

# Factored, alternative and sustainable property finance

*As part of our quick founder questions series – or QFQs – we spoke to David Rabee and Ben Schuldenfrei, the cofounders of Factored about helping landlords manage the unexpected, the vital importance of resilience and how rejection can inspire preparation.*

Temps de lecture : minute

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## What was the catalyst for launching Factored?

[David] The large and unexpected costs of being a landlord is a very real problem I faced firsthand. When a leaking bathroom in my rental property needed an immediate £10,000 to fix, it caused all sorts of problems for both me and my tenant. I didn't have that much in savings, the banks were too slow to respond and I didn't like the potential impact on my credit score. This experience presented a gap in the market for a solution that could provide quick financial relief for landlords, specifically, allowing them to access their future rental income early

Around the same time, my school friend Ben encountered a similar issue. Our shared experiences sparked the idea for *Factored*. Together, we set out to create a solution that helps landlords manage unexpected expenses efficiently, ensuring both landlords and tenants can thrive. That's how Factored came into being!

## Tell us about the business – what it is, what it aims to achieve, who you work with, how you reach customers, and so on?

[Ben] Factored provides landlords with immediate access to future rental income, enabling them to address large capital needs such as repairs, refurbishments and retrofitting. Our platform is designed to be fast, flexible, and protective of landlords' credit scores. We have a robust network of partners across the UK who refer customers to us daily. Typically, we work with landlords who own between one and five properties.

## How has the business evolved since its launch?

[Ben] We officially launched Factored in September 2023, and since then, we have grown significantly. We now have numerous landlords using our service and have facilitated hundreds of repayments. Our journey has been one of rapid expansion and continuous learning.

## Tell us about the working culture at Factored

[David] At Factored, we understand that a healthy work-life balance is crucial, especially given the fast-paced nature of our business. We ensure that our team members are well-rested and supported, and have a remote-first working policy. We also have a customer first approach, building our tech around what landlords need, not what we think they will need!

## How are you funded?

[Ben] We are funded through a combination of venture capital and angel investors, providing us with equity funding for operations. We've also raised a debt facility to fund the lending book, and are currently raising another equity round to fuel our ambitious growth plans

## What has been your biggest challenge so far and how have you overcome it?

[Ben] One of our biggest challenges was raising capital based on an idea and securing a debt facility without prior traction. We faced numerous rejections and had to take hundreds of meetings. However, these experiences were invaluable, and by the time we launched, we were well-prepared to address any questions and concerns.

## How does Factored address an unmet need?

[David] Factored fills a crucial gap in the market by offering landlords quick access to future rental income, which helps them manage unexpected expenses without the delays and complications associated with traditional financial institutions. Our solution ensures that landlords can maintain their properties and keep their tenants satisfied. We also fund retrofits, enabling the landlords of over 3.4 million rental properties below EPC grade C to meet the planned minimum energy efficiency standards.

## What's in store for the future?

[Ben] We have ambitious plans for the future, including integrating with various partners to enhance our service offerings. We aim to develop our risk-scoring engine to facilitate instantaneous decisions for factoring

rental income. Additionally, we plan to expand into commercial properties, retail spaces, serviced apartments, and other sectors.

## What one piece of advice would you give other founders or future founders?

[Ben] Resilience is key. Throughout our journey, we had to navigate countless meetings with landlords, investors, and debt providers, learning a great deal from each interaction. Many of which didn't really think our business would work! Persistence and the ability to learn from rejection are crucial to success.

## And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

[David] Running a business is challenging, so we approach it like an athlete would. Our daily routines include regular exercise, eating well, getting enough sleep, socialising, working hard, and meditating. This holistic approach helps us maintain balance and stay focused on our goals. If you're mentally and physically fit, we believe you will beat the competition!

David Rabee and Ben Schuldenfrei are the cofounders of *Factored*.