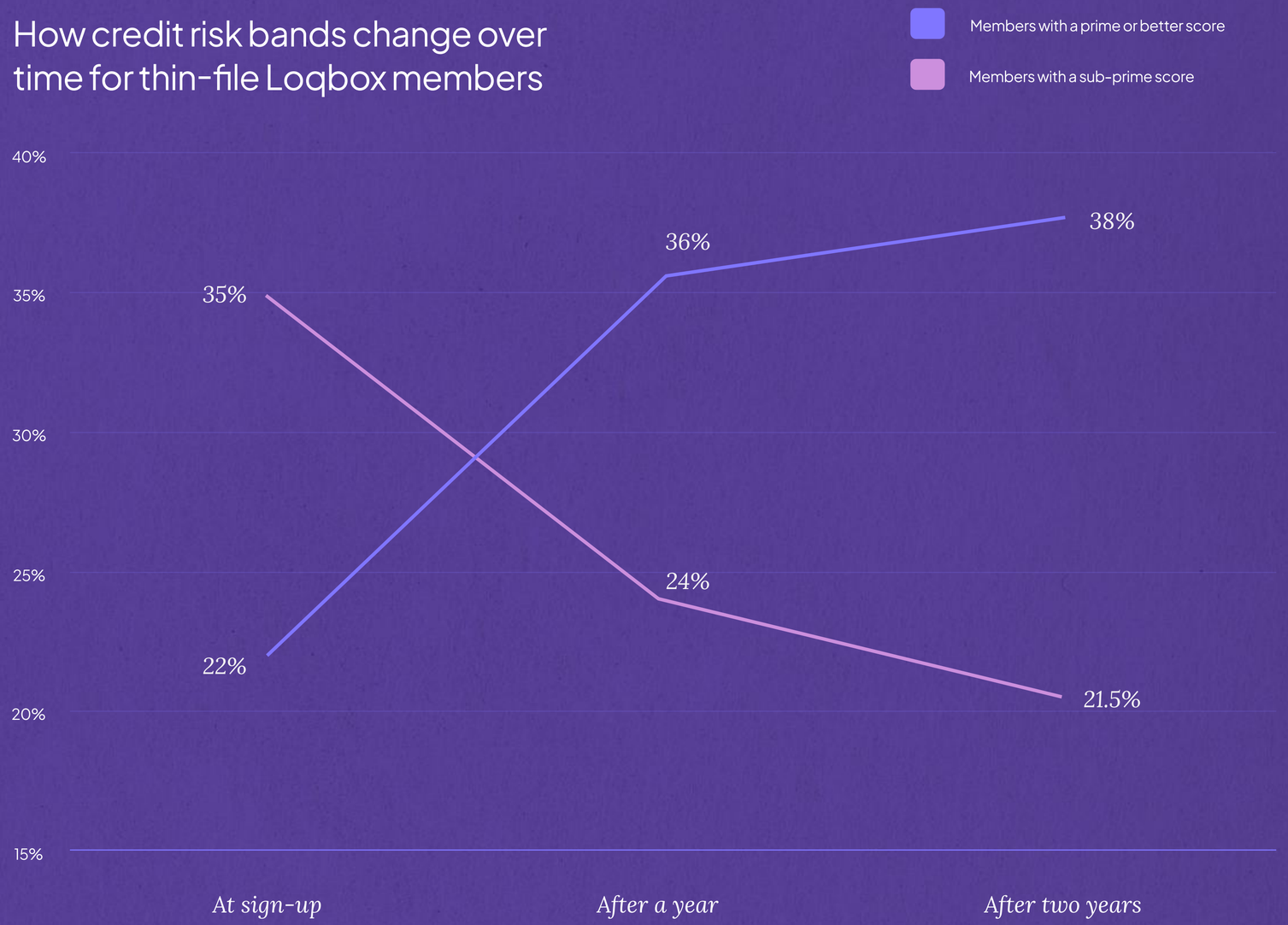
Over 12 months, thin file / new to credit Loqbox members who did not miss payments to us, or any other accounts, increased their credit score by an average of 87 points, versus no increase in the control group.

The movement between risk bands matters more than the average.

Among all thin file and new to credit members, the share with a sub-prime score fell from around 35% at sign-up to 24% after a year and 21.5% after two years. Over the same period, the share holding a prime or better score rose from around 22% to 38%.

This shift is consistent with members demonstrating the characteristics of better borrowers and, as better borrowers, gaining access to credit that more accurately reflects their capabilities and behaviours.

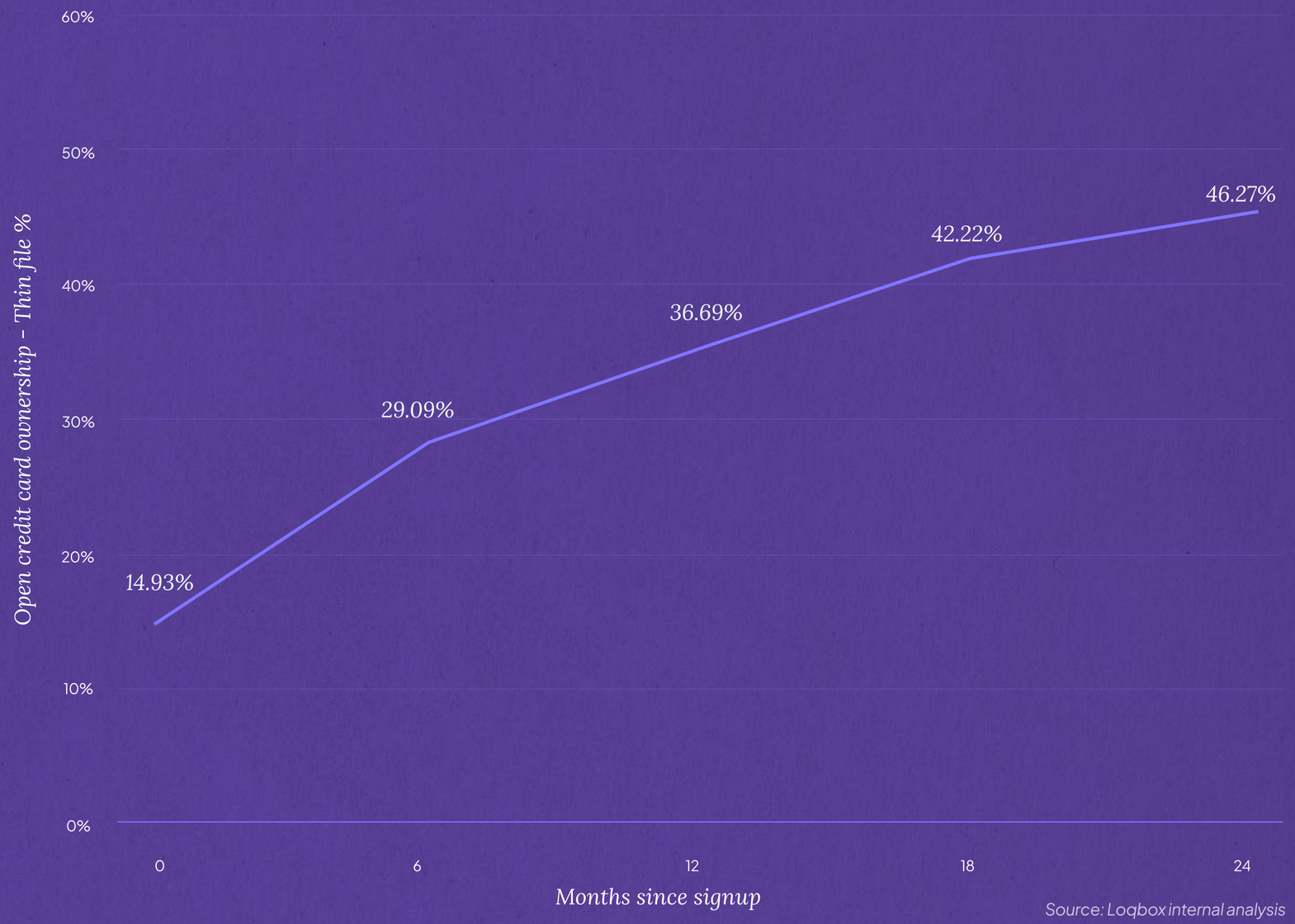
How credit risk bands change over time for thin-file Loqbox members



Credit card holding more than tripled

Improvements in members' credit profiles were accompanied by a substantial increase in credit card holding. The proportion of thin file Loqbox members with an open credit card rose from approximately 15% to over 46%. By comparison, the control group increased by only seven percentage points.

Average credit limits among these same members also increased by approximately £320 over two years, while the control group recorded a decrease of £130. Together, these findings indicate that members' stronger credit profiles were associated with greater access to mainstream credit.



Source: Loqbox internal analysis

> *Within 3 months of having Loqbox, I was able to get a credit card... My credit score was like 204 and it went up to 311 within 3 months."*

Amy
Impact Report Contributor (Internal Case Study, 2026)

Michael's story

From credit invisible to greater financial independence

Starting point
Graduated from university with no credit history

The challenge
Declined phone and broadband contracts because he was credit invisible

Steps forward
Joined Loqbox & saved £50 a month while building his credit history

The goal
Achieved: A holiday paid for with his savings, plus access to a credit card, phone and broadband in his own name

The challenge

Michael studied Economics and Finance at the University of Derby. After graduating, he began trying to establish himself financially, but found that his limited credit history prevented him from accessing everyday services in his own name.

"Simply because [I had] no history. I had no phone bills in my name, no credit cards, nothing. So because I had no credit history, I couldn't really do anything."

Michael had previously used a pay as you go mobile and had not needed credit. But when he applied for a phone contract and broadband, he was declined. He had to buy phones outright and arrange Wi-Fi through his parents' account, despite having the income to make the payments himself.

"It's not that I'm not able to do it, or I'm not capable of doing it, just that the system's saying no."

Michael described feeling trapped: he needed a credit history to access products, but could not access the products through which he might establish that history. His older sister had experienced a similar problem and recommended Loqbox.

The outcome

Michael began saving £50 a month through Loqbox. At the end of the year, he used the money for a holiday, while his improving credit profile helped widen the products available to him.
He subsequently obtained mainstream credit cards and became able to arrange a phone contract and broadband without the same fear of rejection.

Michael also feels more confident navigating the financial system for his young daughter, including nursery costs and tax-free childcare. His experience demonstrates the difference between being unable to manage credit and simply lacking the history required to prove that ability.

