

What is APR and representative APR?

Audio transcript

APR stands for “annual percentage rate”. It describes how much it’ll cost you to borrow money from a lender over the course of a year. So, the lower the number, the cheaper it is to borrow.

Representative APR

Because not everyone will be offered the same rate, lenders give an example called a representative APR when advertising. This is the rate that most customers will get.

This includes all costs of borrowing – like an annual fee – so the total cost of credit is clearly shown in the rate and it’s easier to compare products.

And if you still have any questions, you can use our live chat, or check out our FAQ sections.