Regulation of Payday Lending in Manitoba

Are the Rate Caps Reasonable?

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Executive Summary

The current rate cap of 17% of the principal amount of a payday loan is reasonable. A significant number of payday lenders continue to operate in Manitoba, signalling that they can continue to at least earn a fair rate of return at that rate. Other Canadian provinces have implemented higher rate caps, but they did not engage in as thorough rate hearings as Manitoba did, and they did not provide much funding for research in the public interest. The Ontario rate cap is 21% and two of the largest lenders are now offering some discounted prices to increase business, but the same discounts are not offered to Manitoba customers, which allows the reasonable inference that the Ontario cap is too high and the Manitoba cap is probably appropriate. Some US states have rate caps that effectively bar payday lenders, while most of the rest have instituted rate caps of 13% - 19%, with the commonest single cap being 15%. The major payday lending firms are generally profitable in Canada and the US, which is further evidence that the rate caps are not too low, and perhaps might be a bit too high in Canada.

The Existing Rate Regulations

Maximum cost of credit

13.1(1) Subject to subsections (2) and (3), for the purpose of subsection 147(1) of the Act, the total cost of credit for a payday loan must not be greater than 17% of the principal amount of the payday loan.

Replacement loan
13.1(2) For the purpose of subsection 147(1) of the Act, the total cost of credit for a replacement loan must not be greater than 5% of the principal amount of the replacement loan.

Extensions, renewals and consecutive payday loans
13.1(3) For the purpose of subsection 147(1) of the Act, the total cost of credit for a payday loan must not be greater than 5% of the principal amount of the payday loan, if
(a) the payday loan is an extension or renewal of a payday loan previously arranged or provided; or
(b) the payday loan is arranged or provided by a payday lender within seven days after the borrower repaid in full another payday loan previously arranged or provided by that payday lender.

(http://web2.gov.mb.ca/laws/regs/2010/050.pdf)

The restriction or cap on payday loan fees is an integral part of the law governing payday lending in Manitoba. Section 13.1 is arguably the most important single element of the law and regulations, because it limits the amount that will be charged on most payday loans to 17% of the principal loaned. Other parts of the law specify what must be included in "total cost of credit," which is defined to include almost any form of fee or interest. Discounting of payday loans is prohibited.

The restriction on replacement loans, extensions, renewals and consecutive payday loans merits some explanation. In the early days of payday lending, a borrower who could not repay the loan would be charged a fee for an extension/rollover/rewrite (these terms were used interchangeably) that would be the entire fee applied to the unpaid balance of the previous loan. In the context of the Manitoba rate cap of 17%, it would have worked like this. The borrower got a payday loan of $100, and on payday owes $117 to the lender. The borrower cannot repay any of the loan, and so the lender rolls it over for a fee of 17% of the total value of $117. On the next payday, the borrower will owe $136.89. Consumer rights groups and regulators of payday lending in Canada and the US have held this fee structure is unreasonably onerous and leads to debt traps, and have banned or limited the practice. The lender does not have to spend the same administrative effort to reissue an existing loan, and hence should not be allowed to charge the entire fee over again. Manitoba's regulation limits the fee on a rollover or any new loan taken out within seven days, to 5% of the principal, to reduce this debt trap problem.

What is the Evidence That Supported the Existing Rate Regulation?

In 2007-08, the Manitoba Public Utilities Board received voluminous submissions of written evidence to determine appropriate rates and other regulations, and also held lengthy public hearings. A group of community organisations retained the Public Interest Law Centre to commission expert evidence and represent the community interest in payday lending regulation. Several payday lending companies and the Canadian Payday Loan Association (CPLA) participated in the hearings, and both the CPLA and Rent Cash Inc. (which subsequently became Cash Store Financial Inc.) retained counsel and commissioned expert evidence.

Dr. Chris Robinson presented evidence in writing and orally regarding the suitable rate caps. His evidence drew primarily on two methods:

1. Most rate regulation calculates the capital base and allowable operating costs of the regulated industry, assuming efficient operations. An appropriate cost of capital is determined to allow an appropriate rate of return on the capital investment in the business. The volumes of business (e.g. cu. Ft of natural gas) are known, or different levels are assumed. The remaining unknown variable is the price per unit, and it can be calculated from all of the other factors. This method thus allows a competitive rate of return to a regulated business, if it is efficient.
2. If the product or service and the business providing it are sufficiently similar in other jurisdictions that have regulated rates, those rates can be investigated to determine if they also provide a suitable reference point for the rates in Manitoba.

