New Report from the Online Lenders Alliance Details Fintech Industry’s Commitment to Eliminate Fraud

Online Lenders Alliance 1 Million Websites Reviewed, 98 Percent Resolved

WASHINGTON (PRWEB) February 25, 2019 -- A new report out today by the Online Lenders Alliance (OLA), whose members account for 80 percent of online loan volume in the U.S., provides a detailed look into an industry-wide policing effort to protect online borrowers from fraud and abuse. OLA’s policing efforts include clear Best Practices that all members must comply with; a robust web-crawling initiative aimed at weeding out improper behavior; an active OLA Consumer Hotline; a widely recognized OLA Seal; and a steady flow of reporting to the Federal Trade Commission.

The full report can be viewed here.

Since 2016, OLA has reviewed more than 1 million URLs for misleading advertising, identifying 132,000 websites for concern. 98 percent of companies identified by OLA corrected improper language on their website after being contacted by OLA. Companies that failed to take corrective action have been reported to the Federal Trade Commission (FTC).

“No trade association does more than OLA to police its own industry,” said Mary Jackson, CEO of OLA. “We crawl hundreds of thousands of websites to make sure the industry and our members are complying with our best practices. If we see a company engaging in illegal or deceptive behavior, we call them out, and if changes are not made, we report them to the authorities.”

OLA members comply with a superior Code of Conduct and Best Practices that surpass legal standards and include everything from how a loan is advertised to how debt is collected. The OLA Seal has become a trusted symbol for consumers to identify companies that commit to the highest standards of conduct. OLA also offers a free consumer hotline, provides financial literacy to borrowers, and keeps them safe from online fraud through our policing efforts.

OLA’s Consumer Hotline resolves callers’ questions about loans and concerns about fraud on average in 72 hours or less. Since its inception in January 2016, the Hotline has received 25,555 calls—an average of 774 calls per month. All fraud related activities identified through the Hotline are reported to the FTC.

“Fintech companies are providing new and innovative products, financial literacy courses, and the ability for consumers to build their credit,” added Jackson. “Our members offer a more affordable, flexible, and convenient alternative to payday lenders.”

The report also provides details on who borrows online and the ways fintech companies are partnering with banks and third parties to expand access to credit. The characteristics of online borrowers include:

- Jobholders or those with proven income: The first and most consistent requirement to be approved for an online loan is proof of employment or other steady income.
- Americans at all income levels: Despite a perception that online borrowers are mostly low income, many online borrowers are from middle- and upper-income levels.
- Victims of major financial shocks: Many online borrowers are victims of a major financial shock like divorce,
an unexpected medical emergency/expensive treatment, or other loss.
- Creditworthy with the ability to repay: Over 70% of online loans are repaid in full and 89% had no charge-off flag. On average, only 10% of online loan applications are approved.
- Middle-aged: The median age of an online installment loan borrower is 43, while the median age of a small dollar single-pay loan is 41. Most borrowers are neither young nor elderly.
- Homeownership and education: Homeowners represent 42% of online borrowers and a majority have completed some higher education, with many having 4-year degrees.

View the full report here.

About OLA
The Online Lenders Alliance (OLA) is the first trade association in FinTech. OLA is focused on credit inclusion, bringing together a diverse group of innovative companies who share a common goal: to serve hardworking Americans who deserve access to trustworthy credit. Our members are entrepreneurs, publicly-traded companies, lenders, credit bureaus, advertisers, lead generators, compliance professionals, and software developers who are leveraging technology to responsibly improve consumers’ financial health. Consumer protection is our top priority and OLA members abide by a rigorous set of Best Practices and Code of Conduct to ensure consumers are fully informed and fairly treated.
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Online Web 2.0 Version
You can read the online version of this press release here.