Need Extra Cash? UK Direct Payday Lenders Can Help by Phoenix Payroll Ltd

Article published on May 17th 2012 | Finance

Short term loans, or â€˜paydayâ€™ loans, have become more and more popular in recent years. What started off as an American system is now common in the UK too, with many people taking out small loans to tide them over a difficult month or help meet a hefty and unlooked for expense.

The idea of a payday loan is that the borrower applies for a small amount (usually below Â£500), and promises to repay it within a month (or when the next pay cheque arrives.) If the lender approves the loan, the cash is transferred pretty sharpish to the borrowerâ€™s bank â€“ in less than 24 hours, with some companies offering transfers in as little as 15 minutes.

In the UK there are two ways of getting a loan of this type â€“ directly, or indirectly. In direct lending, borrowers apply straight to the company and the company either approves the loan and provides the cash, or refuses it. Indirect lending involves a middleman â€“ a broker â€“ who acts as a go-between for the borrower and the lending company.

Now that so many direct payday lenders operate online, many customers prefer to go straight to the lender without using a broker. This generally works out cheaper as a broke will charge commission for his services. Borrowing via a direct lender is also quicker, as the whole process can be undertaken online and many companies offer instant decisions about whether or not to offer a loan.

The advantage of brokers is that they are able to check with lots of different companies for the best deals, and in some cases you are more likely to be accepted for a loan if represented by a broker. However, direct payday lenders in the UK are under obligation to state their interest rates upfront, so itâ€™s fairly easy to compare various lenders for the best deals yourself.

Whichever option you prefer, make sure you understand how much youâ€™ll be charged and when. Payday loans can be a great option for people with a steady income who just need a little extra on rare occasions, but be warned: they are short term solutions only and not designed for long term or large scale debt management.

Article Source:
http://www.articleside.com/finance-articles/need-extra-cash-uk-direct-payday-lenders-can-help.htm - Article Side

Phoenix Payroll Ltd - About Author:
Yorkshirecash.co.uk provides short term a direct payday loans in UK, giving you a break when you need it most. We lend up to Â£400 in cash, which you pay back on your next pay day. We are licensed by the Office of Fair Trading and we wonâ€™t lend you money unless we truly believe you are capable of repaying it, so you can be sure youâ€™re in safe hands. Find out more at http://www.yorkshirecash.co.uk/

Article Keywords:
Direct payday lender, direct payday lender uk, direct payday loans uk

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!