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Instant Cash Pay Day Loans – a Great Short Term Solution? [By Phoenix Payroll Ltd](#)

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Direct lending payday loans are sweeping the UK as more and more people are considering taking out a short term loan. This short term lending phenomenon originated in the US but is becoming increasingly popular with Brits in need of instant cash to help pay for an unexpected bill or other expense.

Pay day loans provide instant cash to borrowers for a short time – usually less than a month. The idea is that lenders dish out a little extra cash which you then pay back once pay day arrives. These loans are usually for small amounts, say £100, and you can choose when you pay them back.

There are hundreds of lending companies throughout the UK. Many of them operate directly, which means that a customer contacts the lender directly for a cash pay day loan. This has the advantage of being a slick process – as many direct lending payday loans are available online, the application and decision process are very fast.

If a loan is granted, these “instant cash solutions” can be very instant indeed – with some companies transferring money to the customer’s bank account within as little as 15 minutes. Others take around 24 hours, but still, it’s faster than you’d get on the high street.

Convenience is a major selling point of the cash payday loan. However, it does come at a price. UK direct lenders are required by law to publish their rates of interest, which can reach the dizzying heights of 30,000% APR in some instances.

Apart from the odd company with ludicrous rates, the interest rates and fees charged by lenders aren’t quite as scary as they first look. Interest accumulates for every day that a customer has a loan, so the quicker it’s paid back, the less the interest will be.

For this reason, instant cash payday loans really should only be used as a short term solution. Most direct lenders will set a limit on the length of time it takes to pay a loan back to prevent interest rates becoming prohibitively high and protect both the direct lenders (from customers who default on their loans) and the customers (from getting into spiralling debt.)

If you’re considering taking out an instant cash payday loan, check that the provider is licensed by the Office of Fair Trading. This weeds out the loan sharks and means they have agreed to adhere to responsible lending standards and have made a commitment only to lend to those who will be able to repay their loans.

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capable of repaying it, so you can be sure you're in safe hands. Find out more at a <http://www.yorkshirecash.co.uk/>

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