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DIVISIVE LENDER TUMBLES INTO ADMINISTRATION AMID RISING FLOOD OF COMPENSATION CLAIMS

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CONTROVERSIAL payday lender Wonga has filed for administration, after a barrage of compensation claims pushed it over the edge.

Grant Thornton will be appointed as administrator of the stricken lender's UK operations today. The collapse threatens the jobs of around 250 UK employees in the firm's London Bridge headquarters.

The firm's operations in South Africa, Poland and Spain, unaffected by the rise in UK complaints volumes, will continue to function.

Management said Wonga was pushed over the edge by a stream of compensation claims for past irresponsible lending. The firm raised £10m from existing investors at the start of the month to try to plug the gap, but later said the fundraising had triggered a further acceleration in the costly complaints.

The compensation claims, often from claims management

companies, cost £550 each for Wonga if they reach the Financial Ombudsman Service (FOS), whether the claim is upheld or not. Industry insiders believe claims management companies are deliberately targeting payday lenders as the end of lucrative payment protection insurance (PPI) compensation draws nearer.

The number of payday lender complaints to the FOS surged 251 per cent in the first quarter of this financial year, to top 11,000. One Wonga operating company, WDFC UK, received 2,347 complaints in the second half of last year, at an automatic cost of more than £1.2m.

The collapse represents a dramatic fall for a firm which was once the flagbearer – for good or ill – of the payday lending industry, with management at one point considering a listing in New York at a valuation of more than £1bn.

However, the firm has struggled with multiple consecutive annual losses since the Finan-

cial Conduct Authority capped the fees and interest controversial short-term lenders could charge in 2014. Tara Kneafsey was appointed as chief executive in September 2014 to try to restore the firm's battered reputation, but Wonga made a pre-tax loss of £66.5m in 2016, according to its latest annual accounts.

Labour MP Stella Creasy said: "Wonga's customers need to be first in queue for protection for the administrators – what Wonga must now do is say it will honour all the compensation it owes to customers it exploited, and assure existing debtors that loans won't be sold off to vulture companies."

Creasy, who had previously been harassed online by a Wonga employee after branding payday lenders as "legal loan sharks", said she would target Provident Financial Group's Vanquis and guarantor loans firm Amigo Loans.

Analysts believe the collapse will have little material impact on major competitors, although the firm's technology platform and international operations could prove to be attractive assets.

THE CITY VIEW: P2



TO BE FRANK Veteran Labour MP takes the party to task for antisemitism and resigns the whip



CATHERINE NEILAN

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FRANK Field MP resigned the Labour whip last night, claiming the party has become "a force for antisemitism in British politics".

Field, the MP for Birkenhead and chair of the Work and Pensions Committee, said he was resigning "with considerable sadness", having been a Labour MP since 1979.

Field's letter cites Labour leader Jeremy Corbyn's "attempts... to deny that past actions and statements by him were antisemitic".

He added: "It saddens me to say that we are increasingly seen as a racist party."

Field also referred to "the culture of intolerance, nastiness and intimidation" that has grown "unchecked".

As chair of the Work and Pensions Committee, Field has spearheaded calls to break up the Big Four auditing giants in the wake of the Carillion scandal.

He is also a long-standing nemesis of Sir Philip Green, famously clashing with the retail tycoon over the sale of ailing department store BHS.

Advertising giant WPP braced to name Mark Read as its new chief exec



Mark Read replaces Sir Martin Sorrell

CALLUM KEOWN

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WPP IS set to appoint Mark Read as its new chief executive as early as next week, replacing Sir Martin Sorrell at the helm of the world's largest advertising firm.

Read, who previously ran the company's digital agency Wunderman, has long been the preferred internal candidate for the role and his appointment could

be confirmed on Tuesday, according to reports.

It would end the global search for Sorrell's successor, which began when the founder quit the company after 33 years in April following a personal misconduct allegation he denied.

