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A Guide to Getting the Best from Direct Lender Payday Loans by [Phoenix Payroll Ltd](#)

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Sometimes, everyone needs a little extra cash to help them through a financial rough patch or pay an unexpected bill. This is what payday loans were designed for – to allow borrowers to take out a small loan for a short period of time when they need it most.

The idea is that you borrow just enough to cover your immediate expenses, and repay the loan (with interest) when your next pay cheque arrives. The positives in this arrangement are that the money usually arrives very quickly (within minutes, in some cases), and loans are available to people whose credit isn't as good as it might be.

The flipside is that there's no limit to how much interest a direct lender of short term loans like this can charge. Some companies charge as much as 4000% APR – as well as a handling or processing fee. While this is undoubtedly a high rate of interest, the point of a short term loan is that the borrower pays it back before too high an interest rate can accumulate.

In the UK, there are two ways of getting a payday loan – through a direct lender, or through a broker. A payday lender loans the cash directly to the customer, while a broker acts as a mediator between the customer and the lending company.

Using a broker may increase the chance of your loan application being accepted. A broker can also speak to multiple lenders on your behalf and help you to find the best deal. However, he'll expect commission, which added to the lender's fees and interest rates can rack up pretty quickly.

Borrowing directly from a payday lender is quicker and cheaper than using a broker because it does away with the middleman. As so many direct lenders of payday loans operate online, it's easy for a customer to compare lending companies themselves without needing to go through someone else.

The advantage of payday loans for many people is their speed and convenience. If that applies to you, then the best option is to apply to a direct lender rather than through a broker.

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