> *“I don't feel restricted or like I'm limited by any system, essentially... Loqbox has liberated me from the shackles of the system.*

Michael
Impact Report Contributor (Internal Case Study, 2026)

Life after debt: rebuilding after financial difficulty

[5] *Loqbox member survey (2026). Base: members with a tenure between 14 days and 1 year (n=1,300).*
[6] *Pepper Money (2026) Specialist Lending Study. Available online.*

19%

In our March 2026 survey, 19% of responding members said they had experienced financial hardship or difficulties and were looking to get back on track. [5]

16m

According to the *Specialist Lending Study* from Pepper Money in 2026, over 16 million UK adults have experienced adverse credit. [6]

Rather than being identifiable by demographics, this audience is instead defined by the type of adverse credit on their file, such as:

01 A history of missed or late payments

02 Debt arrangements

03 County court judgments (CCJs)

Behind these markers are a wide range of circumstances, from unexpected life events and periods of poor mental health to unsustainable borrowing and limited financial knowledge.

For these members, Loqbox can act as a stepping stone back into the financial system as they move on from financial difficulty.

Loqbox can support members as they rebuild their financial position and work towards accessing appropriate products again.

> *I had finished an IVA and wanted to rebuild my credit score. I've been with Loqbox for 6 months and already I've had a little bump.*
>
> *Internal Loqbox Member Survey Respondent (March 2026)*

The long road back from financial difficulty

Participants who had experienced serious financial difficulty often accepted responsibility for their decisions. At the same time, many felt that rebuilding was considerably harder and slower than getting into difficulty.

They described feeling “stuck” in a “trap”, “hole” or “limbo”, with past problems continuing to shape the financial options available to them.

> *I think it is very useful in some cases and extremely unforgiving if you have a life changing event. I think Loqbox makes a huge difference and is a life boat for those who otherwise struggle to build up their credit score.”*
>
> *Internal Loqbox Member Survey Respondent (March 2026)*

When respondents to our March 2026 survey were asked whether they considered the financial system fair

Source: Loqbox member survey March 2026 (n=1300)



43%
said it was unfair

29%
said it was fair

28%
expressed no opinion or a mixed view

A common concern across all groups was that the system judges people on a narrow view of financial behaviour: it heavily punishes debt and past mistakes, takes a long time to rebuild, and ignores positive and consistent demonstrations of responsibility, such as paying rent and bills on time.

For some participants, entering a formal debt solution meant losing access to credit altogether. While this could prevent further borrowing, it also required them to relearn how to manage without credit as a safety net and made it more difficult to put money aside for unexpected costs.

Having nothing, going from one week having some form of credit to all of a sudden having no form of credit, and learning how to manage my money again was really difficult, really, really hard...

If you have an emergency, or you want to go on holiday, with a debt management plan it's quite difficult to save for any of those things, because they take out your rent, your bills, your food money, and then whatever's left goes into your debt management plan.

Lee

Impact Report Contributor (Internal Case Study, 2026)

Credit profiles strengthened over 24 months

These changes indicate a broader pattern of credit rehabilitation: members were not only improving their average scores, but also moving into credit score bands associated with a lower assessed level of risk.

+37 *points*

Among Loqbox members with a history of adverse credit, the average credit score increased by approximately 37 points over 24 months.

24%

Approximately 24% of members in this cohort also moved out of sub-prime or near-prime credit score bands during the observation period.

Signs of improving repayment performance

+20%

Access to credit widened over the period — with the average credit limit increasing 20% over two years — while average credit card balances were broadly flat (around £700) for members rebuilding after adverse credit.

-15%

Among members rebuilding after adverse credit, the rate of accounts two or more payments behind fell between months 12 and 18 by 15%.

Lee's story

From a debt spiral to confidence about the future

Starting point
Managing 10–12 loans and credit card accounts

The challenge
Stuck in a cycle of borrowing to repay debt

Steps forward
Debt Management Plan, budgeting, Loqbox credit building and rent reporting

The goal
Buying a home with his partner

The challenge

Lee is 49 and lives in London with his long-term partner. He grew up in a family where debt was a normal part of everyday life, shaping his own relationship with borrowing.

During a period of depression, Lee began spending to make himself feel better. His borrowing eventually grew to between 10 and 12 loans and credit card accounts, with almost half of his monthly repayments going towards interest.

"I had multiple loans, credit cards and lines of credit open, didn't know where to turn and was using one to pay off another. I was just trapped in this debt spiral that I just couldn't get out of."

Lee entered a Debt Management Plan and had to learn to manage without credit. He also experienced shame about being in financial difficulty while in his forties and earning a good salary. With support from his partner, he followed a strict budget, changed his financial habits and steadily reduced his outstanding balances.

The outcome

Now, approximately one year away from becoming debt free, Lee says that life feels more manageable. He joined Loqbox to begin rebuilding his credit profile and saving for the future, so that when his Debt Management Plan ends he is better placed to pursue longer term goals, including buying a home with his partner.

Using Loqbox's credit building features and rent reporting has given Lee reassurance that he is moving in the right direction.

> *"Be patient. This is a marathon, not a sprint. Getting on top of finances and seeing credit score changes happen over time.*
>
> *Credit makes everything instant, but this journey isn't instant. Believe in the journey, remain positive, and bit by bit, you'll be in a better position.*

Lee
Impact Report Contributor (Internal Case Study, 2026)

Building towards home ownership: from stronger credit profiles to longer term goals

[7] *Survey question asked during signup. Based on the response "Buy a house" to the question "Why is healthy credit important to you? Because I want to..." Responses include anyone who answered this question during signup between 01 Jan 2026 - 24 July 2026. (n=275,179 responses)*

For many Loqbox members, improving their credit profile is not an end in itself. It is a step towards a larger goal, such as buying a home. Among the active Loqbox member base, 18% identified home ownership as a goal.[7]

Preparing to apply for a mortgage requires progress across several areas. A prospective borrower may need to build a deposit, demonstrate consistent financial behaviour and establish a credit history that gives lenders sufficient information to assess their application.

Loqbox can support this preparation by helping members establish a regular payment history, develop a savings habit and strengthen their credit profile. While these steps cannot guarantee mortgage eligibility, they can help members build some of the foundations lenders may consider when assessing an application.

> *Getting a mortgage is my next goal. I opened Moneybox in January and dropped £4,000 into it towards a house deposit!*

Daisy

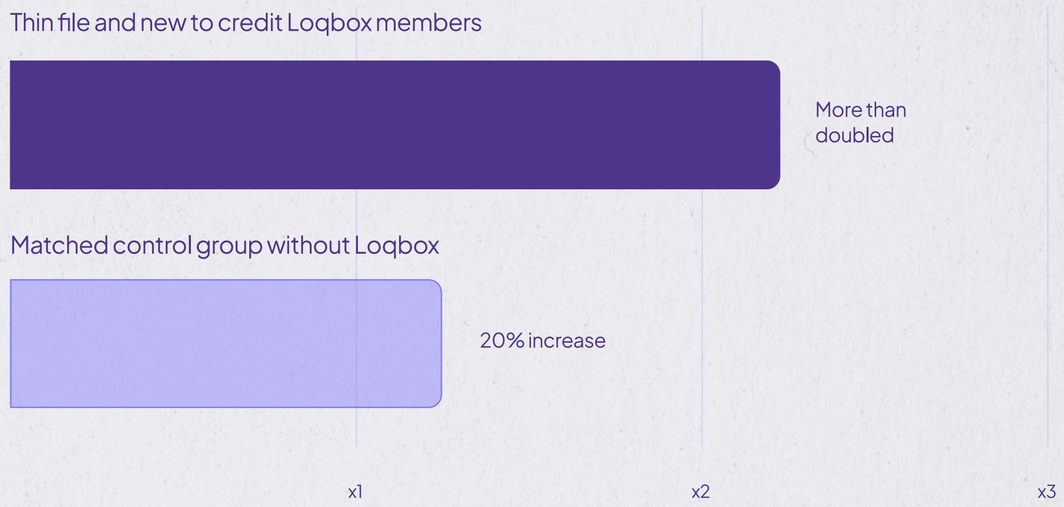
Impact Report Contributor (Internal Case Study, 2026)

Mortgage account holding more than doubled for new to credit members

Among thin file and new to credit Loqbox members, the proportion with a mortgage account recorded on their credit file more than doubled, from below 1% to approximately 2.3% over 24 months, while the matched control group showed only a 20% increase over the same period.

The proportions remain relatively small, as would be expected among people with limited credit histories. However, the increase indicates that some members moved from having little or no recorded experience of credit to holding one of the most significant mainstream financial products.

Proportion of thin file and new Loqbox members with a mortgage account



Mortgage account holding also increased among mainstream members

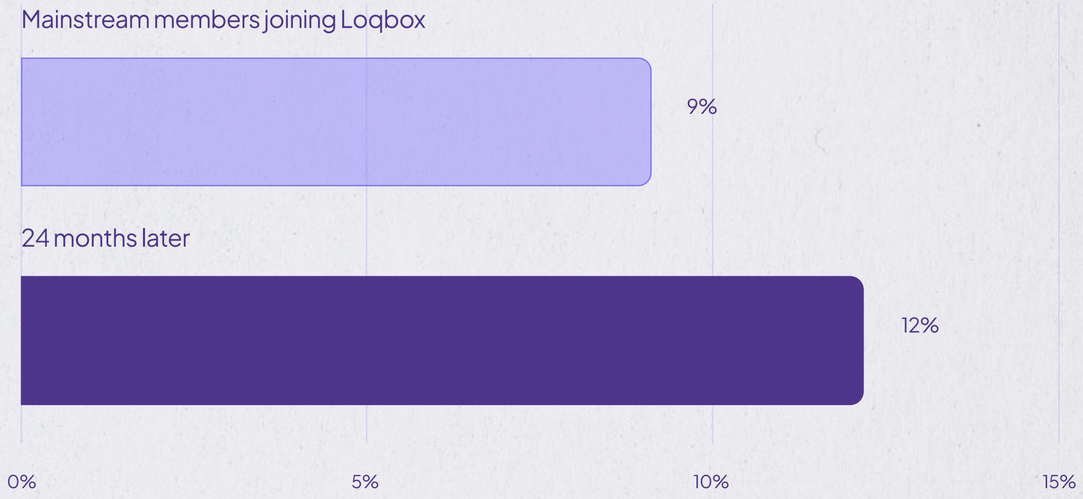
Mainstream is defined as not having a thin file and not having an adverse credit history.

