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How to Choose a Reputable Direct Payday Lender by [Phoenix Payroll Ltd](#)

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Direct payday lenders provide short term loans that are designed to help you out until pay day. These loans are meant to help cover unexpected or emergency expenses, such as vehicle break down or maintenance, and are a simple alternative to other types of borrowing such as using a credit card.

There are two distinct advantages of pay day loans from a direct lender. The first is that they are quick. Decisions are generally made in minutes, and the money can reach your bank account within 24 or 48 hours, depending on your bank. The second advantage is that you can still apply for a loan even if you have a bad credit rating, which makes payday loans a feasible option for people with low incomes.

Responsible direct lenders will make certain that you are able to repay what you have borrowed. This reduces the number of people who default on their loans and therefore cuts the risks associated with traditional lending.

A certain amount of risk is unavoidable, both to the lenders themselves and to the borrower, but there are ways of reducing it. For example, most direct lenders in the UK determine the amount they are prepared to loan by the borrower's earnings.

If the borrower earns too little, they may be refused a loan because they are unlikely to be able to pay it back. This safeguarding measure helps borrowers avoid getting into more debt than they can handle, and also protects the direct lenders.

Other security measures applied by direct payday lenders in the UK involve age (a loan applicant must be at least 18), proof of steady income, current residency in the UK and a bank account. The borrower must also agree pay a flat fee on their loan.

As with any type of borrowing, short term cash loans incur a certain level of risk. This means it's important to find a reputable direct payday lender you can trust. Find out as much as you can about the lender before applying for a loan – the following tips can help.

Check that the direct payday lender lists their loan fees, interest rates and any other charges and that you know what these are before applying for a loan. Sometimes these rates will vary depending on the amount you want to borrow.

Do your research – has the company been involved in any fraudulent behaviour? You can find this out by checking with the Better Business Bureau or searching the company name with plus "scam", which will bring up allegations or complaints if any exist.

Finally, if you have questions, speak to the direct lenders in person or over the phone. They will be able to help you understand what's involved and make sure that the process is as simple as possible.

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