Read became joint chief operating officer, alongside Andrew Scott, while Roberto Quarta became executive chairman in the interim.

Despite hiring New York-based recruitment firm Russell Reynolds to lead the search and several top media names being considered, WPP looks set to promote from within.

After a tough year for the £16bn company, Read said in June WPP needed radical change to stay ahead of the digital revolution sweeping through the industry.

He will also be mindful of his former boss' new venture.

Just weeks after leaving WPP, Sorrell launched a new company S4 Capital, which struck its first deal last month beating his former employer to a £266m takeover of Dutch digital agency MediaMonks.

WPP, set to announce its half-year results on Tuesday, declined to comment on the precise timing of an appointment or the identity of the new chief executive but said that news was expected in September.

When the market cools, it's time to come up with a strategy

Q&A

How do you know if you're in a buyer or a seller's market? Propcast's **Gavin Brazg** is here to tell you why it matters

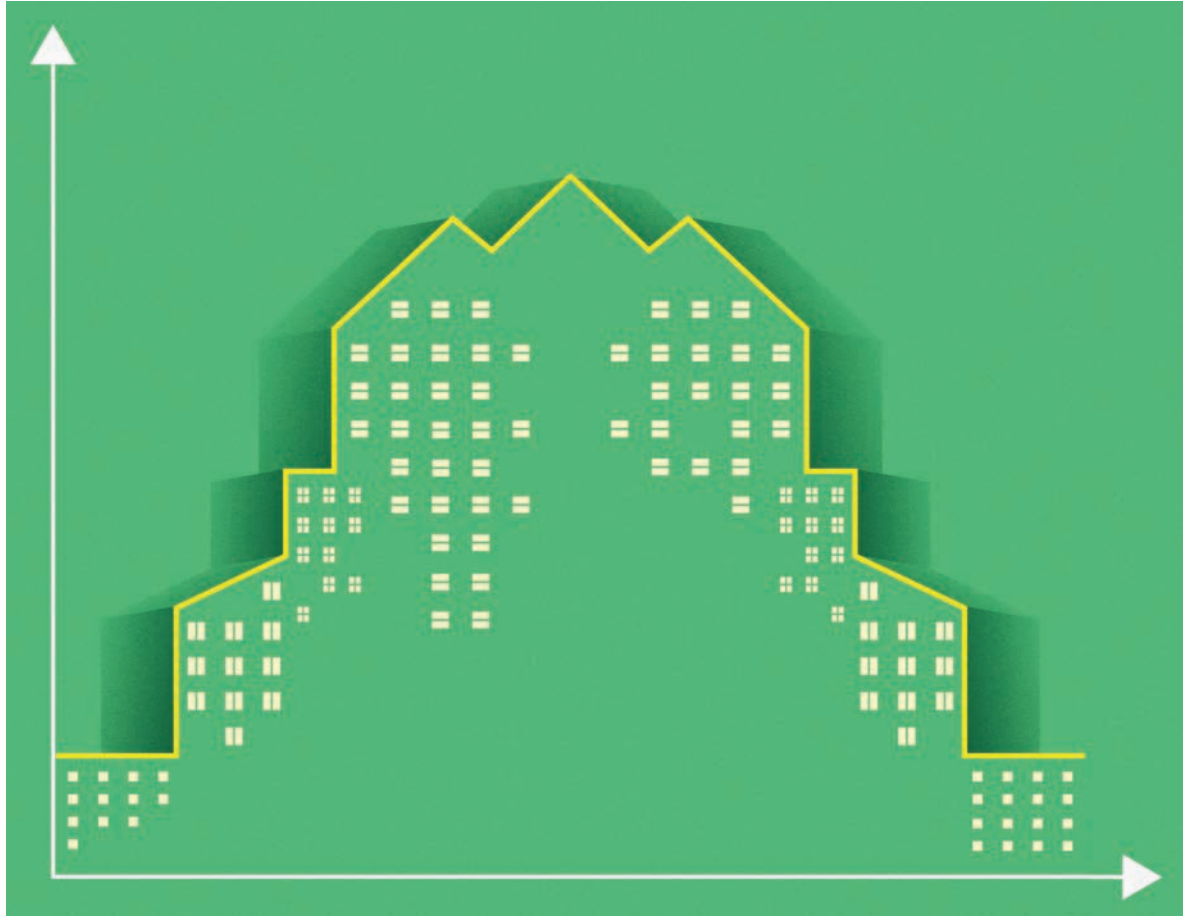
HOW DO I KNOW IF MY AREA IS A SELLER'S MARKET?