Among members who began with mainstream credit profiles, the proportion with a mortgage account recorded increased from approximately 9% to 12% over 24 months.

Credit file data cannot establish that Loqbox caused an individual to secure a mortgage, nor does it show whether every mortgage was affordable or appropriate. It does, however, demonstrate that increased mortgage account holding occurred alongside improvements in members' credit profiles.

Together, these findings suggest that Loqbox can play a supporting role as members build towards longer term goals, including home ownership.

Proportion of mainstream Loqbox members with a mortgage account



04

Financial harm, exclusion and recovery

Our research highlighted circumstances in which access to credit did not produce a positive outcome.

Participants described borrowing that became unaffordable or proved unsuitable for their circumstances.

We also heard examples of coerced debt and economic abuse, where financial harm arose through circumstances outside the individual's knowledge or control.

When borrowing becomes a barrier: long-term debt

Throughout our research, participants described borrowing that they later found unaffordable or poorly suited to their circumstances.

While they acknowledged their own role in the decisions they made, some also questioned whether lenders had assessed affordability adequately or responded appropriately when repeated borrowing indicated growing financial difficulty.

> *Everyone in my situation [gambling] should be responsible for what we're doing, so in a way I haven't got any sympathy. But there are companies who will give you loans without doing proper checks, and as an ex-gambling addict, it's quite easy to get a loan, waste it all, and then have nothing left."*
>
> **Adam**
>
> *Impact Report Contributor (Internal Case Study, 2026)*

> *[A high street bank], who were my bank, loaned me like £40 grand when I didn't have the funds to pay the monthly bill on that... that just doesn't feel responsible. I need to take responsibility for my own stupidity, but that was definitely the start of getting in this position.*

Katy

Impact Report Contributor (Internal Case Study, 2026)

This sense of being let down was particularly acute when the borrowing came from a participant's main bank. Katy believed that, as her existing provider, the bank should have recognised from the information available to it that she could not afford further borrowing.

Adam and Katy both acknowledged their responsibility for their borrowing decisions. However, they also felt that the products and practices they encountered made it harder to regain control. More broadly, some participants perceived the financial system as profiting from people's difficulties rather than helping them resolve those difficulties.

> *They're [the UK financial system] built to make as much money for them as possible.*

Lee

Impact Report Contributor (Internal Case Study, 2026)

Loqbox's position is that greater access to credit is not automatically a better outcome. The right outcome is access to appropriate, affordable credit at a point when the individual is equipped to manage it sustainably.

Loqbox gives members a way to establish a payment history and build savings discipline without providing a revolving credit facility with high APR, through which balances can accumulate.

We report payment performance accurately, including missed payments, creating a record of whether members have maintained their commitments. Accurate reporting will not necessarily improve every member's credit score or accelerate their access to further borrowing. Where a credit record shows missed payments, a future lender may decide that additional credit is not currently appropriate.

That is a more responsible outcome than expanding access regardless of the individual's ability to manage credit. Meaningful financial inclusion is not access at any cost; it is access that is appropriate for the individual.

Katy's story shows how access to a product that is poorly suited to someone's circumstances can contribute to long-term and escalating financial difficulty.

Read on to find out more

Katy's story

When access to credit as a young adult contributes to decades of debt

Starting point
Offered a £10,000 bank loan at the age of 18

The challenge
Repeated borrowing, with loans eventually reaching £40,000

Steps forward
StepChange repayment plan, supported by Loqbox credit building and savings

The goal
Becoming debt-free before retirement

The challenge

Katy is in her forties and lives with her husband and child. She described her financial situation as "torturous", reflecting the lasting effect debt has had on her life.

Katy recalled being offered a £10,000 loan by a high street bank when she was 18. With little experience of borrowing and, in her words, having "never been financially literate", she accepted it. Over time, she took out progressively larger loans, sometimes using new borrowing to repay existing debts. She described the experience as being "stuck in this life", continually working to service what she owed.

Katy accepted responsibility for her decisions, but questioned why her main bank had continued to offer increasingly large loans, including borrowing that eventually reached £40,000, when she did not believe she could afford the repayments.

The experience severely affected her confidence and emotional wellbeing. She described herself as being in "freeze-mode", with her "head in the sand". Anxiety disrupted her sleep, while shame prevented her from discussing the situation with family and friends.

The outcome

Katy eventually sought support from StepChange and entered a debt repayment plan. Having previously been close to bankruptcy, she described her progress as "going from the bottom to treading water". Her circumstances remain difficult, but structured repayments have made them more manageable.

She joined Loqbox to strengthen her credit profile ahead of a future mortgage renewal. The savings element also allowed her to put money aside separately from her everyday spending, which she later contributed towards the debts in her StepChange plan.

Katy knows that becoming debt free will take time. She hopes ultimately to reach retirement without debt and emphasises that seeking support is not something to be ashamed of.

High cost credit cards as a route into credit

Credit cards can be a brilliant spending tool.

Two in three UK adults hold one and most repay in full each month.[8] And there are a number of benefits when making purchases with a credit card: Section 75 purchase protection, interest-free periods and flexibility when it is needed. Loqbox's position is that credit cards have an important place in most people's financial lives.

However, we are concerned that the product most often promoted to people with little or no experience of credit, and to people returning after financial difficulty, is a high cost credit card. The way minimum payments are designed means a product sold as a stepping stone can become a long term cost. We think people should use a credit card when they want purchase protection or an interest-free period. But we don't think they should have to use one, at some of the highest rates in the market, to prove they can be trusted with credit.

[8] *StepChange (2026) Policy briefing: Credit cards, financial difficulty and persistent debt. Available online.*

The products promoted as a first rung

[9] Bank of England (2026) Money and Credit. Available online
[10] ClearScore (2026) Average Credit Card Interest Rate (APR) 2026. Available online
[11] ClearScore (2026) Average Credit Card Interest Rate (APR) 2026. Available online

The cards marketed to thin file and impaired file consumers carry representative APRs well above the market average, and just short of double the rate most borrowers actually pay, as the table illustrates.

Benchmark	Rate	Source
Effective rate paid on interest bearing balances	21.55%	Bank of England *August 2026* [9]
Average credit builder card APR	36.2%	ClearScore *January 2026* [10]
Average student card APR	18.9%	ClearScore *January 2026* [11]

While student credit cards come at much lower rates, they are not a universal first access product.

In 2026, 31.6% of UK 18-year-olds had secured a higher education place by results day, meaning that nearly seven in ten had not secured a place at that point.[12] Student card applications also remain subject to eligibility, status and affordability.

For example, HSBC requires applicants for its student card to hold an HSBC Student Bank Account and says students will usually need some form of income (which many will not have). [13]

Young adults who do not enter higher education cannot rely on student cards as a route into credit. Those who want or need to establish a credit history may have to consider other products, potentially with higher rates, even though they are not necessarily higher risk to lend to than their student peers. Like others who first seek credit after leaving education or entering employment, they will typically have little evidence of previous borrowing and so cannot assume they will qualify for rates comparable with those available through student-specific products.

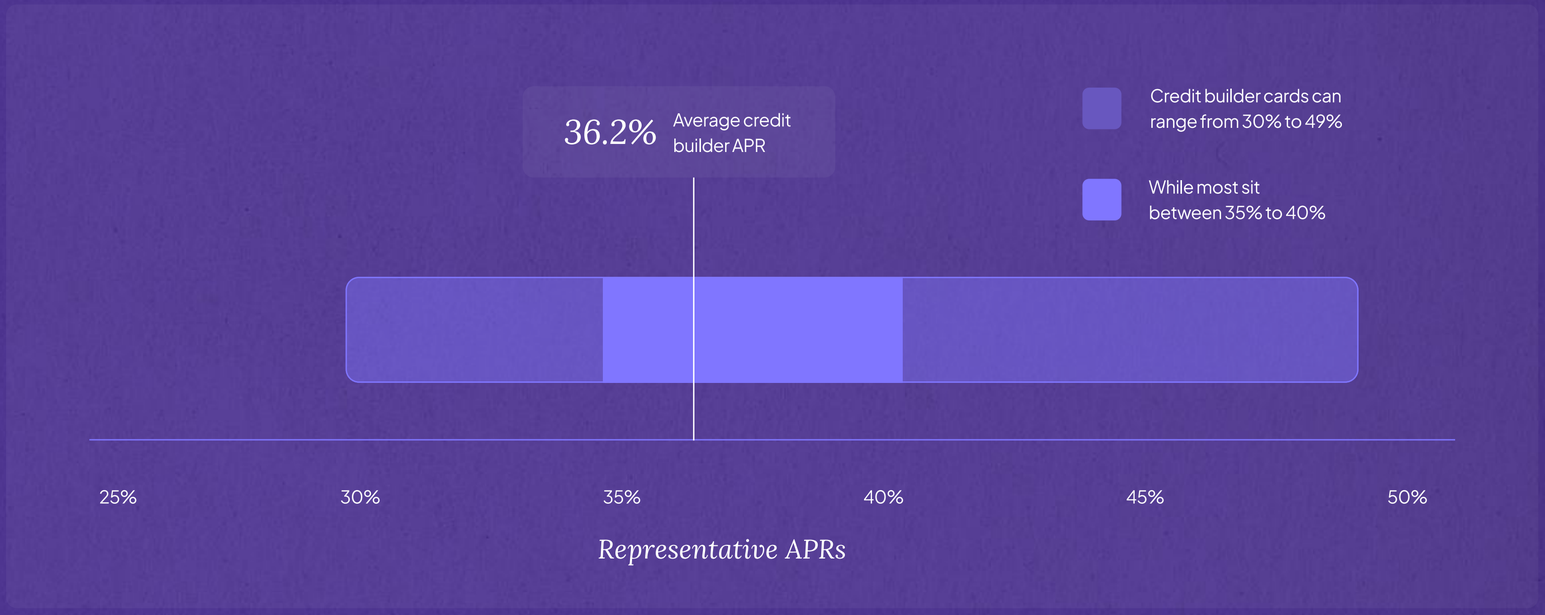
[12] UCAS (2026) Quarter of a million UK 18-year-olds gain place at university or college. Available online
[13] HSBC UK (2026) Student Credit Card. Available online.

