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## **LET THE LENDING BATTLE COMMENCE**

After battling with changes to the market lenders are now going to war with each other to win new customers. As battle commences on credit card balance transfer rates, the loan rate war has also re-ignited. [uSwitch.com](http://uSwitch.com), the independent price comparison and switching service, says savvy borrowers will be the big winners again.

**Michael Ossei, consumer lending expert at [uSwitch.com](http://uSwitch.com), says:** “Today’s news is a double bonus for Britain’s blighted borrowers. Firstly, now that the dust has settled following the new Consumer Credit Directive, the long awaited credit card rate war has started. Historically, card companies have released new rates and products in January. Now, it seems that March may be a very busy month for the sector as each card company tries to increase applications.

“Barclaycard was first to throw its hat in the ring when it launched its market leading balance transfer card late last year. Nationwide hit back yesterday with its market leading balance transfer, but its victory was short lived as Barclaycard has now increased its balance transfer rate to 18 months. Big players such as MBNA and Virgin are still to take their best shots, but it is likely they will step into the fray in March along with American Express.

“The cherry on the top for borrowers is that Santander is dropping its loan rates. Consumers came out victorious earlier this year when Santander battled it out with Nationwide, when both suppliers dropped their rates to 7.2%. However, Sainsbury’s entered the fray and took the lead with a market lending rate of 7.1% earlier this month. Now Santander has matched this rate, it could signal a new attack on rates, forcing them down even lower.

“People should think carefully about any borrowing, and make sure they chose the right product for them. Some may need a loan, but for others a credit card with a good balance transfer offer or introductory offer on new purchases is the better option. Today’s news is twice as sweet because it means the market for both is now getting more competitive. If the battle continues, borrowers will be the big winners.”

**-Ends-**

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