Dr. Robinson's conclusions for suitable rates can be summarised from his presentations to the PUB as follows:

First, the legislation and the comments of government ministers made it clear that a payday lending industry was to be allowed to exist, and hence the rate regulation must be a "just and reasonable rate." In order to analyse rate regulation, a definition of a just and reasonable rate is needed, and Dr. Robinson argued that the PUB should accept the following definition:

A just and reasonable rate for a payday lender to charge is a rate that allows an efficient lender to recover costs and earn a reasonable profit, but not earn an excess profit. (The foregoing is a direct quotation from the Powerpoint presentation used in oral testimony in front of the PUB by Dr. Robinson).

If that definition is accepted, then the regulatory model in the first method becomes operational. The industry argued for the much less efficient cost structure of the average lenders in the Ernst & Young report, which report also contained two serious biases that would have allowed much higher costs:

- Many smaller lenders were included in the sample, and their lower volumes meant higher per unit costs.
- Many of the stores were in the early stages of growth, and hence the fixed costs were distributed over an abnormally low loan volume, again leading to higher per unit costs.

For the second method, the appropriate jurisdiction must be defined, and the US is the obvious one. Money Mart, Canada's largest payday lender, was and is owned by a US company. The business model of payday lenders in the US is virtually the same as it is in Canada. The only difference is that there is much more corporate concentration of payday lending in Canada than there is in the US. This should lead to Canadian payday lenders being able to charge lower rates due to scale efficiencies.

Dr. Robinson concluded from the evidence that the following rate schedule was suitable for Manitoba:

- A just and reasonable rate cap for Manitoba:
    - Payday loan: 17% on $250, 12% on next $250, 10% on the rest
    - + $10 fee only for first-time borrower
    - Replacement loan: $10 + 1% per week.
    - Default fees: $20 + NSF cost
    - Alternative for initial payday loan is 17% of entire loan.

(The foregoing is a direct quotation from the Powerpoint presentation used in oral testimony in front of the PUB by Dr. Robinson).

These recommendations are very close to the Regulations that the PUB adopted. The PUB did not accept the complexity of the stepped rates and chose a flat 17% fee. It also adopted a higher fee for replacement loans. This might lead to excess returns for the payday lending industry as a whole, according to Dr. Robinson's evidence. However, the difference was not very large. The industry refused to provide evidence on the distribution of loan sizes, but Dr. Robinson suggested that most loans were under $500 and so 17% on the first $250 plus a $10 fee for the first loan would not be much different for most borrowers than 17% on every loan.

The details of Dr. Robinson's analysis using the first method are quite complicated. Appendix 1 contains a sample table that shows the results of some of the most relevant trial runs. The method is to insert different assumptions about costs, based on the available evidence, and try out different payday loan fee structures. The desired outcome is a zero excess profit. The cost of capital is included in the model, and hence the output should be zero if the rate structure is fair. Of course, hitting exactly zero will happen only by accident, since all of the variables are estimates, and it requires reasonable judgement to determine what rates seem to work. The PUB had the spreadsheet that produced the table in the Appendix, and it concluded from all of the evidence that the rate structure it put into the Regulations was fair. The industry intervenors argued for much higher rates, ranging from 20 – 26%.

For the second method, Dr. Robinson compiled a list of the different US state regulations. At the time thirteen states banned payday loans, in effect. A few did not regulate them. Most states did regulate them, and the average of the rate caps was about 15.5%. A number of states had a rate cap of 15%, and in all the states with rate caps ranging from 13% - 19%, major US payday lending companies had a substantial presence, and all of those companies whose results were in the public domain were profitable. This evidence supports the conclusion that at the very least, a rate of 17% would not be too low for the companies to operate, since the US companies were able to operate profitably at 15.5% on average, and had many outlets in states with caps as low as 13%.

Is 17% Still a Reasonable Cap?

We cannot perform the analysis shown in Appendix 1 without a major resource commitment and substantial support from the payday lending industry. We note that companies in a rate regulation proceeding ordinarily provide extensive audited financial information and allow access to their accounting systems through queries. If the payday loan companies provide several years of audited financial statements for their entire corporate operations and for Manitoba operations, we could re-test the model that underpins Appendix 1. We used a combination of sources for our data last time:

- Canadian results segmented on the 10Ks of Dollar Financial
- The Ernst & Young study. We have explained the serious weaknesses of this study, but nonetheless some of the data was useful
- Rent Cash annual reports (but there were serious problems with this data and it was of limited usefulness, due to the combination with another business and the use of a broker model of payday lending)

- Advance America 10Ks. Advance America was contemplating entering the Canadian market and in fact did so while the Manitoba hearings were ongoing.

