

**PRESS NOTICE**

**£5M INVESTMENT TO DELIVER 100,000 AFFORDABLE  
LOANS TO VULNERABLE HOUSEHOLDS**

Responsible lender Five Lamps has today secured a £5 million investment to help vulnerable households across the UK break out of the cycle of high-cost debt. The funding will mobilise over £60 million of lending, enabling Five Lamps to offer over 100,000 affordable loans, under their Conduit brand. It is being funded by nine social investors, including four charitable trusts and five social investment funds over six years, and represents the largest-ever single investment in a UK community lender.

Financial exclusion remains a pressing issue in the UK, and high-cost credit is widespread. 3.1 million UK adults have one or more high-cost loans or have had one in the past year. Potentially vulnerable people are twice as likely to have used high-cost credit as other UK adults; younger single parents are three times as likely. 6.5 million UK adults have no cash savings, leaving them particularly vulnerable to financial shocks and more likely to turn to high-cost credit in times of financial need<sup>1</sup>.

Five Lamps is a responsible finance provider, regulated by the Financial Conduct Authority, offering fair and affordable personal loans as an alternative solution to high-cost credit. It is based in Stockton on Tees, and has to date provided close to £40 million of affordable personal loans primarily in the North East of England, but more recently in Scotland and, following considerable investment in systems and infrastructure, throughout England and Wales. The new investment will allow Five Lamps to grow the scale and impact of affordable credit to vulnerable individuals nationally.

Graeme Oram, Chief Executive of Five Lamps, says:

“This is a truly transformational investment which will enable us to help up to 100,000 financially excluded people break the cycle of high-cost debt which blights the lives of so many in our communities. The Financial Conduct Authority ‘High Cost Credit Review’ published recently highlighted the need for more alternatives to high-cost credit and we at Five Lamps are delighted to be that different kind of lender. We are driven to make a difference to people’s lives. Too many people have little or no financial resilience and at times of crisis have little choice but to go to high-cost or, sometimes, unregulated lenders. We want these people to come to us.”

The investors include specialist social investment funds Big Issue Invest, FSE, North East Social Investment Fund, Social Investment Scotland and Social and Sustainable Capital, as well as charitable trusts the Esmée Fairbairn Foundation, the Joseph Rowntree Foundation, Barrow Cadbury Trust and Harpur Trust.

Lars Hagelmann and Peter Morris, Investment Directors at Big Issue Invest and Social and Sustainable Capital, said:

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<sup>1</sup> FCA Financial Lives Survey, 2017

“We are pleased to be playing a lead role in financing the next phase of growth of Five Lamps’ affordable personal lending. Five Lamps has been building its lending operation’s reach. Along with the other investors, we look forward to increasing Five Lamps’ capacity to support individuals who can benefit from access to fair and responsible credit.”

Recent measures by the FCA to address the failures in the high cost credit market and a new £55 million government fund to improve financial inclusion highlight the gaps in the affordable finance market. Social investment is allowing leading responsible lenders such as Five Lamps to meet the increasing demand for personal loans at affordable rates.

Social Finance advised Five Lamps in structuring and coordinating the investment, funded in part by a Big Lottery Fund grant as part of its Big Potential programme. Legal firms Simmons & Simmons and Allen & Overy provided pro-bono legal support for this investment.

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## **NOTES FOR EDITORS**

1. **The Five Lamps Organisation** is an FCA-regulated charity based in Stockton on Tees, which was established in 1985 and has grown to be a recognised and highly regarded social enterprise providing essential services to the local and national community.

All lending is delivered by a wholly owned trading subsidiary, under the Conduit/ Conduit Scotland brands

The organisation’s vision is to transform lives, raise aspirations and remove barriers to social, economic and financial inclusion. Five Lamps’ range of services includes domiciliary home care, youth clubs, enterprise coaching, energy and home debt products and personal loans. Five Lamps’ personal lending customers are looking to break out of the high-cost debt cycle. Five Lamps’ lending allows these customers to develop and build positive credit histories through flexible loans with APRs much lower than those of competitors.

Five Lamp’s lending services, as well as its other activities are consistently praised by service users, and have resulted in national awards such as the CDFI New Horizon Award, National Enterprise Network Communicator of the Year, RBS SE100 Impact Champion and the Investors in People Gold standard.

Five Lamps is a member of the ‘End High Cost Credit’ Alliance launched by the actor and campaigner Michael Sheen earlier this year.

[fivelamps.org.uk](http://fivelamps.org.uk)  
[conduit.org.uk](http://conduit.org.uk)

2. **Social Finance** is a not-for-profit organisation that partners with government, the social sector and the financial community to find better ways of tackling social problems in the UK and beyond.

Social Finance has mobilised over £100 million of investment to support both existing charities and new social enterprises since its inception in 2007. It pioneered the Social Impact Bond model, a private-public partnership, and it continues to create new ways of helping vulnerable communities.

Social Finance is an FCA-authorized intermediary, providing advisory and capital raising services to social enterprises, charities and socially motivated investors to help them become investment ready. This work spans across a range of sectors including financial inclusion, education, housing, homelessness and unemployment.

3. **Big Potential**, was a £20m Big Lottery Fund grant fund that provided grants and support to charities and social enterprises to help them work out how social investment could help them become more sustainable, build their capacity and scale up to deliver greater social impact.

Big Potential is administered by the Social Investment Business for the Big Lottery Fund, in partnership with Locality, Charity Bank, Social Enterprise UK, and the University of Northampton

[Bigpotential.org.uk](http://Bigpotential.org.uk)

4. **Big Lottery Fun**, the largest distributor of National Lottery good cause funding, is responsible for giving out 40% of the money raised for good causes by the National Lottery.

The Fund is committed to bringing real improvements to communities and the lives of people most in need and has been rolling out grants to health, education, environment and charitable causes across the UK. Since its inception in 2004 BIG has awarded close to £6bn.

The Fund was formally established by Parliament on 1 December 2006.

In the year ending 31 March 2013, 28% of total National Lottery revenue was returned to the Good Causes. Since the National Lottery began in 1994, over £30 billion has now been raised and more than 400,000 grants awarded across arts, sport, heritage, charities, health, education and the environment,

[Biglotteryfund.org.uk](http://Biglotteryfund.org.uk)

5. **The Social Investment Business** is one of the UK's leading social investors and has invested over £375 million in 1100 charities and social enterprises since 2002. We provide simple finance to help them grow and transform the communities in which they work. We pioneer new finance solutions to increase the funds available for social investment

[Sibgroup.org.uk](http://Sibgroup.org.uk) @TheSocialInvest

6. **About Big Issue Invest:** Big Issue Invest extends The Big Issue's mission by financing the growth of sustainable social enterprises and charities across the UK. Big Issue Invest offers loans and investment from £20,000 to £3 million. Since launching in 2005, we have invested in over 330 organisations, all of which have positively influenced the lives of people across the UK. We currently manage or advise £170 million of social funds.

Created by social entrepreneurs, for social entrepreneurs, Big Issue Invest is the world's first 'Social Merchant Bank' and a steady champion of social enterprise.

For more information go to: [www.bigissueinvest.com](http://www.bigissueinvest.com)