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How Payday Loans Work

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When pay day loans are used

Pay day loan lenders in the UK usually have people approach them for their short term cash requirements when an unexpected expense crops up. This can be a bills related to major vehicle repair, sudden home maintenance or repair, an overdue credit card payment, a medical emergency or to avoid bank overdraft charges. Pay-day loans are convenient especially when it is embarrassing to ask friends and family for a loan.

How to apply

Traditionally, payday loans involved a physical application, documentation via fax or in person and verification by the UK pay day loan lender. Based on eligibility criteria, the lender approved the loan. Today, Payday loans are much easier to access via online applications. When someone has an urgent need for money and wants a quick cash advance, the application can be made and processed online. This is followed by email intimation about the approval and the funds are transferred to the applicantâ€™s verified bank account in a short span of time. In most cases, where adequate information is provided, the applicant can access the funds on the same day and take care of emergencies.

Eligibility criteria and approval

The eligibility criteria are very simple. The applicant must be 18 years and above, be a resident of the UK with a steady monthly income of at least Â£750 a month and a current bank account to receive the loan amount. Since there are no credit checks, even someone with a poor credit score can receive a pay - day loan. What was once believed to be the saviour of those who lived from payday to payday is now a regular source of ready cash for people from all walks of life. Payday loans are used as a sensible option by many people to tide them over when they need extra cash until next payday.

Once such a loan is transferred to the applicantâ€™s bank account, email intimation lets them know the repayment date so that the UK pay day loan lender can directly debit the loan amount. In some cases, the lender receives a request for deferment of the payment. The lender usually obliges but this is based on certain conditions and increased rates of interest.

Some of the benefits of a pay day loan today are:

â€¢ No hassle of a credit check

â€¢ The application process is 100% online, making it easy

â€¢ Money can be in the applicantâ€™s bank account in 15 minutes

â€¢ There are no hidden costs

â€¢ It is confidential and no one need know about the loan

â€¢ The applicantâ€™s financial and personal details are secure

Today, pay day loans are perceived as â€œno stressâ€• loans that are cheaper than incurring bank overdraft penalties, bounced cheque penalties or late fees on unpaid bills. They are the ideal solution to taking care of a financial shortage, so long as the repayment is made on the next payday.

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Payday Loans Buddy UK is a renowned and trusted loan provider in a UK Payday Loans, specialising in a Best Payday Loans short term loans from Â£70 - Â£1000.

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