STOP LOAN SHARKS

Intervention . Support . Education

# Stop Loan Sharks Awareness Session

Cath Wohlers – Operations Manager

England Illegal Money Lending Team.

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0300 555 2222

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## What is a loan shark?

The definition of a loan shark is someone who lends money in the course of trade or business without the correct permission from the Financial Conduct Authority (FCA).

- Nothing to do with a high APR or interest rate
- Nothing to do with bullying or harassment
- It is simply NOT having the correct permission to lend money!

**Penalty - up to 2 years in prison or a £5000 fine**

- But we prosecute for every offence we find
- Spectrum of illegal lenders, spectrum of borrowers

# The Financial Conduct Authority

Anybody who lends money in the UK has to be registered with the Financial Conduct Authority.
If not, that would imply to us that you are an illegal lender as you DO NOT have the correct permissions to lend money.

**Don’t panic!!**

You are perfectly fine to lend money to a friend or family member as long as you are not doing it for financial gain or on a large scale. .

For ourselves to prove that somebody is a Loan Shark we would have to evidence they are doing it as a business, lending to multiple people and making money off this.

If you are aware of somebody who borrows money it is really easy and quick to see if this person or organisation is registered with the Financial Conduct Authority.

Financial Conduct Authority | FC

https://www.fca.org.uk

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FCA FINANCIAL CONDUCT AUTHORITY

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# Welcome to the Financial Conduct Authority

We regulate financial services firms and financial markets in the UK

Laura Shone - Search Individual

https://register.fca.org.uk/s/search?q=Laura%20Shone&type=Individuals

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Enter a name or reference number

Laura Shone

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Home

# Unfortunately, we didn't find any results matching your search term

## If you can't find what you are looking for

### 1. Check your search term

Check your spelling or reference number and search again.

### 2. Too many or too few results?

Narrow your search by entering a postcode or location. Widen your search by removing filters like location.

### 3. Still can't find who you're looking for?

People involved in regulated activities appear on the Register. However other people in financial services may not need to be on the Register. Check with the

BUT WHAT ABOUT THE HIGH COST LENDERS?

APR – not always helpful

Highly regulated

Constant debate about what to do at the “bottom end” of the credit market

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10 years ago, the government estimated 310 thousand people in the UK were using a loan shark, they now estimate 1.08 million in the UK use a loan shark.

That is nearly 2% of the adult population.

It is estimated that 0.5% of the adult population has a problem with gambling.

You are 4 times more likely to be sat next to someone who is using a loan shark than somebody who has a gambling issue.

