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## How to be a responsible investor

**CONTRIBUTOR** | FEATURES, JOINT VENTURES AND PROMOTED CONTENT | **KUFLINK, NARINDER KHATTOARE**

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AS PEER-TO-PEER LENDING becomes more mainstream, it is starting to attract a new group of first-time investors. And while this is great news for the myriad platforms which currently exist in the UK, it also poses a certain risk.

Without a good understanding of how P2P works, new customers can easily choose the wrong platform, or the wrong loans. The challenge then is how do they become responsible investors?

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This is a challenge that Narinder Khattoare, chief executive of property lending platform Kuflink, is meeting head on.

Over the past eight years, Kuflink has evolved from a short-term lender to a P2P platform which specialises in property lending. Most of the people involved with the business come from a financial services background, and have experience dealing with property. In fact, says Khattoare, many of Kuflink's staff have weathered the greatest challenge the property sector has ever faced – the 2007/8 crash.

“We understand the market,” adds Khattoare. “So we know what to look out for when we're doing a deal with an individual or corporate entity.

“When we're lending money to people, we want to know that they have experience, and that there is an exit plan in place. If they don't have a viable exit plan, then you shouldn't get involved with that borrower in the first place.”

Khattoare also likes to see borrowers putting some of their own money into the loans, and “the more the better,” he says. “Because then we know they've put their hard-earned savings into the deal, which demonstrates their commitment to its success.”

Furthermore, Kuflink only offers asset-backed loans where the property is used as collateral in case of a default. This adds an extra layer of protection against the possibility of a default, although Kuflink has not seen any losses to date through its platform.

“Knowing that there's a physical asset you can use as security is incredibly important for the investor's peace of mind,” Khattoare says.

Peace of mind is an essential part of being a responsible investor, and it all stems from trust – in both the loan itself and the platform behind it.

“The team is the most important thing,” says Khattoare. “You can have all these algorithms and artificial intelligence, but you can't go

wrong with good old-fashioned underwriting processes.

“Ultimately, we do common sense lending here – if it makes sense, we’ll lend it. If it doesn’t, we’ll refuse.”

If new investors simply echo Khattoare’s views on risk, they can never be accused of being irresponsible.

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