Representative APRs on individual credit builder cards currently range from around 30% to 49%, with most between 35% and 40%.[14]

[14] *Finder (2026) Compare credit builder cards. Available online*

Minimum payments are typically set at 1% of the balance plus that month's interest, with a floor of £5 to £25.

The gap between the student rate and the credit builder rate is around 17 percentage points. That difference is notable because both products may serve people at an early stage of building a credit history, even though their eligibility criteria and target markets differ.



£150–£500

The credit limit starts small, and increases over time as the customer uses the card and keeps up repayments.

4 in 10

4 in 10 cardholders were offered a limit increase in the last year, including those already in problem debt. [15]

Credit builder cards are often described as "low and grow" products: the credit limit starts small, typically between £150 and £500, and increases over time as the customer uses the card and keeps up repayments. This may seem like a cautious design at first, but the stated purpose of a low and grow card is to grow. StepChange's research describes the pattern: limits start low, customers borrow, limits are increased, and customers may acquire further cards.

Four in ten cardholders were offered a limit increase in the last year, including those already in problem debt. For a product whose income comes from balances that revolve, a rising limit is the business model working as intended. For a borrower who was told to keep the balance small and clear it monthly, it is an opening to do something else.

[15] *StepChange (2026) Policy briefing: Credit cards, financial difficulty and persistent debt. Available online*

This seems to us a mismatch between the advice given and the product offered.

The problem with minimum payments

FCA rules state that a card's minimum payment must at least cover that month's interest, fees and charges, plus 1% of the balance (CONC 6.7.5R).[16] And most credit builder cards sit at or close to that floor.

The effect is poorly understood. Whatever the interest rate, the balance falls by roughly 1% a month if only the minimum is paid. And the rate decides how much the borrower pays for the privilege. Take £1,000 borrowed on a credit card at 39.9% APR, with no further spending.

The first month's interest is £28.37. The first minimum payment is £38.37. The debt falls by £10. Over the first year the borrower pays £436 and still owes £886. Few people set out to repay a card over twenty years. But the structure matters, because the same debt at the same rate costs very different amounts depending on whether the payment is allowed to shrink.

This is illustrated on the next page.

[16] *Financial Conduct Authority (2021) FCA Handbook, CONC 6.7.5R. Available online*

£1,000 borrowed at 39.9% APR

74%

of every minimum payment goes on interest, not the debt



First month

£10
off the debt

£28.37
interest

First year

£114
off the debt

£322
interest

Still owed after a year **£886**

Card minimum payment set at 1% of balance plus interest with a £5 floor. No further spending. Loqbox analysis, 2026.



The chart shows that holding the payment at its starting level clears the debt in four years and saves over £1,700. Whereas a five year loan at the same rate costs less each month than the card's first minimum payment and saves around £1,500. The interest rate is identical in every row.

The difference is the repayment structure: a loan has a fixed end date, while declining minimum payments can extend a card balance for many years.

The understanding gap

The minimum payment influences people's behaviour. The FCA's own research found that the presence of a minimum payment anchors repayments downwards, and that additional disclosure does not remove the effect.[17]
In a FCA survey of people paying the minimum, 48% thought it was an amount their provider recommended and 50% thought it was what most people chose to pay.[18]

Neither is true.

A later peer reviewed study of UK card data attributed around 8% of all UK credit card interest and fees to this default effect alone.[19] Further, in the FCA's Financial Lives 2024 survey, one in three card-holders did not agree that the total cost of borrowing on their card was easy to understand.[20]

The gap between how the product is designed to be repaid and how the people using it understand it is what matters here. And it seems widest for those with the least experience, who are also the people most likely to be offered the highest rates.

[17] *Financial Conduct Authority (2018) Occasional Paper 43: Weighing anchor on credit card debt. Available online*
[18] *Financial Conduct Authority (2018) Occasional Paper 43: Weighing anchor on credit card debt. Available online*
[19] *Sakaguchi, H. et al. (2022) Default Effects of Credit Card Minimum Payments. Available online*
[20] *Financial Conduct Authority (2024) Financial Lives 2024 survey: Credit & loans. Available online*

Who ends up in persistent debt

The FCA defines persistent debt as paying more in interest, fees and charges than in repayment of the balance over 18 months.[21] Progress has stalled: around 6% of UK adults were in persistent debt when the rules were introduced, falling to 4% by 2022, and rising to 5% by 2024.[22]

2,500,000 *people*

Today, StepChange estimates 2.5 million people are in persistent credit card debt.[23]

[21] *Financial Conduct Authority (2018) FCA Handbook, CONC 6.7.27R. Available online*
[22] *Financial Conduct Authority (2024) Financial Lives 2024 survey: Credit & loans. Available online*
[23] *StepChange (2026) Policy briefing: Credit cards, financial difficulty and persistent debt. Available online*

It is concentrated where access to credit can be the most expensive

In its 2016 market study the FCA found that a quarter of cards in the higher risk segment opened in 2013 were in severe or serious arrears a year later, and that customers making repeated minimum payments "are profitable, and most firms do not routinely intervene".[25]

Although the persistent debt rules that followed were a sensible response, a decade on, StepChange's assessment is that they manage the harm after it has happened rather than preventing it.

46%

Almost half of those in persistent debt have sub-prime card debt (cards for people with poor or limited credit histories, typically with higher APRs and lower limits. Credit builder credit cards also fall into this group).

34%

One in three people borrowing on a sub-prime card is in persistent debt, against one in ten (9%) using only mainstream cards.

40%

Four in ten sub-prime cardholders systematically pay the minimum or less, and 66% report struggling to keep up with bills and credit commitments.[24]

[24] *StepChange (2026) Policy briefing: Credit cards, financial difficulty and persistent debt. Available online*
[25] *Financial Conduct Authority (2016) MS14/6.3 Credit card market study: Final findings report. Available online*

The business model

The standard advice to anyone building a credit history is well known. Take a card, use it a little, repay it in full every month. Followed to the letter, that advice works. The borrower pays no interest, builds a record of repayment and moves on to better products.

Yet the business model behind these products relies on different behaviours.

Credit card issuers largely earn money in two ways: a small fee on each purchase, and interest on balances that are not repaid. Since 2015, the fee on consumer credit card purchases has been capped at 0.3%. On £1,000 of spending that is £3. The same £1,000 revolved for a year at 39.9% earns around £400. A customer who follows the advice and clears the balance every month generates almost nothing for the issuer.

Published results across 2025 and 2026 from major UK specialist card issuers illustrate the importance of interest income to their business models. Reported annual interest income ranges from roughly £400m to over £1bn. In one case, net interest income accounts for over 90% of total income; in another, interest income is more than 15 times fee and commission income. Portfolio APRs can approach 40%, excluding promotional offers, while increasing interest-bearing balances is cited as a driver of growth.

£1bn+

Reported annual interest income ranges from roughly £400m to over £1bn

90%

In one case, net interest income accounts for over 90% of total income

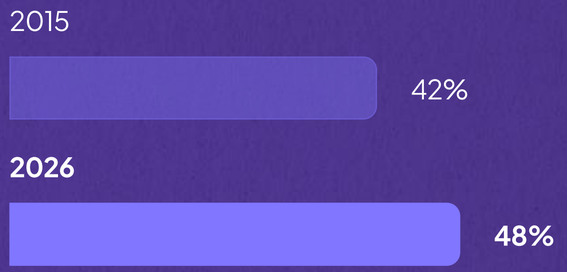
15x

interest income is more than 15× fee and commission income

~40%

Portfolio APRs can approach 40%, excluding promotional offers

Across the market, 48% of outstanding UK credit card balances now bear interest, up from 42% when the FCA began its market study in 2015.[26]



[26] *UK Finance (2026) Card Spending Update – March 2026. Available online*

While the advice given to new borrowers depends on them never revolving a balance, the viability of the product they are advised to use depends on a large share of its customers doing exactly that.

None of this changes our view that credit cards have an important place in the financial ecosystem. Purchase protection, interest-free periods and flexible repayment are valuable to people who understand them and can afford to use them well.

The question we are raising is whether the historic advice to use these products is still appropriate for the least experienced, and potentially most financially vulnerable, members of society, when the products most readily available to them carry the highest rates and the lowest minimum payments.

A better first rung

Access to these products is not guaranteed. Across the whole market, one in five credit card applicants were declined in the two years to May 2024, and the FCA estimates that 16.6 million adults experienced some form of problem accessing credit, whether declined, priced out or deterred from applying. [27]

For the cards marketed to people with thin or impaired files, this is likely significantly higher. So even where a high cost card might be suitable, many people who need to build a credit history cannot rely on getting one.

22%

Across the whole market, one in five credit card applicants were declined in the two years to May 2024

[27] *Financial Conduct Authority (2024) Financial Lives 2024 survey: Credit & loans. Available online*

Beyond access, we believe someone new to credit, or returning to it, should have the opportunity to:

01

Build their understanding and behaviours before carrying balances at high interest rates.

02

Build their confidence through products with limited exposure to runaway balances.

03

Evidence a track record of repayment behaviour that lenders can see and reward with appropriate risk based pricing.

04

Be encouraged to build savings, so that they finish in a stronger financial position than they started.

Our members suggest this works

Among thin file members, credit card holding rose from around 15% to over 46% within two years, while average balances in the first year stayed broadly stable at around £450.
They arrived in the credit card market with a track record, a savings habit and a better understanding of what they were taking on.



Coerced debt and economic abuse

Not everyone enters financial difficulty through borrowing decisions they made freely or with full knowledge. Coerced debt is a form of economic abuse in which a partner, former partner or family member causes someone to incur debt through force, fraud, misinformation or control over their money.

This can include taking out borrowing in someone else's name, preventing them from making payments or misleading them into believing that household bills and other commitments have been paid. An estimated 1.6 million UK adults experienced coerced debt in the 12 months to November 2024, while almost one in eight StepChange clients has been affected by it.[28]

The consequences can continue long after the relationship has ended. A credit record may show missed payments, arrears and unpaid bills, but it cannot explain that these resulted from another person's deception or control. Victim-survivors can therefore remain financially excluded because of commitments they did not knowingly neglect or debts they did not freely choose to incur.

Amy's experience contains indicators consistent with coerced debt through misinformation. After her partner offered to manage the household finances, she transferred £1,300 to him each month believing that her mortgage and bills were being paid. When the relationship ended, she discovered that payments had not been made and that she was approximately £11,000 in debt.