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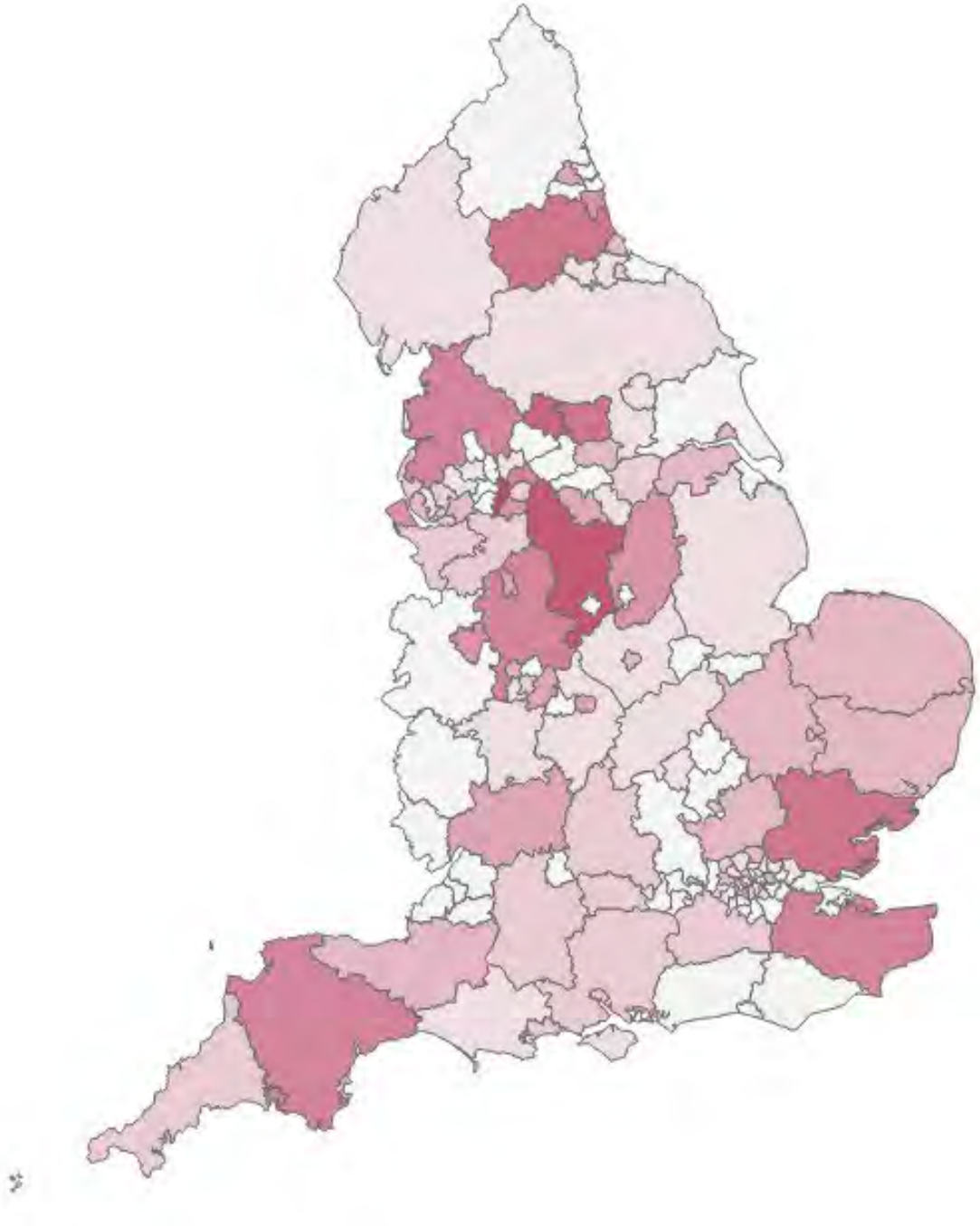

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## Who are the Illegal Money lending team?

Initially started as a pilot scheme with Birmingham City Council Trading Standards in 2004.

Before the pilot scheme had taken place it had been, over 20 years since a loan shark prosecution!

Due to the success of the pilot scheme in 2004 and the results the team produced the government decided to expand the team to cover the entire country.

