

Fronted launches UK-first rent deposit loan product

For the UK's 4.5M renters, the largest rental barrier is the upfront deposit. Almost £5B is locked in deposit protection schemes, preventing renters from moving.

Temps de lecture : minute

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This is why London-based startup *Fronted* is launching the first deposit loan product in the UK. The business was created after discovering the lack of financing options available for renters. Fronted's founders saw that alternative deposit products on the market were either built or owned by estate agents or align their interests to landlords.

The Fronted Deposit splits the large upfront cost of a renter's security deposit over 12 months, the usual length of a tenancy. By dividing up the cost, renters no longer have to dip into savings or delay moving while they wait for their deposit to be returned.

Jamie Campbell, CEO at Fronted, said:

"We are getting 1,000 applications a month coming through the site; much more than we thought we would get at this stage."

"We have launched ahead of raising capital to help renters move without needing to save up five weeks' rent for their deposit, so they can act on their desire to move."

The business was forced into hibernation during the first lockdown when the property market closed for *four months in 2020*. Since then, Fronted has completed development and gained FCA approval to launch.

“Small businesses and startups have had a tough year,” said Jamie. “Like other business owners we were forced to put plans on hold, but now we are launching with more demand than we can serve and a rental market that needs Fronted more than ever.”

Renters’ demands are shifting, with searches for properties with gardens, parking, garages, balconies and pet-friendly rentals growing in popularity. Renters are also the most likely to be affected financially by furlough schemes and not being able to work from home.

Fronted makes money by charging 12.5% fixed interest on their Fronted Deposit product. They advertise approvals in 24 hours, with no hard credit checks and no early repayment fees.

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