[28] *Government Debt Management Function (2026) Economic Abuse Toolkit V2. Available online*

Amy's story

From hidden debt to a new home and renewed financial confidence

Starting point
Discovered around £11,000 of debt she didn't know about

The challenge
Missed payments, declined credit and enforcement visits

Steps forward
Family support, paying down debt and rebuilding her credit history with Loqbox

The goal
Achieved: Buying a home with her partner

The challenge

Amy works as a social worker for her local council, helping people navigate exactly the kind of debt and poverty she once lived through herself. She bought her first house alone, just before the pandemic. Everything was manageable, she says, until the lockdown ended and she was free to go out again. After two years shut indoors, she started spending more than usual, missed a couple of mortgage payments, and only just got back on track.

Then she met someone new who, seeing how she was getting overwhelmed with her finances, offered to take them off her hands. She gave him £1,300 a month to cover the house and bills, and he'd sort the rest.

What she didn't know was that he wasn't paying for anything.

> *"Not a single bill was paid in the house"*

When he left, she discovered she was around £11,000 in debt.

The lowest point

She tried to fix it herself and made things worse.

“I couldn't even make a payment plan. It was like, 'well, you've left it too long', but I didn't even know about any of this debt, so how was I supposed to sort it?"

She was declined for a phone contract, a credit card balance transfer and even 0% finance on a sofa. Her car broke down and she could not afford to repair it or keep up with the finance, so she lost it too.

At her lowest point, bailiffs and High Court enforcement officers started turning up at the house. The most frightening was a council tax enforcement visit at 6am.

That same morning, she had a difficult conversation with her mum and dad, telling them everything for the first time: the £3,500 council tax bill loaded with extra charges, the car finance, the water, the gas and the insurance. They hadn't known any of it. Fortunately, together they were able to pay off most of it.

By the time Amy met her now-partner James, she still owed about £1,000, which he cleared so they could start planning their future.

> *“That was the scariest one, because they could literally take my whole entire house.*

Amy
Impact Report Contributor (Internal Case Study, 2026)

The outcome

Amy’s credit score

311 +107 pts

It was James who found Loqbox. Amy signed up not really expecting much. "I was lost," she says of how she felt about money before then. "I didn't know what I was doing."

Within three months, her credit score had climbed from 204 to 311, and she was approved for a credit card for the first time in years. "James thought I was like a kid," she laughs. "I was like, 'oh my god, I'm above 300!'"

Not long after, they were accepted for a mortgage and moved from a terraced house on a busy road to a cul-de-sac with a driveway. "It was pure relief. We wanted to get a mortgage to move, and I knew that wasn't going to be possible before."

If she could tell one thing to the version of herself who first signed up, it's this:

> *You have to address it. It's not going to go away, but it'll all be all right in the end.*

Amy
Impact Report Contributor (Internal Case Study, 2026)

Amy is more careful with money now. She thinks twice before spending, buys more items second-hand and purchases essentials in bulk.

At work, she recommends Loqbox to people going through what she went through. "It helps people who have never had savings break that line of poverty," she says, a recommendation that lands differently coming from someone who's lived it.

She's also stopped hiding it. "I used to have anxiety and feel embarrassment," she says, "but now I'm open about the fact that I had a ton of debt, and that's okay. You don't have to keep up with other people or have a shiny new car on the driveway for your life to have value. As long as you're happy, that's fine."

Recognising the circumstances behind the credit record

Amy's recovery was not the result of a single intervention. Support from her parents and current partner helped her clear the debts, while her own decisions and changed financial habits were central to rebuilding her position. Loqbox played a specific supporting role: helping her establish a new payment history, strengthen her credit profile and regain confidence as she moved forward.

Loqbox cannot undo coerced debt, determine whether abuse has occurred or replace specialist domestic abuse services and regulated debt advice. Its role begins when a member is ready and able to rebuild.

A missed payment records what happened; it does not always explain why it happened or who controlled the decision.

However, rebuilding tools alone are not enough. Firms across the financial system must be equipped to recognise indicators of economic abuse, provide safe opportunities for disclosure and respond with appropriate support and forbearance.

Meaningful financial inclusion therefore requires both routes to recovery and a financial system capable of recognising when exclusion has arisen through abuse rather than an individual's unwillingness to meet their commitments.

05

A system in need of modernisation: when responsible behaviour remains invisible

Credit assessment systems depend on consistent, comparable information. However, the financial lives they were designed around are changing. More people earn irregularly, work for themselves, or move between countries.

These consumers may be managing their money responsibly, but the evidence available to lenders does not always provide a complete picture. Regular rent payments may not appear on a credit file, income may not arrive as a predictable monthly salary and a financial history established overseas may not transfer to the UK.

Participants questioned whether the system takes too long to recognise positive behaviour while allowing past difficulties to shape access for too long.

> *I disagree with the length of time defaults or financial problems are left on individuals' credit reports. 6 years for singular minor defaults that were repaid quickly is too severe.*
>
> *Impact Report Contributor (Internal Case Study, 2026)*

Others felt that significant and consistent commitments were overlooked because they did not take the form of conventional borrowing.

> *Paying rent is generally not used to improve credit score, which is appalling as nearly everyone pays rent for a couple of years at least, rent which is usually higher than most mortgage payments.*
>
> *Impact Report Contributor (Internal Case Study, 2026)*

Modernising the system means finding better ways to recognise financial stability, positive payment behaviour and the different ways in which people now earn, live and manage their money.

Irregular income, freelancing and entrepreneurship

Freelancers, gig workers and entrepreneurs make an important contribution to the UK economy, but their income does not always fit the assumptions built into traditional affordability assessments.

In 2026, Loqbox commissioned Censuswide to survey 500 freelance creative professionals. The findings revealed significant financial pressure.

70%

said they had borrowed to cover everyday living costs.

74%

said they had taken a second or side job.

25%

had used buy now, pay later to fund their first collection or equipment. [29]

[29] *Loqbox (2026) The Cost of Creativity. Available at: Loqbox*

For some, creative careers were being sustained through personal borrowing and additional employment rather than business finance, grants or investment. This risks pushing talented people out of their industries and limiting the ability of small businesses and independent workers to grow.

The survey also revealed a disconnect between reported financial behaviour and financial outcomes.

72%

Almost three quarters of respondents said they had become better at paying bills, cards and loans on time since becoming freelance

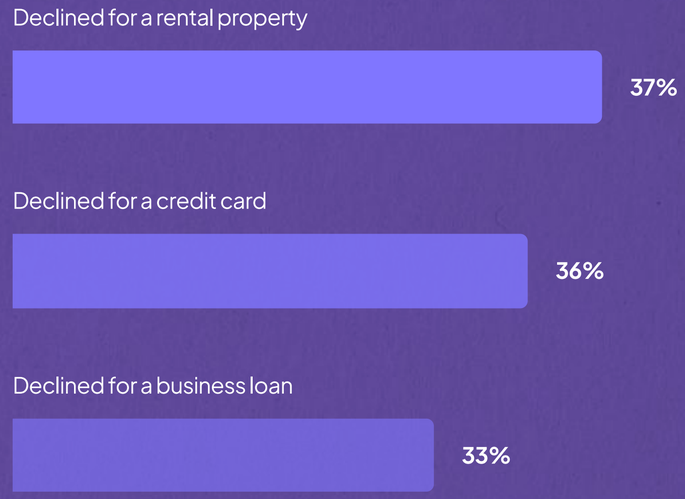
71%

At the same time, over seven in ten said their credit score had worsened.

Respondents also described barriers beyond borrowing

More than a third (37%) said they had been declined for a rental property, while 36% had been declined for a credit card and 33% for a business loan. Higher income did not remove the problem entirely: among respondents earning more than £55,000, 25% said they had still been declined for a rental property.

These self-reported findings cannot establish why every application was declined. However, they do indicate that people with irregular incomes can struggle to demonstrate affordability and stability through systems that work most easily with predictable monthly salaries.



Censuswide survey 2026 (n=500)

Two people may earn the same amount over a year and manage their commitments equally well.



But when one receives a regular salary and the other is paid through fluctuating freelance work, the evidence presented to a lender or landlord can look very different.

Loqbox cannot change how every provider assesses irregular income. It can, however, give members an additional way to demonstrate consistent payment behaviour, establish a routine and build a financial track record alongside a less predictable pattern of earnings.

Mateo's story

Building financial stability around a freelance career

Starting point
Credit invisible, four years after moving to London

The challenge
Declined finance for a work computer, revealing the barriers of a thin credit file

Steps forward
Joined Loqbox to build his UK credit history before applying for a mortgage

The goal
Buying a home in London

The challenge

Mateo is a freelance graphic designer from Argentina. He moved to London four years ago and wants to buy a home there in the next couple of years, but after trying to get a computer for his work and being refused the finance, he realised that getting a mortgage might not be so easy.

"I was surprised. If they don't trust me for £2,000, how will they ever trust me for £20,000 or more for a house?"

The refusal for finance on a computer made Mateo frustrated with the financial system, feeling it was unfair considering he had a phone from the same company that he had paid off and never missed a payment towards.

For Mateo, a mortgage and therefore a home is fundamental to his security and peace of mind when it comes to finances.

The outcome

Friends encouraged Mateo to start building his credit score ahead of getting a mortgage. He tried to get a credit card to help him do so but was refused on the basis that he was credit invisible. After doing some research online, he found Loqbox and began using it towards his initial goal of getting a credit card, and then to getting a mortgage.

As a freelancer, Mateo was still facing issues within the financial system as he was advised to get a full-time job for at least a year before applying for a mortgage, just to show that he had a regular income, even though his income as a freelancer is sufficient and he would earn less in such a role. This is something he was frustrated by but accepted it was likely something he would have to do for a better mortgage with more favourable terms.

Despite the difficulties he has encountered, Mateo's heart remains set on living in London. He fell in love with the city as a tourist and decided to settle here. He hopes that by the time his permanent settlement is in place he can buy a house and achieve the security and freedom of home ownership in a location he loves.