Unfortunately, we do not have most of this data currently. Dollar Financial is disclosing less information on its segmented reports. There is no updated Ernst & Young study. Cash Store Financial, the successor to Rent Cash, claims that it is not a payday lender at all, a claim we dispute in another section of this report. In any case, various complications of its business model and other charges reported in its statements, make use of its numbers problematic. Advance America numbers would still be somewhat relevant, but Advance America decided not to continue to operate in Canada.

This leaves us with three methods of assessing whether the 17% rate cap is still suitable. Now that we have three years of regulated rate experience in Manitoba, we can observe what has happened in the competitive landscape. We also have some years of regulated rate experience in other provinces now (Manitoba was the first to hold rate hearings, also the only province to support properly funded intervenors and informed debate between the parties), and we can learn from that. We can consider the US again. Finally, we can look at the profitability of some payday lenders at the corporate level, though we cannot observe profitability in Manitoba, because the companies will not provide any information.

Results from a Rate Cap in Manitoba

Without audited financial statements of the Manitoba payday lenders, the best evidence is two-fold: mystery shopping to determine what the borrowers experience when they take out a payday loan; and, a comparison of the number of stores before and after rate regulation. Mystery shopping is the subject of a separate report to the Board. In this paper, we look at store counts, shown in Table 1.

We can learn quite a bit from Table 1. First, the industry in Canada has expanded very slightly in terms of total stores since 2005. Second, the number of stores outside of the big three chains has declined greatly since 2005 in Canada as a whole, and by almost 50% in Manitoba since 2008. The number of stores in the big chains has declined slightly in Manitoba since 2008. The most important event for both Manitoba and Canada since 2008 has been the move to provincial regulation and the introduction of rate caps. These numbers are consistent with the normal progression observed in most new industries. The opportunity for easy profits with high prices has vanished and efficiency becomes essential for survival. The large chains have economies of scale in advertising, oversight and systems that keep their costs per loan lower than independent stores, and hence the largest chains are expanding while the smaller players are disappearing.

Table 1: Payday Lending Store Counts in Manitoba and Canada						
	Money Mart	**Cash Money**	**Cash Store /Instaloans**	**Big 3 Total**	**Other Companies**	**Total**
Canada						
Dec 2005[1]	350	71	298	719	631	1,350
2012[2]	488	130	511	1,129	271	1,400
Manitoba						
Jan. 2008[3]	18	5	25	48	23	71
April 2013[4]	19	5	23	48	16	63

Sources:

[1] CPLA membership lists and a search of Cash Money's website by Dr. Robinson in 2005. The total count for Canada was a CPLA estimate (not all payday lenders belong to the CPLA) based on its search of the Yellow Pages. The Other Companies total is by subtraction.

[2] Dr. Robinson manually counted the store locations on the Cash Money website in April 2013. The Money Mart and Cash Store counts come from their annual reports. The Canada total is a CPLA estimate (http://www.cpla-acps.ca/english/mediabackgrounders2.php, accessed May 12, 2013) and the Other Companies total is by subtraction.

[3] Dr. Robinson used the CPLA lists, checked the totals shown on the web sites of the big three, checked the yellow pages for every community in Manitoba that might possibly be big enough to support a payday lender and telephoned many of the stores that were not in the big three chains to verify their existence.

[4] The Manitoba Registrar provided a list to us in April 2013 that shows 43 payday lenders registered. Three of the stores that are not part of the big three chains seem to be outlets that registered twice but the second registration is for title loans. These three are in Swan River, The Pas and Dauphin, places that would not likely support two payday lenders. Cash Store and Instaloans claim that they are not payday lenders, but we have added them to this list because the product they sell is virtually identical to a payday loan in practice.

Has the rate cap forced payday lenders into decline in Manitoba, preventing residents from getting an essential service? Leaving aside the implicit claim in that question that payday lending is essential, the answer is no. Manitoba does have the lowest rate cap in Canada, but the cap is still higher than that in most US jurisdictions, and there are still 63 stores in Manitoba, three years after the cap was promulgated. A normal progression in a new industry is building of overcapacity, followed by a period of shakeout, consolidation and withdrawal of excess capacity to match consumption at economic prices. The decline from 71 to 63 stores is not unusual in this situation.