A seller's market is great news for homeowners. The balance of power is in your favour as there are more buyers than homes for sale in the area. Properties sell quicker and often attract multiple offers causing a bidding frenzy.

At PropCast, we've built a free online tool where you can input your postcode and we use an algorithm to tell you how 'hot' your local market is. But a good local estate agent will also be able to confirm whether the micro market for your type of property is hot. Or you can look at online property portals to see how quickly properties are selling.

A good indication of a seller's market is if you see the majority of properties go under offer within 30 days after six to 10 viewings. In a seller's market, if you choose your estate agent wisely you should expect to receive at least two viewings per week and be under offer within four to six weeks. From offer acceptance to legal completion, it will usually then take a further 11 weeks depending on the length and complexity of any linked transactions.

Another way to tell if you're in a seller's market is to look at what local housebuilders are doing. Developers



offer incentives when the market is cool and take them away when the market is hot. If you see offers of "stamp duty paid" or "free legals" that may indicate your market is not so warm after all.

TIPS FOR BUYING/SELLING IN A SELLER'S MARKET

Selling in a hot market is much easier than if you were in a cold market. Still, it can't hinder your cause to make sure your home is looking its very best.

However, if you are to secure your dream home in a hot market as a buyer, you need to be organised and

realistic in order to compete against other purchasers. Register with all the local agents, call them regularly and spring into action the moment a property you like hits the market. Homes don't stay available for very long in a hot market.

It's also really important to be pre-approved by your mortgage lender with a mortgage in principle before you make an offer, so that you can act quickly when it is accepted. Make your initial offer close to your best and final offer, as you won't be the only person interested in the property. In a hot market, sellers can afford to be picky so you don't want to

antagonise them unnecessarily with a low-ball offer. Very rarely will you grab a 'bargain' in this type of market.

The upside as a buyer is that you'll probably see some immediate capital appreciation on your investment.

TIPS FOR BUYING/SELLING IN A BUYER'S MARKET

If you're a homeowner, a cold market isn't something to worry about. There are buyers out there - they're just not prepared to pay the prices most sellers are currently asking. Overpricing causes most homes to remain on the market for too long, and such homes eventually sell for less than their mar-



Developers offer incentives when the market is cool and take them away when it's hot

ket value.

One of the first questions a buyer will ask is 'how long has it been on the market?'. If the answer is more than six weeks and there have been successive price reductions, they won't have much confidence in the value of your home.

If you're strategic you actually have a chance of securing great results from your sale and potentially even attract multiple interested buyers. The key is to think about your competition and make sure your property stands out with excellent presentation and realistic pricing. Identify the properties that are your direct competitors, and then position your home so it represents the best value for money. If you want the absolute best result from your sale, you need the absolute truth from estate agents, so make sure you choose one that isn't afraid to give you brutal honesty about the market. Also make sure they are currently selling (or recently sold) property comparable to yours as this will mean they already have relationships with your target buyers.

Although buyers have the upper hand in negotiations, there will still be competition over the best value for money properties. Position yourself as the best buyer possible by being organised and having all of your paperwork ready and mortgage agreement in place.

PropCast is a free online interactive tool by consumer advice service TheAdvisory. Visit theadvisory.co.uk/propcast to try it out

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