Wales, Scotland, Northern Ireland

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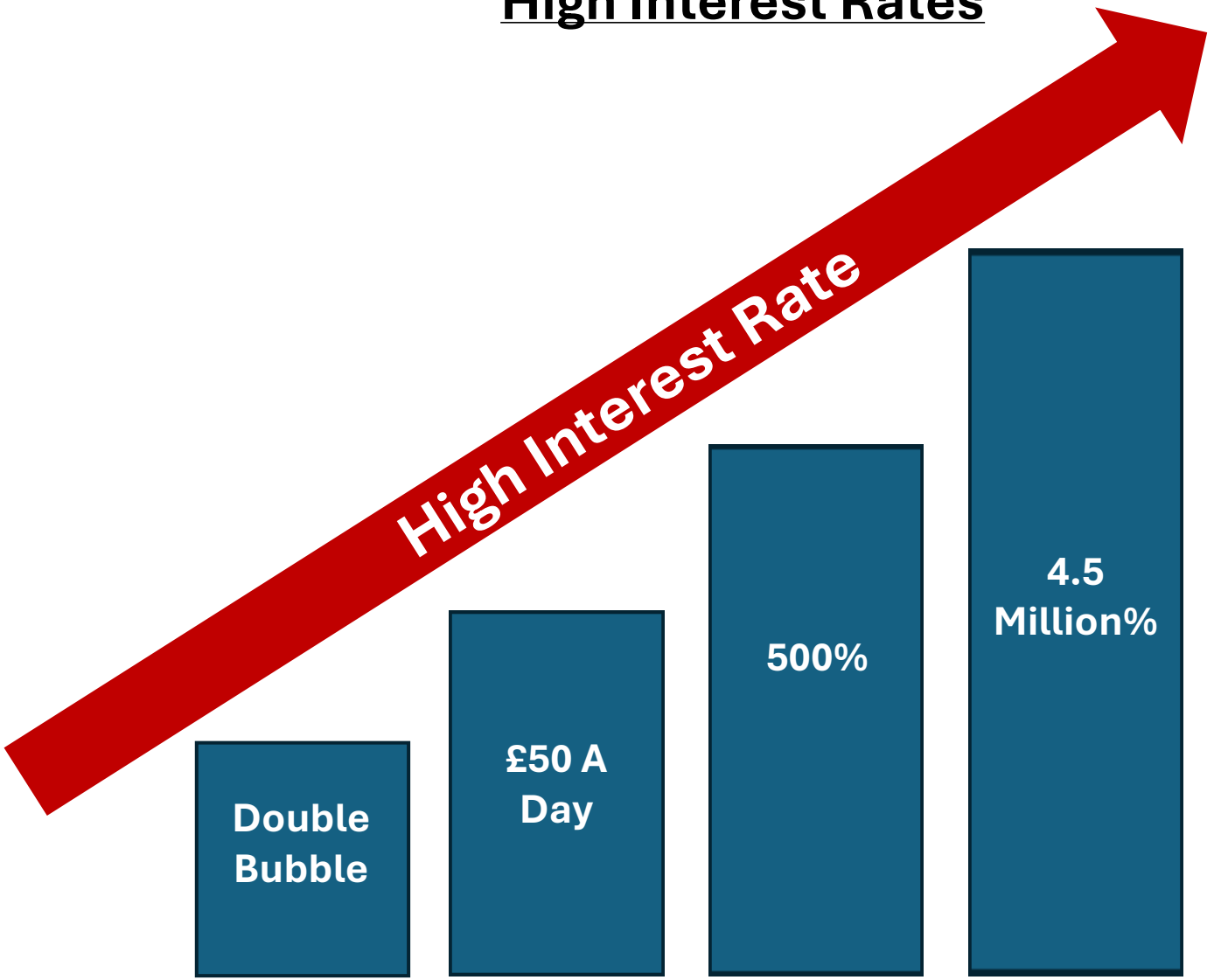
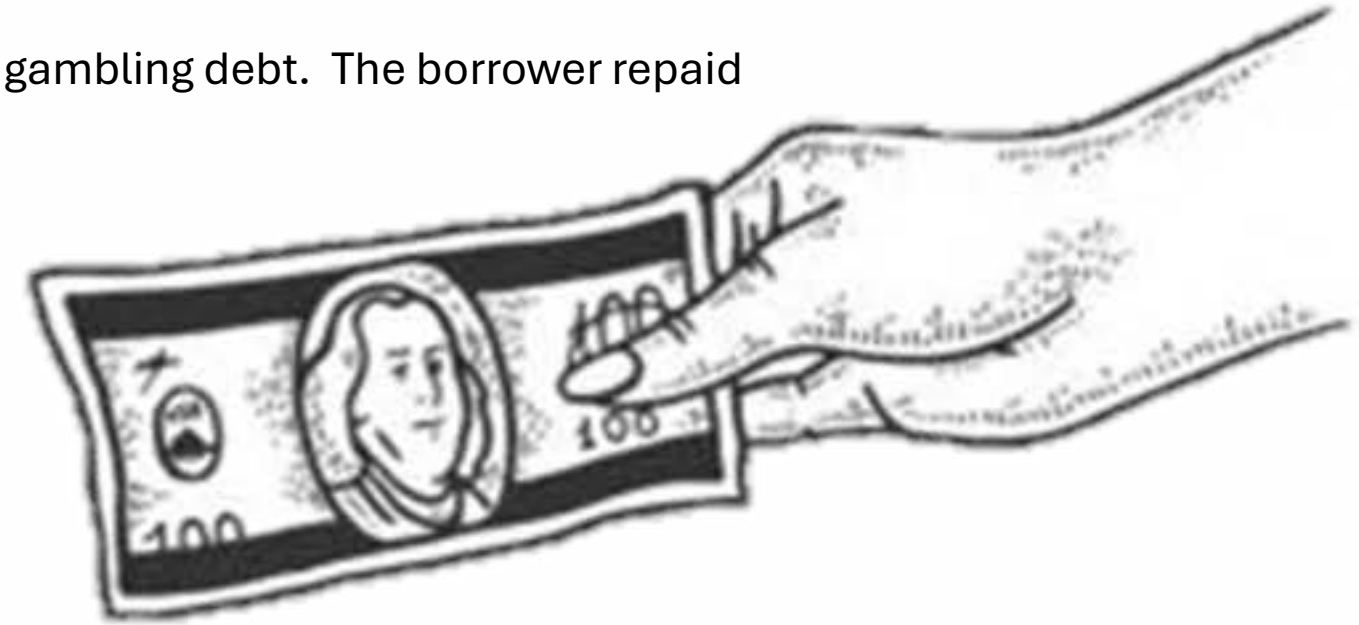
## 0300 555 2222