Another way to look at it is to consider the average population served by a payday loan store. Using the 2011 census figures, we find that the population per payday lender (including Cash Store and Instaloans) is 13,290 in Ontario, 19,807 in Manitoba, 17,817 in Saskatchewan and 16,000 in BC. Manitoba has the largest number per lender, but the difference is not enough to say that Manitoba residents are denied access to payday lenders. The largest community in Manitoba not served by a payday lender is Winkler, which has a population of only 10,670 in the 2011 census.

Two of the registered lenders in Manitoba are internet lenders only, and Money Mart and Cash Money also offer internet loans. Manitoba residents probably have better access to payday loans in 2013 than they did in 2008 when the original hearings on the rate caps concluded. A store count gives a reasonable sense of the availability of payday loans, and there seem to be lots of stores still, even though the number has declined. A claim that rate caps have restricted availability of payday loans would have to be accompanied by comprehensive evidence that loan volume per store has declined, and no such evidence is available.

During the 2007-08 hearings, Dr. Robinson argued that rates should not be set so high that anyone could offer payday loans even if the volume was too low to justify a full-time business. He noted the existence of a payday lender housed in a flower store in one smaller community in Manitoba, and other examples he had encountered in Ontario. All small businesses need to find enough volume of sales to cover the fixed costs of opening the doors every day, and payday lenders are no exception. The growth of the chains, the reduction in the smaller operators' numbers and the expansion of internet payday lending are natural responses to that basic issue. The rate cap of 17% has not deterred payday lenders from operating in Manitoba, and they are adjusting to it.

Competition in Ontario and the US

Ontario has a rate cap of 21%, four percentage points higher than Manitoba. Not surprisingly, this has encouraged a greater growth of payday lending. Ontario's population density is much higher than Manitoba's, and it has many urban centres in southern Ontario and a few in the north capable of hosting one or more payday lenders. Some interesting developments have arisen.

Prior to the implementation of regulations, Money Mart had a complex fee structure across Canada consisting of a fixed fee plus an interest charge plus a percentage of the loan principal. For an average size loan of average time length, the Money Mart fee was approximately 19% of the principal. When Ontario introduced its regulations, the Money Mart fee rose to 21% in Ontario, which meant that Ontario consumers were in fact hurt by the regulation. There seemed to be no price competition before or after regulation. However, there are more stores per capita in Ontario than in Manitoba, and competition has finally arrived. Money Mart now has a rate of 20.79%, which is lower than the cap. Furthermore, Money Mart now offers a special deal to the first time borrower – the first $200 is free, anything more than that is charged 20.79%. Cash Money offers a different deal for a first-time borrower, the first $200 is charged only $20, and 21% on anything above that. However, the Money Mart offer is uniformly available only to a first-time borrower. Telephone calls to three Cash Money outlets revealed somewhat different rules on who qualifies for the special deal. One store offered it to first time customers or customers who have not used the service in 45 days. Another defined first time users or customers as those who have not used the service in at least 6 months. The last store offered it to first time customers, and used discretion for repeat customers. Discretion was undefined. Cash Money and Money Mart do not offer discounts of any sort to Manitoba customers.

The introduction of a 21% rate cap in Ontario seems to have allowed more revenue than the major chains needed to remain profitable, since they are now lowering rates below the cap. There is a disturbing undertone to this form of competition, since we know that to be profitable, a payday lender has to get most of the business from frequent repeats from a small base of customers. Most Canadians never use a payday lender.

In the US, a number of banks have entered the payday loan business, the best-known of them being Wells Fargo Bank. They charge $7.50 - $10 per hundred of loan, the average loan is under $200 and the average maturity is 12 days, which is when the next direct deposit occurs in the borrower's account.[1] If the US banks can do this, then there is no reason to argue that payday lenders should be allowed to charge higher rates. If the payday lenders are not efficient enough to compete, then they should be allowed to disappear. The public policy argument is whether the banks and credit unions in Manitoba should offer some form of short term unsecured lending, not whether payday lenders should be allowed to charge much higher rates to support operations that are too small to be efficient.