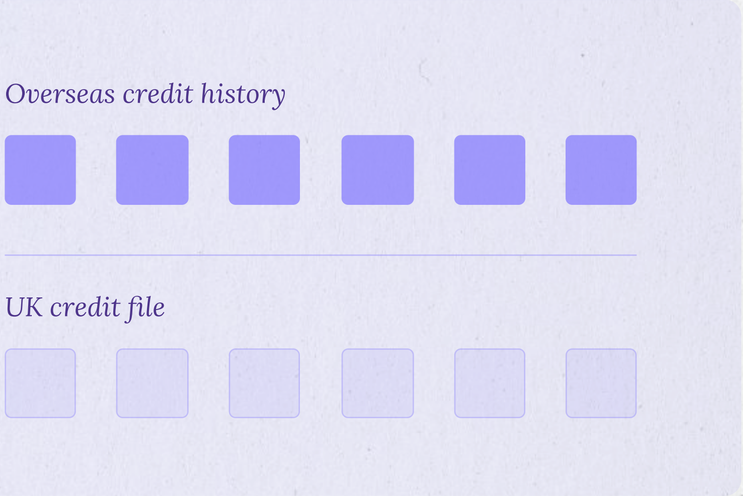
> *"It's stupid honestly because I will earn less than what I earn freelancing. I can do £4,000 a month but it's better for credit to get a job that pays half that so that you can show that you have a pay slip every month."*

Mateo
Impact Report Contributor (Internal Case Study, 2026)

New to the UK

A person's financial experience does not necessarily travel with them. Someone arriving in the UK may have managed money responsibly for many years but have little or no information recorded by UK credit reference agencies. From the perspective of the UK system, their previous experience may be largely invisible.

This does not mean that a person's credit score is automatically set to zero when they enter the country. Credit scores do vary between credit reference agencies. The underlying problem is that overseas credit histories are not generally transferred into UK credit files, leaving providers of credit with limited domestic information on which to assess an application.



This can affect recent immigrants and returning expatriates.

It can also affect people who have lived in the UK for several years but have not yet used products that generate the information typically recorded on a credit file.

Daisy, who moved to the UK from Nigeria, described the difference between the two financial systems:

> *I had a lot to learn from the UK system. Banking in Nigeria is different; it's a cash economy. We don't have credit there, if you buy something then you have the money to buy it.*
>
> *Here, I didn't have the knowledge or awareness early on.*

Daisy

Impact Report Contributor (Internal Case Study, 2026)

Without sufficient UK data, people can encounter difficulties accessing services involving credit or identity checks, including mobile phone contracts, broadband and rental properties. The problem is not necessarily that they have demonstrated poor financial behaviour, but that they have not yet generated the information the system expects to see.

Callum's story

Building a visible credit history and the confidence to navigate everyday financial checks

Starting point
Moved from South Africa, unaware that his limited credit file could hold him back

The challenge
Declined for credit and subscriptions despite managing money responsibly

Steps forward
Getting on the electoral register and joining Loqbox to build his credit history

The goal
Feeling confident about future credit checks and financial opportunities

The challenge

"Credit score to me means trying to get a house. It's why I didn't think it applied to me — I'm not going to get a house any time soon. Then I tried to Klarna some shoes and suddenly it's important."

Callum moved to the UK from South Africa three years ago. After settling in London and securing a job in finance, he felt confident managing his money. He had remained with the same employer, had never been in debt and had no reason to believe his financial record would hold him back.

That changed when he tried to buy a pair of shoes using Klarna and was declined. Unsure why, Callum paid for the shoes outright and moved on. But a year later, when he applied to lease an iPad through technology subscription provider Raylo, he was rejected again. This time, he was told that his identity could not be verified.

Callum began researching what might be causing the problem. Following advice he found online, he joined the electoral register and waited for his information to update. But when he tried Raylo again, he was still unable to take out a subscription. He turned to a chatbot for help, but was left frustrated: despite doing everything asked of him, the system continued to treat him as though he did not exist financially.

The outcome

Callum first discovered Loqbox through an advert while travelling on the Tube. He saved the name in his phone and visited the website once he regained signal. Having little experience of credit building products, he was initially hesitant.

The turning point came when Callum decided to move to a new flatshare and learnt that he would need to pass a credit check. He realised that a limited credit history could affect more than borrowing and decided to take action by joining Loqbox.

Around six months into his Loqbox membership, Callum feels more confident about facing future credit checks.
The experience has also strengthened his confidence in saving consistently and making regular payments on time.

> *“Now that I’ve been using it for 5-6 months I understand it way better than before. It’s helped me feel more confident that I can make these payments and if I have a credit check I’ll be okay.*

Callum
Impact Report Contributor (Internal Case Study, 2026)

Loqbox's role is to help make positive financial behaviour more visible

By giving members an opportunity to establish a payment history and build savings discipline, it can provide an additional route into a system that might otherwise have too little information to assess them.

But credit building products are only part of the answer. A modern financial system should be capable of recognising responsible behaviour across different forms of work, housing and financial lives that cross borders.

That means continuing to improve the appropriate use of alternative data, recognising regular commitments, where relevant, and designing assessment processes that reflect lives that do not follow a conventional pattern.

06

Moving from shame to confidence, capability and savings

Financial difficulty is not only experienced through balances, arrears and credit scores. Participants also described its effect on their mental health, relationships and sense of self-worth.

[30] *Censuswide, survey of 2,001 UK Gen Z adults, commissioned by Loqbox as part of a campaign supporting Citizens Advice (2026)*
[31] *Murray, T. and Bond, N. (2023) Debts and Despair: How debt collection practices cause psychological harm. Money and Mental Health. Available online*

65%

In 2026, Loqbox commissioned Censuswide to survey 2,001 UK Gen Z adults as part of a campaign with Citizens Advice. Almost two thirds said money worries were affecting their mental health, including by increasing stress and disrupting sleep.[30]

Research published by the Money and Mental Health Policy Institute has also identified stigma as an important part of the psychological harm associated with financial difficulty. People in arrears may internalise the idea that their situation reflects irresponsibility or personal failure.
This can discourage them from seeking support, allowing both their financial and mental health difficulties to become more severe. [31]

This pattern was reflected in our interviews. Participants described feeling anxious and overwhelmed, but also embarrassed about confiding in family and friends or asking them for help.

> *It felt like someone was holding me in a chokehold because I owed this amount of money. So I was having panic attacks and anxiety about "Okay, where will I pay? How will I pay?"*

Daisy
Impact Report Contributor (Internal Case Study, 2026)

> *It was embarrassing, being in your late 40s and not having any money when I'm in a job that pays really well.*

Lee
Impact Report Contributor (Internal Case Study, 2026)

Financial difficulty could also lead to social isolation. Some participants withdrew from friends because they could not afford to take part in the same activities. Others compared themselves with people of a similar age who appeared to be progressing towards milestones such as stable employment and home ownership.

These experiences show why confidence and emotional wellbeing matter to financial inclusion. A person may have access to information or support, but shame and anxiety can prevent them from engaging with it. Rebuilding therefore involves more than improving a credit profile: it can also mean feeling able to look at the problem, talk about money and begin making plans again.

> *It does make you feel secluded. I couldn't afford to go out with my friends, I couldn't afford to keep up with them so there was a lot of social exclusion.*

Amy

Impact Report Contributor (Internal Case Study, 2026)

Building confidence and changing financial habits

Participants described changes in how they thought about and managed money. These included becoming more conscious of spending, planning ahead, saving regularly and discussing financial difficulties more openly.

> *I took control. Debt felt like a runaway train that I had no control over. I took control at my lowest point, learned new behaviours with money, and now have attainable goals like buying a house. I'm a year away from paying off my debt management plan and being completely debt-free, which I never thought I'd do in my adulthood."*

Lee

Impact Report Contributor (Internal Case Study, 2026)

These challenges extend beyond the members we interviewed. The FCA's Financial Lives 2024 survey found that 6.5 million UK adults had low financial capability and that 22% lacked confidence in managing their money.[32]

Loqbox's own member research also indicates positive changes in confidence and capability. Among surveyed members who had used Loqbox for at least three months:

47%

said they felt more confident about their finances

45%

said they knew more about the financial system

53%

said they were managing their money better

50%

said they had built better financial habits [33]

These are self-reported outcomes and should not be interpreted as evidence that Loqbox alone caused every change. They do, however, indicate that many members associate their experience with improvements in how they understand and manage their finances.

[32] *Financial Conduct Authority (2024) Financial Lives 2024 survey: Credit & loans. Available online*
[33] *Loqbox member survey (2026). Base: members with a tenure of at least three months (n=406)*

The relationship between saving and confidence

The ability to save can contribute to both resilience and confidence. Research from the Money and Pensions Service found that people who were not saving regularly were more likely to feel anxious about their finances than regular savers and less likely to report high satisfaction with their lives.[34]

For some Loqbox members, saving regularly was a new experience. Automated payments helped them separate money from everyday spending and build a pot gradually, without having to make a new decision each month.

[34] *Money and Pensions Service (2022) UK Adult Financial Wellbeing Survey 2021: Nation of Savers Report. Available online*

> *"Save was so great because it was tiny amounts like coming out of my account. I didn't have to do anything. And then at the end of the year I had about £250 that I just had not seen missing, had not thought about."*

Katy

Impact Report Contributor (Internal Case Study, 2026)

Members also valued the combination of accumulating savings and developing a regular financial habit.

The amount accumulated will differ according to the product used, the member's chosen contribution and whether they complete the saving period. The wider impact is therefore not simply the value of the final pot. For some members, it is the experience of maintaining a commitment, seeing progress and proving to themselves that saving is possible.

> *By the end of it, you get £250 back. I've never had savings, so it's money I can put into a savings account or restart the program.*
> *It gives you education and builds a habit...*
> *It helps people who have never had savings break that line of poverty.*

Amy
Impact Report Contributor (Internal Case Study, 2026)

Daisy's story

From financial anxiety and isolation to savings and greater control

Starting point
Moved to the UK to study, became isolated during the pandemic

The challenge
Emotional spending led to debt, arrears, and financial anxiety

Steps forward
Therapy, support from friends, debt repayments, and saving with Loqbox

The goal
Achieved: Saved ~£2,000 with Loqbox in one year, improving financial confidence

The challenge

Daisy moved to the UK from Nigeria to attend university. After graduating, she worked both at the university and in a second part-time role that she had held while studying.

When the pandemic began, Daisy was separated from her family in Nigeria and became increasingly isolated. She experienced depression and spent long periods scrolling through TikTok and watching live content. She began buying virtual coins to gift to content creators, whose recognition provided a brief sense of connection.

Over time, the spending became difficult to control.

I got really into TikTok. I enjoyed buying the gifts and giving them out. It was fun, or so I thought. The funny part is every time I did that, I kept going, "Ah, this is my mortgage going," but there was a kind of addiction to it. I've never gambled, but I would relate it to gambling."