# High Interest Rates



The lowest amount borrowed was £30 for household bills after the borrower lost his job.
The borrower repaid £480.
**Which equates to 1,500% interest**

The highest amount borrowed was £99,000 for gambling debt. The borrower repaid £450,000 to the loan shark over 25 years.
**Which equates to;**
**£18,000 a year, or**
**£1,500 a month, or**
**£346 a week, or**
**£49 a day.**



One client borrowed £200 and repaid £28,000 in total over 3 years.
**Which equates to 140 times more than what the borrower had initial borrowed.**

Another borrowed £1,500 – repaid £48,000 and still owed £1,500.
**Which equates to 3,100% interest.**

# Violence and Threats

# Coercive and Controlling Behaviour

Loan Sharks initially will start off being nice and friendly to win trust over making you think they can't do enough to help you In your situation or time of need.

**BUT!!**

Loan Sharks use coercive, controlling and manipulative behaviours to make the victims feel like they are the ones who are actually in the wrong and breaking the law.

They make victims feel ashamed and guilty that they have borrowed money from them.

They make their victims feel vulnerable and reliant on them for money.

In some cases, they even take victims, bank cards and passports off them for ‘security’ so that they can control their victims.

# What Does A Loan Shark Look Like?

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# Case Study

England Illegal Money Lending Team

Richard Dawson, 35, from Barnsley, received £52,000 in repayments from 88 customers he had illegally lent money.

Two victims went to the police about Dawson after they became trapped in a "cycle of debt" with him.

In initial police interviews, the victim would not speak out against Dawson as he was "fearful for his life".

Prosecutor Simon Mortimer told the court how the victim had been forced into a car boot and driven to an ATM.

Earlier this year he was jailed for seven years at Sheffield Crown Court after admitting kidnap, grievous bodily harm and illegal moneylending.

# Case Study

## Welsh Illegal Money Lending Team

Tabitha was a great grandmother and was 83 years age.

She had loaned out £120,000 at high rates of 40% over the last 20 years.

