



Trading Standards Illegal Money Lending Team,
England

Who we are and what we do



Legislation

From April 1st 2014. Authority changed from OFT to FCA

Loan shark definition...

“Running an unauthorised business contrary to Section 23/1 of the Financial Services and Market Act 2000 ”

Loan shark activity

- No credit agreements given – “you owe me this much today”
- No receipts for payment or payment books
- Violence or intimidation (or threats of such) if repayments are missed
- Victims coerced into criminality
- Lend to young people (under 18’s)
- Can take illegal securities e.g. cash card, passports etc
- Never advertise – find clients by word of mouth
- Repayments of at least twice the amount lent, often with very high charges for defaulting

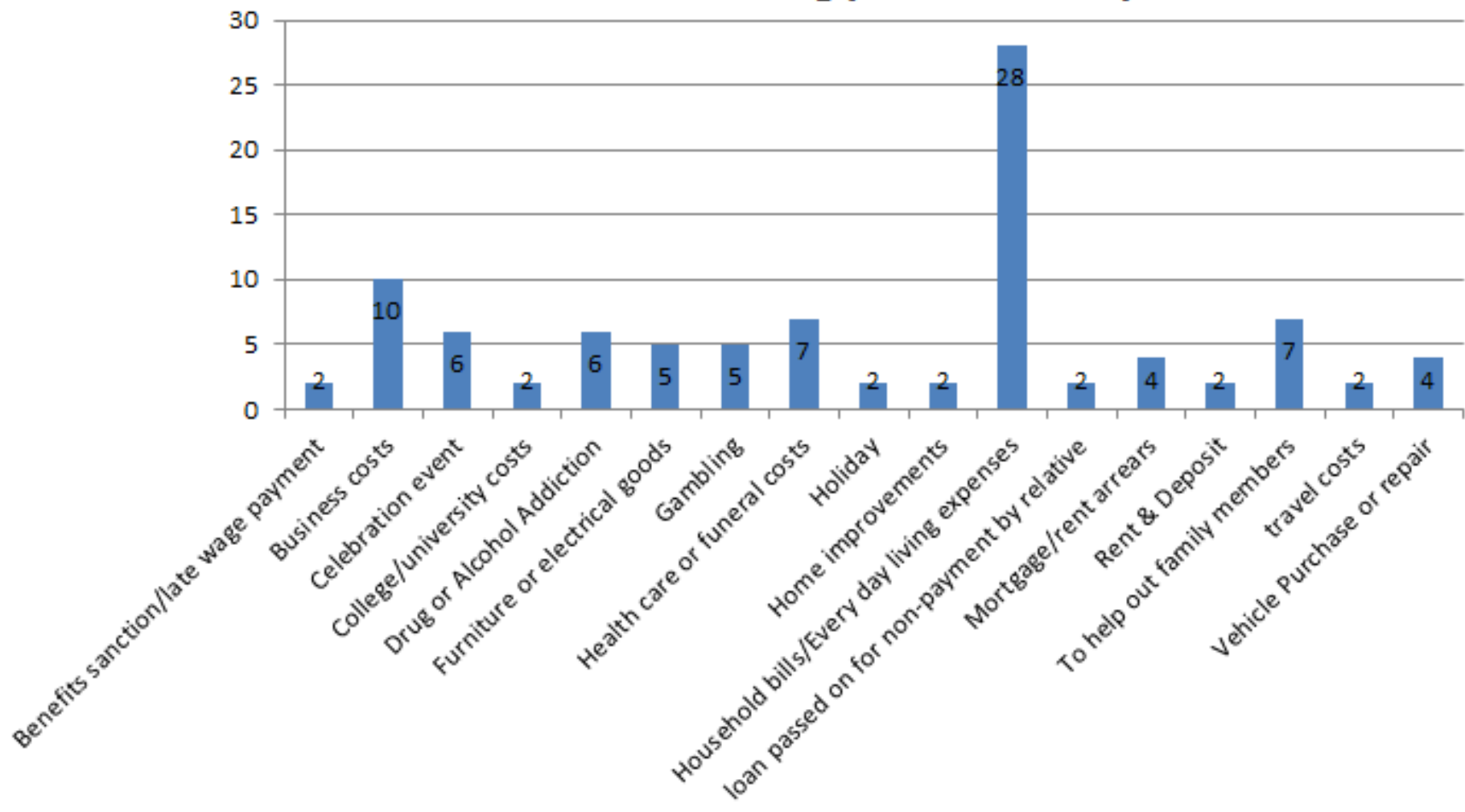
Why does it matter????

63% of borrowers agree that payments to the lender have to be prioritised before other spending

2/3 victims face difficulties affording essentials including food, fuel and rent

2018 STATS

Reasons for borrowing (2% or above)



Witness Statistics 2018

- Ages of borrowers were from 21 years to 76 years of age.
- 49% female/51% male

Health:

The number of clients saying they had long term health conditions - 49%.

- The number of clients saying they had long term health conditions:
- 20% said they had a physical illness
- 18% had mental health issues
- A further 11% said they suffered from both mental and physical illness.

25% of victims said that they had considered committing suicide during their life-time
6% had attempted suicide.
16% said this was during the time of their involvement with the loan shark.

75% of borrowers said that they were in a state of worry, stress, depression or severe anxiety because of their involvement with a loan shark

38% told us that they had been abused verbally and/or threatened with physical harm (or actually harmed) by the loan shark.

Jan – June 2018

We ask the victims that we support about the amounts they initially borrowed and have paid back so far:

Lowest amount borrowed was £40 for household bills and the highest was £80,000 to help with business costs.

One person supported borrowed £9,500 and has paid back over £20,000 so far and the lender says he still owes at least £9,000 more.

Another client is paying £900 per week back!

17% had visited food banks during 2018. The number has been higher in previous years.

Your area

If someone says they have borrowed from a friend...

- ▶ Ask if their “friend” is lending to anyone else
- ▶ Ask how they make payments:

Does the lender take them to the cash point *as a favour*

- Does the “friend” come round?
- Ask if the “friend” is charging them interest

Working together...

- Share info/intelligence – financial abuse or IML?
- Joint purpose – helping your clients stay well
- Ask the loan shark question with clients



National Promotion and Publicity



National Helpline
0300 555 2222

Website: www.stoploansharks.uk

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