Daisy's mental health deteriorated and she began experiencing panic attacks. She fell behind with council tax, missed a court summons and accumulated credit card debt. Despite working two jobs, she had no savings or emergency fund.

The outcome

Daisy began taking steps to regain control. She started therapy, stopped using several of her credit cards and focused on repaying the balances. She also resolved her council tax payments. Friends occasionally lent her money, although she felt embarrassed about asking for their support.

Daisy encountered Loqbox through TikTok—the same platform on which her spending difficulties had developed. She wanted to rebuild her credit profile, but was also attracted to the opportunit to put savings somewhere that felt “out of sight, out of mind”.

Daisy’s recovery was not the result of Loqbox alone. Therapy, support from friends and her own decisions to restrict further borrowing and address her arrears were central to the progress she made. Loqbox provided a specific form of structure: a way to save consistently while working to rebuild her credit profile.

Her experience demonstrates the close relationship between financial and emotional wellbeing. Shame and isolation had made her difficulties harder to confront; taking action, building savings and seeing progress helped her regain a sense of control.

Daisy now feels proud of her greater financial freedom. Looking back, the lesson she takes from the experience is that change required her to take the first step herself—but that structured tools and appropriate support could help her continue moving forward.

~£2,000

After a year, Daisy had built a savings pot of approximately £2,000 through Loqbox. She used some of the money to treat herself and buy gifts for friends and family.

Savings impact

Having savings available matters not only for the ability to cover emergency costs, but is also a key ingredient in financial resilience, confidence and overall wellbeing.

[35] *Finder (2026) Savings statistics: Average UK savings in 2026. Available online*

A survey conducted by Censuswide in 2026 on behalf of Finder found that:

39%

Two-in-five Brits have £1,000 or less in savings

25%

A quarter of Brits have £200 or less in savings

16%

One-in-six adults have no savings at all, equating to around 8.9 million people. [35]

Since 2021, over 370,000 members have collectively saved over £151 million with Loqbox, with a typical saving of £220 over their time with us.[36]

Importantly, of the 370,000 members who have saved with Loqbox, one in eight are still saving today. These members have saved, on average, for 17 months, and this tenure continues to grow. Looking only at members who joined over a year ago, 32.5% save for the full 12 months with no missed payments (105,000 members) and almost a third of those go on to start another year, often increasing their monthly amount when they do.

This shows that Loqbox has helped members save consistently over the course of a year, helping them build sustainable habits, confidence in their ability to save and financial resilience through access to savings.

[36] *£220 is the median. The mean is £410, raised by a minority of members saving substantially more. Loqbox internal data, all Loqbox savings payments between May 2021 and October 2026*

07

Partnerships for the underserved and aspirational: solving it together

The scale and complexity of financial exclusion mean that no single organisation can address it alone.

Loqbox works as a financial inclusion partner to lenders, marketplaces, debt-support organisations, charities and consumer brands, helping people strengthen their financial position and move towards better outcomes.

These consumers were considered likely to experience difficulty accessing mainstream credit because of factors including a thin credit file, minor adverse credit history, or low or volatile income. The group was typically younger, earned less and had lower savings than consumers who were not underserved.[37]

1 in 3

Research commissioned by TotallyMoney, and conducted by PwC, in 2022 estimated that 20.2 million UK adults, around one in three, were financially underserved.

[37] *PwC and TotallyMoney (2022) Overlooked and financially under-served: Sizing the financially under-served population in the UK. Available online*

This is not a single, uniform audience.

It includes people entering the credit system for the first time, rebuilding after financial difficulty, earning through non-traditional employment or preparing to apply for an important financial product. It also includes people who lack confidence, feel uncomfortable discussing money or do not know where to find trustworthy information and support.

Loqbox partnerships respond to these needs in different ways. Some provide a practical route forward when an appropriate financial product is not currently available. Others improve financial understanding, challenge misconceptions and bring difficult money conversations into settings where people feel able to engage with them.

Partnerships can support people at several points in their financial journey:

01

At the point of decline
Marketplaces and aggregators can provide an appropriate onward route for consumers who cannot currently be matched with a lender.

02

While eligibility is being built
Loqbox can sit alongside product-comparison journeys, helping consumers work towards stronger future applications.

03

After financial difficulty
Lenders and debt-sector organisations can support people rebuilding their financial profile after an IVA, debt management plan or other period of adverse credit.

04

Through financial education
Partners can help consumers understand how credit works and which actions may strengthen, or damage, their financial position.

05

By opening up difficult conversations
Charities and consumer brands can help challenge financial misconceptions, reduce shame and make subjects such as debt, credit and financial wellbeing easier to discuss.

06

When members are ready to return
A stronger financial track record can improve someone's prospects of accessing appropriate products, subject to lenders' eligibility and affordability assessments. Loqbox can reconnect members with partner platforms when the time is right.

The objective is not to turn every declined applicant into a borrower as quickly as possible. It is to give more people the knowledge, confidence and practical tools to strengthen their financial position—and improve their prospects of accessing suitable products and support when they need them.

Monevo x Loqbox

No more dead ends: giving declined applicants a route forward

Partnering with Loqbox enables Monevo to give its applicants a next step when declined for credit. When none of Monevo's 150+ lenders can make an offer, an applicant's journey used to end at the decline screen. Since 2022, Monevo has directed appropriate applicants to Loqbox instead, and almost 100,000 people have joined this way.

Across the wider Loqbox membership, the outcomes are encouraging: in a survey of members who had used Loqbox for at least six months, 67% said they felt more positive about their finances.[38]

Live since 2022	*Integration* A single API call at the point of decline
Sign-ups Almost 100k Loqbox members via Monevo	*Reach* Monevo's panel of 150+ lenders

[38] *Loqbox member survey (2025). Base: members who joined via Monevo (n=1205)*

The challenge

For millions of people in the UK, being declined for credit can feel like the end of the road. Credit marketplaces see this every day: an applicant is matched against a panel of lenders, nothing comes back, and the journey stops. The applicant leaves with no help, and the marketplace loses any future relationship with them.

Monevo, one of the UK's leading credit marketplaces, wanted a better answer for these applicants: something genuinely useful that could help them improve their position, rather than another credit product they were unlikely to be accepted for.

The solution

Monevo integrated Loqbox with a single API call at the point of decline. When no lender returns an offer, the applicant is directed to Loqbox instead of a dead end.

Loqbox is an affordable subscription that helps members build positive financial habits and can help strengthen their credit profile over time, so they may return to the credit market better prepared and with more options.

The results for members

[39] *Loqbox member survey (2025). Base: members who joined via Monevo (n=1205)*

2 in 3

67% feel more positive about their finances

37%

Over a third accessed a new line of credit since starting Loqbox [39]

> *I have found it really hard to save money and to build my credit rating but with Loqbox it's made it so much easier and by the end of the year if I want to continue then I can. The account was really easy to open and you pay what you can afford. You can't touch it for a year or you can put it back in and carry on for another year.*

Sarah
Loqbox member via Monevo for 6+ months

The results for Monevo

> *Loqbox has been a valued partner for many years, standing out from the competition with an innovative approach, great customer service and a compelling product. The partnership has enhanced our product portfolio, helped more customers get on track to becoming creditworthy, and contributed to more positive customer outcomes."*

Tim Semenic
Head of Lender Relationships, Monevo

A solution for declined applicants who previously had no alternative

A continued relationship with people who may return better prepared to borrow through Monevo's lender panel.

A partnership built around progress

The Loqbox and Monevo partnership shows what's possible when a decline becomes a starting point. Monevo brings reach across 150+ lenders; Loqbox brings a product designed to help people build financial resilience. Together, they've created a journey that supports members' financial confidence and could widen their future borrowing choices.

Loqbox believes a decline shouldn't be the end of a relationship. Handled well, it can be the start of one, for the member and for the partner. Every member who strengthens their credit profile with Loqbox may be better placed to reach their goals, and is a potential future customer for Monevo's lending partners.

Supporting better customer outcomes

The FCA Consumer Duty requires firms to act to deliver good outcomes for retail customers and to avoid causing foreseeable harm. An onward referral does not, by itself, demonstrate this, but providing suitable support after a decline can form part of a wider approach to helping consumers understand their position and take constructive next steps.

Integrating with Loqbox gives partners:

01

A more supportive conclusion to the decline journey

02

Measurable information about subsequent member outcomes

03

An opportunity to maintain a relationship with consumers as their circumstances develop

Tackling taboo conversations with brand partnerships

Partnerships can do more than connect people with products. They can also make difficult financial subjects easier to understand and discuss.

Our research shows that shame, anxiety and limited financial knowledge can prevent people from seeking support or taking action. Brand partnerships allow Loqbox to bring money conversations into relevant cultural and public settings, reaching people through organisations they already recognise and trust.

By combining Loqbox's financial wellbeing expertise with the reach, authority and audience understanding of its partners, these campaigns can challenge misconceptions, encourage greater openness and give people practical ways to move forward.

Citizens Advice: helping young adults navigate financial firsts

In 2026, Loqbox worked with Citizens Advice to create the Staircase to Adulting, a public campaign designed to help young adults understand the practical steps involved in building a stronger financial future.

The campaign responded to research commissioned by Loqbox and conducted by Censuswide among 2,001 UK adults aged 18 to 28.

~2/3

Almost two thirds said money worries were affecting their mental health

64%

64% wished they had learned more about money before leaving home [40]

The findings also revealed uncertainty around many of the financial milestones young adults encounter for the first time. Respondents identified making their first rent payment, paying their first household bill and receiving their first payslip among their most stressful financial experiences. Misconceptions about Buy Now, Pay Later, the electoral roll and the effect of parking fines on a credit file also demonstrated how difficult it can be to make informed decisions when the rules are unclear.

[40] *Censuswide, survey of 2,001 UK Gen Z adults, commissioned by Loqbox as part of a campaign supporting Citizens Advice (2026)*

To bring these issues to life, Loqbox and Citizens Advice transformed the steps of the Museum of Liverpool into the Staircase to Adulting.

Created with artist Alicia Woolley, the installation represented practical actions people can take as they begin managing money independently, from registering to vote to paying household bills on time. The physical staircase made an often complex and intimidating subject visible: building financial capability does not happen through one dramatic decision, but through a series of smaller, informed steps.