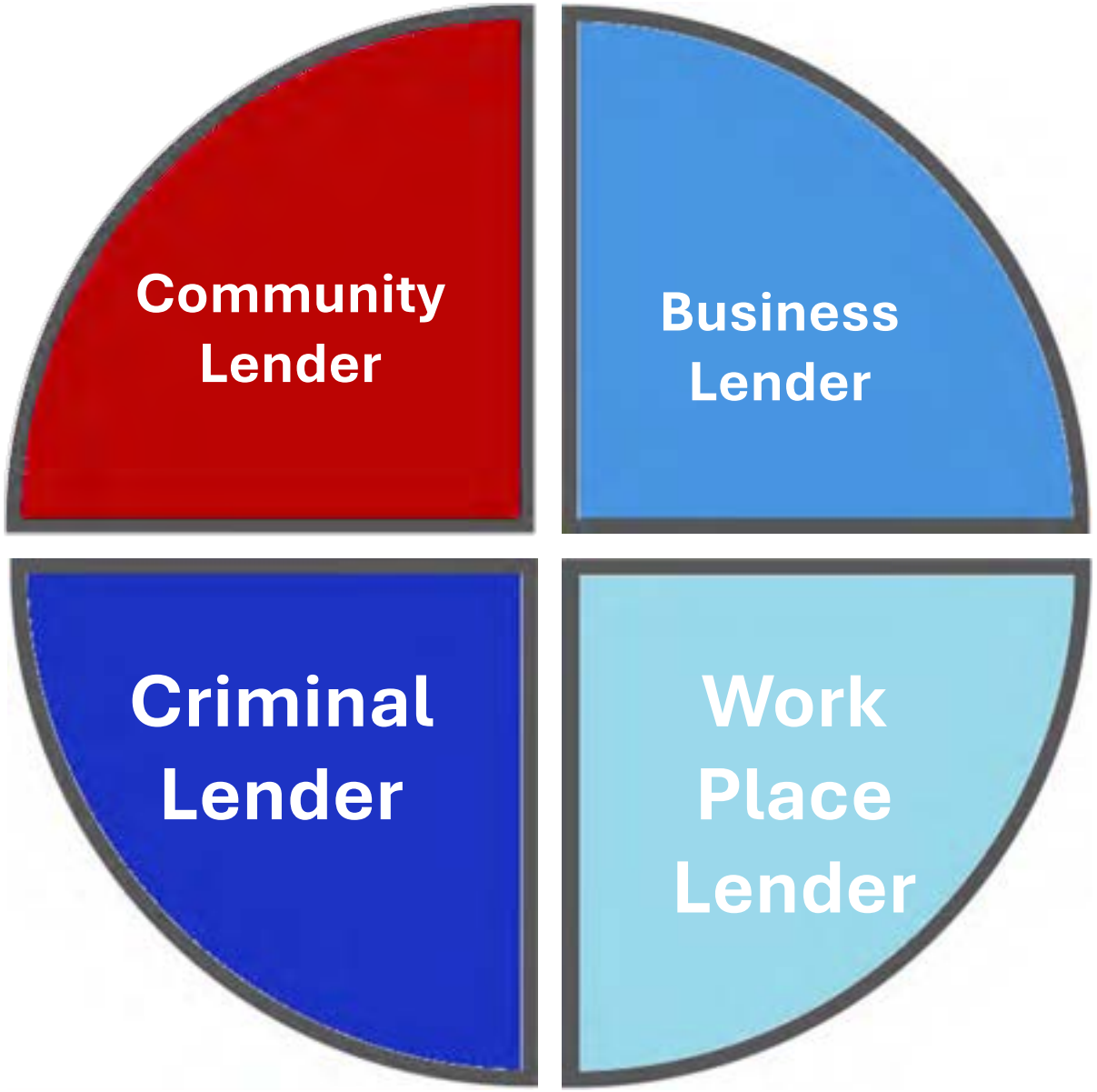
At once time she worked for a legitimate lending firm, at which time she would have had a licence, the firm eventually ceased, but she carried on lending on an ad hoc basis

She would send abusive and threating messages when victims did not make a payment.

IMLT investigator's found a safe in the house containing £6000 cash to which Tabitha said she knew nothing about.

Due to her age she was given a 2 year suspended sentence and ordered to payback £173,000.

