

SafetyNet Credit parent close to collapse after FCA crackdown

A provider of high-cost credit to hundreds of thousands of Britons is on the brink of collapse following a crackdown on the industry by the City regulator.

Sky News has learnt that Indigo Michael, the parent company of loan providers SafetyNet Credit and Tappily, filed a notice of intention to appoint administrators shortly before Christmas.

The company could formally fall into insolvency proceedings within days, according to credit industry executives.

Indigo Michael employs roughly 250 people and has about 150,000 active customers.

One source suggested that it had secured agreement from the Financial Conduct Authority to continue new lending and loan recoveries during any administration process.

Last year, it was reported that the FCA had placed restrictions on SafetyNet Credit's operations amid concerns about the company's lending activities.

Both SafetyNet Credit and Tappily, its sister brand, provide revolving credit, meaning customers do not need to apply for additional borrowing once they have repaid outstanding debts.

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The FCA has made tackling high-cost credit provisions one of its priorities in recent years, with dozens of so-called payday lenders disappearing from the market.

AlixPartners, the professional services firm, has been lined up to handle Indigo Michael's insolvency.

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The FCA has been contacted for comment, while a spokesman for the company declined to comment.