The US rate caps reported in the evidence presented to the Board in 2007-08 have not changed significantly, as far as we can determine. Oregon introduced a rate cap that was too low for payday lenders to continue to operate and they have all exited the state. Other than that, as far as we can determine, the other states have not changed their caps. The 15 states (including Oregon and the District of Columbia) that set rates too low to permit payday lending have maintained those laws. Almost all the remaining states had rate caps, and we find no reference to changes on the website of the Center for Responsible Lending, which is the authoritative source for independent research and monitoring of payday lending (http://www.responsiblelending.org/payday-lending/, last accessed May 14, 2013), as well as other consumer lending issues.

Profitability of Payday Lenders

Table 2 shows that the large payday lending firms have been generally quite profitable.[2] The US firms Cash American and Advance America are operating in states that

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[1] Rebecca Borné and Peter Smith, "Triple Digit Danger: Bank Payday lending Persists, March 21, 2013. http://www.responsiblelending.org/payday-lending/research-analysis/Triple-Digit-Bank-Payday-Loans.pdf

[2] Cash Store Financial results are quite difficult to interpret due to large related party payments, arbitrary discretionary payments to the invisible lenders who provide the financing for the brokered loans and lawsuits. In 2012 the company paid $113 MM for a loan portfolio that it said had a gross value of over $300 MM, but which it recorded as worth only $50 million, while also recording a special charge for a premium paid for this loan portfolio of $36 MM. In 2012 the company took bad debt expense of $31MM which is of course losses on the loan portfolio for which it paid a large premium. The company has also launched a special investigation of allegations that related parties were improperly compensated for the loan portfolio purchase.

have rate caps generally lower than Manitoba and much lower than the other Canadian provinces. No 2012 results are available for Advance America because a Mexican company took it over. Dollar Financial has a significant present in Europe now, though Money Mart in Canada remains its largest single division. There is no evidence to suggest that a rate cap of 17% prevents a payday lender from earning a fair rate of return.

Table 2: Summary Financial Results of the Largest Payday Lenders in Canada and the US

2011/2012	Revenue (MM)	Total Assets (000)	Net Income (000)	Return on Equity
Advance America 2011	$625.9	$431.6	$67.6	25.8%
Cash America 2012	1,800.4	1,818.3	107.5	11.1
2011	1,583.1	1,674.2	136.0	15.9
Cash Store 2012	189.9	200.7	-43.1	-ve
2011	187.4	121.8	9.0	10.6
Dollar Financial 2012	1,061.7	1,776.5	52.4	11.4
2011	788.4	1,661.5	64.2	15.2

Inflation and Cost of Payday Lending

The payday lenders may argue that they should be allowed higher rates due to inflation. This is a completely untenable argument that confuses the price of tangible assets with the rate of interest as a price of money. As inflation erodes the purchasing power of the dollar and the tangible assets it will buy, the tangible asset must rise in price. The loan that is taken out to buy it will therefore rise by the rate of inflation. A fee or interest rate applied to that loan will also rise with inflation, thereby providing the payday lender with the increase in revenue to match the increase in costs. No increase in the fee percentage is justified.

Cash Store Financial

Cash Store Financial claims it is not a payday lender and therefore is not bound by the payday lending regulations in Manitoba. It claims that what it is offering is a line of credit, and the very large fees charged for this line of credit are really banking charges. In any case, since it is not a payday lender, the payday lending regulations do not apply.

Both the mystery shoppers in Manitoba and Dr. Robinson's research assistant in Ontario have been largely baffled and frustrated in their attempts to get accurate disclosure of the costs of a "line of credit" at The Cash Store and Instaloans. We think the following may be a reasonable representation of the costs, but the staff will not confirm the cost of a loan unless a person actually takes out a loan and is thus committed to repaying it, including the fees.

- A broker fee of 24.51% of the principal amount for arranging the line of credit
- An initial fee to set up an account, $5.00.
- A fee charged for every loan, $6.00.
- Interest of $.16 per day per $100 of loan.
- A monthly account maintenance fee, charged up front on each loan, of $25 per month.

We acknowledge that we may not have gotten these fees exactly correct, because of the vagueness of the responses to our questions and contradictory responses given to repeat inquiries. We are confident that The Cash Store is charging fees considerably greater than the payday regulated rate of 17% of the principal of a loan, for what it calls its line of credit products. Dr. Buckland telephoned a Cash Store outlet and when he asked how much a $100 loan would cost him, the clerk informed him that he would have to repay approximately $175.[3]

Cash Store Financial cannot have it both ways. If it is not a payday lender, then it is bound by the terms of Section 347 of the Criminal Code. It can be argued that the fees it is charging for its "line of credit" are part of the interest expense as defined in the Criminal Code. In addition, if the account maintenance fee is really a banking fee, then the company needs to be a chartered bank, and it is not. We have not been informed that these accounts would allow any other activity than payday loans, although perhaps that is because we did not ask the right questions. The terms of the first set of line of credit loans are that at least 90% of the first 12 loans must be repaid on the next payday, and the limit is 30% of income. These terms are indistinguishable from a payday loan.