**Different types of lenders!**




**But what about online lenders?**

# Who Uses Loan SHARKS

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# Kelly's Story

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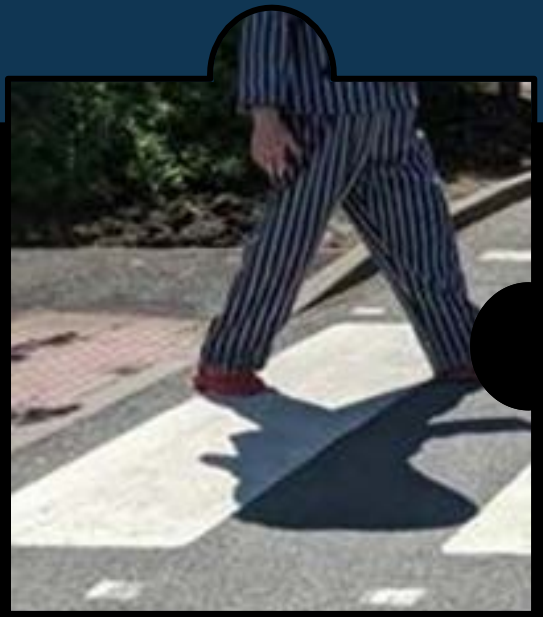
We do not want anybody to be in a situation like Kelly .

To prevent that from happening we have identified that early identification and intervention is critical.

For that to happen we need help and support from YOU.

By simply having a conversation with someone could potentially open the door to build a rapport quickly and identify that someone is struggling.

The reason people don't contact us sooner is due to a lack of awareness, not fear, shame or embarrassment



OFFICIAL

81% Of borrowers were in a state of extreme stress, depression or worry.

18% had physical ailments

19% both physical and mental health conditions

73% of clients borrowed money to pay rent.

Repair of motor vehicles and to purchase furniture or electrical goods for their home.

64% of victims had long term health conditions.

Reasons for borrowing included celebration events, health or funeral costs

31% had been threatened with physical violence or assaulted.

31% of borrowers had contemplated suicide.

24% of clients stated "food" “fuel” and “childcare costs” as specific reasons

27% had a mental health illness

addiction, debt consolidation (legal companies), rent

9% of cases involved forced sexual services as payment.

Ages of borrowers were from 19 to 91 years of age

Main reason given for borrowing – everyday living costs!

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# Achievements To Date

**Prison sentences totalling over 606 years for illegal money lending and associated crimes!**

**£1.7 Million has been confiscated from convicted Loan Sharks via POCA from January – September 2024**

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PREVENT/INTELLIGENCE

- Messaging, warning, campaigns
- Operation Sharknet
- Promotion of debt advice
- Credit Unions/CDFIs
- Training
- Partnership working

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# Post Cards in a window

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**Look for cards advertising loans in post offices/supermarkets/community centre noticeboards**

**Take a photo of the card**

**Submit to www.stoploansharks.co.uk/report-a-loan-shark-advert/ with details of when and where you saw the card – this can be done anonymously**

**Do NOT approach the retailer/owner of the noticeboard – they have done nothing wrong**

**IMLT will assess – various courses of action are possible**

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What We Can Offer (for free!):

- Presentations
- Resources – leaflets (languages),
- Campaign materials
- Blogs, podcasts, website text
- One to one support and help
- Response to information

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How Can You Help Us?

- Spread the word!
- Posters/leaflets
- Social media assets
- Postcards in windows
- Local organisations – information and access

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# Getting In Touch

**For updates on Stop Loan Sharks follow us on social media:**

Facebook - @StopLoanSharksEngland

Instagram - @stoploansharksengland

X - @SLSEngland

TikTok - @stoploansharks

LinkedIn - @stoploansharksEngland

**How to Report a loan shark**

Calling our free 24/7 confidential hotline:
0300 555 2222

Joining Live Chat at stoploansharks.co.uk
(available Monday to Friday 9am to 5pm)

Emailing us at:
reportaloanshark@stoploansharks.gov.uk

Texting: 07860 022116

# STOP LOAN SHARKS

## Get The App

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# Any Questions?

#stoploansharks reportaloanshark@stoploansharks.gov.uk

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07943 238444