National media coverage extended the conversation beyond the installation, with features in multiple top tier publications including FT Adviser and The Independent, and total campaign coverage reaching 1.2 billion impressions. This helped bring young people's financial confidence and mental wellbeing into wider public discussion.

The campaign also connected awareness with sources of practical support. Young adults could learn more about building their credit through Loqbox and seek independent information and advice from Citizens Advice.




BE A RESPONIBLE BORROWER
FACT CHECK
YOUR OWN
ADVICE
ASK
citizens advice
MAKE A BUDGET AND...
PAY ON TIME
READ THE SMALL PRINT
TION CAUTION
STOP
VOTE
REGISTER TO

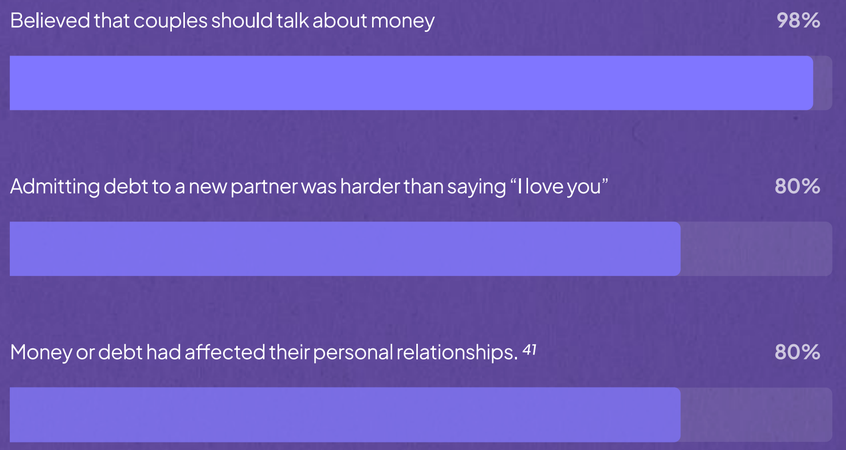

FACT CHECK
ASK
citizens advice
IME
ION

Thursday: making financial honesty part of modern relationships

Loqbox partnered with global singles movement Thursday to bring this private source of anxiety into a social setting through Thursday Talks: Money. The event brought singles and experts together to discuss financial honesty, debt, spending and the role money plays in relationships.

[41] Attest survey of 600 UK adults, commissioned by Loqbox as part of a campaign supporting Thursday (2025)

Money can also be difficult to discuss within personal relationships. Research commissioned by Loqbox in late 2025 found that:



The research suggested that people cared less about a potential partner's wealth than their willingness to be open.

[42] *Attest survey of 600 UK adults, commissioned by Loqbox as part of a campaign supporting Thursday (2025)*

87%

Almost 9 in 10 said they would rather date someone who was broke but honest than someone wealthy but secretive. Ignoring debt, concealing financial problems and lying about money were identified as significant relationship warning signs. [42]

By placing money alongside conversations about relationships, wellbeing and personal boundaries, the partnership helped make financial openness feel relevant rather than clinical. It also reflected a wider theme in our member research: silence and shame can allow financial difficulties to become more serious, while talking openly can be an important first step towards regaining control.

Creating the conditions for better outcomes

Awareness campaigns do not, by themselves, establish a credit history, resolve debt or guarantee better financial outcomes. Their role is to create the conditions in which change becomes more possible: clearer information, fewer misconceptions, less shame and greater confidence to ask for help.

The Citizens Advice and Thursday partnerships reached different audiences in different settings, but addressed the same underlying barrier. People are better equipped to make financial decisions when money is something they can understand and discuss openly.

For Loqbox, brand partnerships therefore form part of a broader approach to financial inclusion. Alongside credit building, saving and financial education, they help bring difficult conversations into the open and connect people with practical next steps.

08

Conclusion: giving credit where credit's due

Many people excluded from mainstream finance are not poor credit risks. They are simply difficult for the system to assess: new to credit, rebuilding after financial difficulty, earning irregularly or establishing themselves in the UK.

Loqbox exists between exclusion and readiness. It gives people an opportunity to make positive financial behaviour visible, build savings discipline and strengthen their knowledge and confidence.

The evidence in this report shows that Loqbox membership is associated with stronger credit profiles, wider access to mainstream products and improving repayment behaviour.

The greatest improvements were seen among members who maintained their commitments consistently. Their stories demonstrate what those changes can mean in practice: securing a phone contract, recovering from debt, moving home or simply feeling in control again.

But greater access is not always a better outcome. Credit must be appropriate, affordable and provided when someone is equipped to manage it. Sometimes responsible inclusion means widening access and sometimes it means helping someone prepare before they borrow.

That is why we're calling for a better way in:

An end to high-cost credit as the default first step

Restarting the FCA's work on minimum payments

Guidance being updated to reflect the range of ways people can now evidence repayment behaviour while being clearer about the potential cost of the products most often recommended.

The task is not to lower the standards for accessing credit. It is to give more people a fair opportunity to meet them.

By recognising progress, rewarding responsible behaviour and matching access to readiness, we can build better borrowers—and give credit where credit is due.

09

Methodology

Mixed methodologies were used to collect, analyse and present the research findings. In particular, the following sources were used:

1.6 million credit observations

Analysis of 291,050 members and 1.6 million credit observations for those who joined between 2022 and 2024, tracked for up to 24 months from sign-up, linking each member's payment record with us to the credit record held on file.

Over 2,000 member stories

Surveys of over 2,000 members who shared their stories of how Loqbox has helped them to establish their credit history and what this has helped them achieve.

Gen Z and Freelancer surveys

Two surveys via Censuswide: A survey of 2,001 Gen Z (18 - 28) in March 2026 (nationally representative) and a survey of 500 creative freelance professionals in July 2026.

23 in-depth interviews

23 in-depth interviews conducted with current Loqbox members to better understand the past, present and future impacts of their financial situation and how they use Loqbox.

Our analysis covers 291,050 members, providing 1.6 million credit observations in total

Our analysis covers 291,050 members who opened a Grow account between 2022 and 2024, each linked to their credit file, providing 1.6 million credit observations in total. Members who opened more than one Grow account are counted once, from the first Grow account they opened. We excluded members who closed Grow within the 14-day cooling-off period, as well as the 0.3% for whom no matching credit file was available.

Each member's credit file was observed at sign-up and at 6, 12, 18 and 24 months afterwards. All members are observed for at least 12 months. The 172,741 members who joined early enough to be observed for the full 24 months are predominantly 2022 and 2023 sign-ups. Changes in credit scores, risk bands and account holding compare the same members at the start and end of each period. Credit files are updated for all members regardless of whether they remain with Loqbox, so inclusion in the two-year results reflects when a member joined rather than whether they stayed. Where a credit file did not record a value, that value was excluded rather than estimated.

Members were grouped according to their credit profile at sign-up. Thin file, or new to credit, refers to members with two or fewer open credit accounts. Adverse refers to members with a missed credit card payment in the preceding 12 months, a defaulted account, or a current bankruptcy or insolvency. All other members are classed as mainstream. Members who meet both the thin file and adverse criteria are classed as thin file.

Members described as paying Loqbox every month made at least 12 monthly Grow payments, or 24 for the two-year results. Members described as not missing payments elsewhere had no missed payments recorded on any other credit account over the same period. These groups overlap. Members who meet the two-year criteria are also included in the one-year group, and all members are included in the figures reported for the full cohort.

Credit scores are grouped into five risk bands, from sub-prime to super prime. Score changes are the average of each member's individual change since sign-up.

Results are unweighted and no outliers were removed. Given the size of the groups, each headline average is accurate to within 1.6 points at a 95% confidence level. Credit card arrears are measured as the proportion of cardholders whose worst-performing card is behind on payments, where one missed payment corresponds to 30 or more days overdue. Balances and credit limits are reported as averages per card.

Working with our partners, we compared these outcomes with a control group of more than 300,000 comparable individuals who had not used Loqbox.

These findings are based on observational data. They show how outcomes differed between members who behaved differently, but they do not establish that Loqbox caused those outcomes. Members who make every payment may differ from those who do not in ways that credit file data does not capture. As the two-year results are drawn mainly from 2022 and 2023 sign-ups, they may not reflect the experience of members who joined later.

Surveys

Internal surveys conducted by Loqbox with members:

1,300	Internal survey conducted by Loqbox with 1,300 respondents who had been members of Loqbox between 14 days and 1 year. Conducted March 2026. Survey collected data on motivations, challenges and pain points and was used to update existing customer personas and provide attitudinal data.
795	Internal survey conducted by Loqbox to support the Impact Report. Conducted July 2026 with 795 participants, who were members who had been with Loqbox between 14 days and 1 year.
86,042	Loqbox member data collected between September and October 2025 from a sample of 86,042 Loqbox members across various relationship statuses
1,205	Internal survey conducted by Loqbox with Loqbox members who joined via Monevo. Conducted October 2025 with 1,205 participants

External surveys conducted on behalf of Loqbox:

2,001	Survey commissioned by Loqbox, and conducted by Censuswide among a sample of 2,001 UK Gen Z respondents (Aged 18–28 nat rep). The data was collected between 6 March and 13 March 2026. Censuswide follows the MRS Code of Conduct, ESOMAR principles, and is a member of the British Polling Council. Link here.
500	Survey conducted by Censuswide on behalf of Loqbox among 500 UK creative freelancers (designers, photographers, stylists, illustrators, set designers, makeup artists), aged 18+, between 31 July and 10 August 2026. Censuswide follows the MRS Code of Conduct, ESOMAR principles, and is a member of the British Polling Council. Link here.
1,000	Survey commissioned by Loqbox, and conducted by Censuswide among a sample of 1,000 UK adults examining borrowing behaviours and financial attitudes
600-1,000	Survey conducted via Attest research: October 2025, sample of 600–1,000 UK general population.
1,500	Survey conducted via OnePulse research: Sample of 1,500 UK respondents exploring the link between finances and wellbeing.

In-depth interviews

In-depth interviews with 23 current Loqbox members were conducted to provide further context and understanding of the past, present and future impact of their financial situation, and how they have used Loqbox.

Participants came from a variety of backgrounds, though were generally with Loqbox either because they had been considered thin or no file and wanted to build a credit history, or they had had adverse credit in the past and wanted to rebuild their credit history after coming to a place where they could responsibly use a product that provided them a line of credit.

Other sources

External research from credible sources was used to provide additional context to issues facing the nation and therefore Loqbox members. See section 10, References (external sources), for more information.

10

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Thank you