[3] Telephone conversation with Dr. Buckland, May 10, 2013.

Appendix 1: Variations in the Regulation Model

The variables that have the greatest effect on the profitability of the firms in the model that I use are: loan volume, operating cost per $100, the bad debt rate and the rate cap on the initial payday loan. All other inputs are held constant. All other inputs are the same for all stores except for regulatory cost, which is $10,000 per store for single stores and $6,500 per store for chains. The tables show the effect on Excess Profit of different scenarios. The desired target is Excess profit = 0 in this model

Panel A

Rate cap: $10 new borrower + 17% on first $250 + 12% on next $250 + 10% on the rest							
	Large Chain				Single Store		
Volume	3 MM	2MM	1.6MM	1.2MM	1.5MM	1.0MM	750K
Operating cost	$8.51	$8.51	$11.00	$12.00	$12.00	$15.00	$16.00
Bad debt rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Excess Profit 000	$111	$66	$9	-$11	-$12	-$46	-$49
Excess per loan	$10.88	$9.73	$1.62	-$2.73	-$2.26	-$13.64	-$19.19

Panel B: 4% bad debt rate instead of 3%

Rate cap: $10 new borrower + 17% on first $250 + 12% on next $250 + 10% on the rest							
	Large Chain				Single Store		
Volume	3 MM	2MM	1.6MM	1.2MM	1.5MM	1.0MM	750K
Operating cost	$8.51	$8.51	$11.00	$12.00	$12.00	$15.00	$16.00
Bad debt rate	4%	4%	4%	4%	4%	4%	4%
Excess Profit 000	$76	$43	-$10	-$25	-$29	-$58	-$58
Excess per loan	$7.45	$6.30	-$1.81	-$6.16	-$5.69	-$17.07	-$22.62

Panel C:

Rate cap: 17% of the value received, no first time borrower fee							
	Large Chain				Single Store		
Volume	3 MM	2MM	1.6MM	1.2MM	1.5MM	1.0MM	750K
Operating cost	$8.51	$8.51	$11.00	$12.00	$12.00	$15.00	$16.00
Bad debt rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Excess Profit 000	$139	$85	$24	$0	$3	-$37	-$42
Excess per loan	$13.63	$12.50	$4.38	$0	$.50	-$10.88	-$16.43

Appendix 2: What is Wonga?

https://www.wonga.ca/

It is an internet lender that advertises a lot.

- Its rates are graduated by both time and amount, and the scale is not perfectly linear. At lower amounts, it seems the fee increases by $1 per hundred per day, but for $400 for 45 days, it tops out at $84, which is exactly $21 per hundred, which is the Ontario rate cap.
- Wonga is listed as a payday lender registered in Ontario, one site only, 401 Bay St in Toronto. It is incorporated in BC and has its head office in Vancouver. It is not registered as a payday lender in Manitoba.
- The website does not reveal any restriction on province of applicant. Dr. Buckland and Dr. Robinson's research assistant both inquired by telephone, and were told that Wonga does not make loans to Manitoba residents.
- Interesting content on the website. They advise people they don't want to lend for more than 45 days and advise them not to borrow if they aren't sure they can repay. Here is a sample quotation:

  > Our website provides a financial service plus some clear guidance about using it responsibly. We urge you to think carefully before applying for a Wonga loan, because we expect it to be repaid when you promise to. We describe the potential consequences of failing to do so (How to Wonga or FAQs), plus offer tips for anyone already struggling with debt (including useful links to organizations like Credit Counselling Canada). Our website provides a financial service plus some clear guidance about using it . We urge you to think carefully before applying for a Wonga loan, because we expect it to be repaid when you promise to. We describe the potential consequences of failing to do so (How to Wonga or FAQs), plus offer tips for anyone already struggling with debt (including useful links to organizations like the Citizens Advice Bureau).

- Possibly just PR, but this is more direct than other companies.
- Wonga is a UK company, operating in the UK, Canada and South Africa. It is private.