

Digital lending expands further with 40% increase Q2 FY 23-24: FACETS Report

- Digital loan disbursement volume and value increased by 39% and 43%, respectively, crossing 2.4 Cr loans worth Rs 31,692 crores in Q2 FY 23-24

- Digital lenders report 97% of grievances being resolved within 7 days

Mumbai, XX December 2023: Digital lending plays a vital role in meeting the credit needs of the unaddressed market segments in India. According to the 8th edition of the FACETS report launched by the [Fintech Association for Consumer Empowerment \(FACE\)](#), an industry body of digital lenders, digital loan disbursement volumes and value recorded an annual growth rate of 39% and 43%, respectively. This report analysed the disbursement data of 37 FACE member companies.

Commenting on the eighth edition of FACETS, Sugandh Saxena, CEO at FACE, said, “Data signals strong customer confidence in digital lending. It reflects digital lenders' steadfast commitment to bringing vast unaddressed segments to formal credit with superior experience, choice and convenience. The regulatory foundation and fences are shaping the industry to grow and mature wholesomely, constantly investing and improving customer protection, underwriting models and portfolio quality. We are very pleased to have our members' trust in bringing out the first-ever data on customer grievances in digital lending. We believe that hard facts taking stock of customer complaints and how digital lenders resolve them will inform the industry players about pains and gaps in customer experience and improve individual and collective market conduct.”

Some of the key insights from the report are as follows:

- FACE member companies disbursed 2.44 crore loans during Q2 FY 23-24, an **increase of 39% compared to Q2 FY 22-23 and a 10% increase over the previous quarter.**
- **Disbursement value increased by 43% in Q2 FY 23-24 from Q2 FY 22-23** to reach INR 31,692 crore compared to INR 27,673 crore last year. **More than three-fourths of the companies reported a positive annual growth** over the comparable quarter in FY 22-23.
- **The total Asset Under Management (AUM) of fintech lending companies was INR 36,169 crore, with 69% as an on-balance sheet.** For companies who are NBFC/own NBFC, 79% of the AUM is on their own balance sheet.
- Data on Customer redressal shows **97% of all customer grievances being resolved within 7 days and 41% within a single day.**
- **Over 25% of complaints were related to credit bureau updates and disputes,** followed by app-related grievances (15%) and disclosures (11%).

ABOUT FACE:

Fintech Association for Consumer Empowerment (FACE), a non-profit industry association, set up in Sep 2020. FACE brings together fintech lenders (regulated entities and platforms/aggregators partnering with the regulated entities) and other stakeholders committed to advancing fair and responsible digital lending practices through self-regulation and customer-centricity. FACE members account for an estimated 80% of the retail fintech lending volumes and abide by the FACE Code of Conduct. Working with the fintech lenders and other ecosystem players, FACE pursues customer empowerment through its work in self-regulation, policy advocacy, knowledge, standards, market monitoring, and customer insights. For more information, visit <https://faceofindia.org/>

Link to report: https://faceofindia.org/assets/ResourCecenter/FACETS_Issue_8_Sep_2023.pdf