

**STOP LOAN SHARKS**  
Intervention . Support . Education

The England Illegal Money  
Lending Team

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# Key Project Objectives

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- ✓ Achieving and understanding of the nature and scale of the loan shark problem
- ✓ Reducing the incidence of illegal money lending
- ✓ Addressing the climate of fear that works against reporting
- ✓ Changing the perception that lenders can operate with exemption from punishment
- ✓ Supporting victims in finding viable alternative sources of credit following the removal of an illegal lender

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# The legal bit

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The law: Financial Services & Markets Act 2000

Local Trading Standards and the Financial Conduct Authority regulate all licensed companies

The IMLT look at unlicensed (illegal) lenders aka

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# The Loan Shark Definition

- A person who, not being the holder of a licence, lends money (lending in the course of trade or business) and charges interest, especially at an exorbitant high rate.
- *“Running an unauthorised business under the Financial Services and Market Act 2000”*

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# The Victim, previous research suggests;

## A person taking an illegal loan tends to be:

- At a vulnerable stage in life
- On tight budget margins
- Over 50% of victims have exhausted all legal credit
- Locked into reinforced financial and social exclusion
- Peer Pressure
- Bullied, harassed & intimidated
- Around 30% have drug, alcohol or mental health problems<sup>1</sup>
- Health surveys suggest that more than 2 million individuals and their households in Scotland and England could be gambling more than they can afford.
- 80% of people seeking help and support for gambling problems report being in debt.
- Up to 1 per cent of bankruptcies are known to be linked to gambling, an average of 500 a year between 2007 and 2014.

# Typical characteristics

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- No credit agreements (no forms or paperwork)?
- No receipts for payments or payment books
- Most payments are cash and weekly
- Violence and or/intimidation – threats
- Often work alone, or have a tight group of collectors
- May suggest other forms of payment
- Can take securities – cash cards, passport
- Rarely advertise

# Behaviours of a loan shark

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- Harassment – telephone, at home, social media
- Control
- Knowledge
- Aggression
- Manipulation
- Good cop /bad cop
- Charming? / Friendly
- Spectrum of behaviour

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# Cost to society/resources

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- Increased police resources – threats to kill, probation, 999 calls and response
- Increased health resources – rehabilitation after breakdown, prescriptions, counselling
- Increased fire and housing resources - arson attack – damage to property
- Increased childcare resources – care system
- Unable to work



# Why do people borrow?

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- Funerals/health costs
- Xmas/celebrations
- To help family
- To pay off other debts
- Repairs to home
- Every day living expenses

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# 2016 Statistics

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- Lowest amount borrowed £20
- Highest amount borrowed £80,000
- Victim borrowed £10,500 and has paid back over £200k
- 34% went without food and utilities

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# IMLT achievements to date

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- Over **378** prosecutions
- Over **27,500** victims have been helped
- Over **£71.9 million** illegal “debt” wiped out
- Prison sentences totalling over **336 years** for illegal money lending and associated crimes (plus Indeterminate Sentence for Public Protection)

# 0300 555 2222

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- The hotline is open 24 hours a day
- Every single day
- Managed by Investigators, on a rota
- Can be anonymous
- Calls not recorded
- Is confidential
- Calls from a variety of individuals and agencies
- Email and text service too

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# Why is this relevant to you?

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Our victims are your clients;

- Victims are in regular contact with you
- Loan Sharks target your clients
- Need to work together to support individuals/families
- Identify extent and nature of illegal money lending amongst client group
- How to raise awareness – training, leaflets
- How can org's help – proactive, websites

# Brief Intervention....

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- “We’re trying to improve our service and offer people a bit more. We’re providing advice on reporting loan shark debts, that may have come about due to owing money to friends/acquaintances perhaps?. Are you interested in finding out more; it only takes a few minutes?”
- “I know you weren’t necessarily expecting to be looking at this today, but I wonder what you think about how you make/get money fits in with some of the other issues that have brought you here today including debts to Loan sharks perhaps?”
- “Would it be ok to have a quick discussion about & Illegal lenders? We like to cover this with all of our clients. It’s an opportunity to have a think about if you have become involved with a Loan shark. Have you borrowed money from a friend who charges interest in repayments?”
- I just want to restate that this discussion will be confidential, in the same way as any other information about you

PUBLIC	STRATEGY	TACTIC	MESSAGE
<p><b>Pupils, students, families, parents, safeguarding committee</b></p>	<p>Promote how loan sharks are a safeguarding issue and raise awareness of the help available to victims</p>	<p>Create safeguarding posters, draft school emails/alerts, contribute articles to school newsletters</p>	<p>Loan sharks ARE operating in the community and this sort of crime is a safeguarding issue to families and pupils</p>
<p><b>VIPS, police, local authorities, education trusts, teachers, head teachers</b></p>	<p>Promote access to IMLT financial education packs online and ways for public to report illegal money lending</p>	<p>Tag police/authorities in to SM posts, contact VIPS by email/phone, contact education trusts and explain how this crime can affect their academies</p>	<p>protect families from loan sharks by teaching young people about safe borrowing, responsible lending and loan sharks from an early age</p>
<p><b>Press, police and council comms, social media users</b></p>	<p>Increase conversation and get people talking in the media and on social media about the campaign/</p>	<p>Schedule tweets, promote education packs heavily, send out detailed press release, push safeguarding posters</p>	<p>Who are the IMLT, why the IMLT are targeting groups and what we're hoping to achieve from it</p>

## A final reminder:

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## To pass information to the team you can:

- Call the hotline on 0300 555 2222 (Free from mobiles including inclusive minutes)
- E-mail:  
[reportaloanshark@stoploansharks.gov.uk](mailto:reportaloanshark@stoploansharks.gov.uk)
- Text 'Loan shark (+ your message)' to  
**07860022116**

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# Want to contact me?

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- Me: Anna Fraser
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## ANY QUESTIONS?

