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For Immediate Release

Residents warned to be on their guard against illegal money lenders

Residents are being urged to be on their guard against unscrupulous loan sharks who may try to exploit the coronavirus outbreak and prey on people's financial worries.

Loan sharks charge extortionate interest rates and often intimidate, threaten and trap vulnerable victims in a cycle of fear and violence.

These criminals may seem friendly at first but borrowing from them could have serious consequences for your family.

Some lenders have been known to take a victim's passport, driving licence, benefits and bank cards as security for the loan, and many begin to make their borrowers feel threatened or intimidated. Some even become violent towards their victims if they fail to pay, leaving them terrified.

One victim had been left suicidal after being forced to pay back thousands after borrowing £50 off someone she thought was her friend.

The mum of five, known as Becky, borrowed £50 to provide for her children and ended up paying back a staggering £35,000 during an eight-year ordeal.

A terrified Becky was threatened with someone named "Big Man" and the loan shark would even text Becky's kids if she was late paying and tell them she "couldn't stop" the Big Man coming to the door unless their mum paid up.

The government-funded England Illegal Money Lending Team (IMLT) has the power to investigate and prosecute loan sharks.

Since 2004, the team has helped more than 29,000 people like Becky escape the misery of loan sharks. They have also prosecuted nearly 400 loan sharks and written off more than £75 million worth of illegal debt.

The Stop Loan Sharks confidential helpline service (0300 555 2222) remains open 24 hours a day and staff are continuing to provide specialist information and support for victims.

You can report a loan shark to them in full confidence and completely anonymously.

Tony Quigley, Head of the England Illegal Money Lending Team, said: “We are launching this awareness drive now as more people may be under increasing financial pressure due to the coronavirus pandemic.

“Loan sharks prey on the most vulnerable and will intimidate, manipulate and trap people into a debt spiral. I urge residents to remain vigilant and watch out for illegal money lenders trying to take advantage during these difficult times.

“If you are struggling for financial help then credit unions offer a safe and easy place to turn for advice and support. You can also get help and discuss your options with organisations like Citizens Advice, StepChange and the Money Advice Service.”

How to protect yourself and report loan sharks operating in your community:

1. Do not accept cash loans, even if the lender seems friendly or helpful as they may ask for unrealistic and unaffordable payments in return.
2. Avoid loan sharks at all costs and consider other options if you need to borrow money. Credit unions offer ethical savings and loans to local communities. Find a credit union near you – www.creditu.co.uk
3. To lend money lawfully you must be authorised by the Financial Conduct Authority (FCA). You can search the FCA Financial Services register to check if the lender is legal at register.fca.org.uk. If you have already borrowed money from someone who isn't FCA authorised, you haven't broken the law, they have.

If you have been the victim of a loan shark, contact the Illegal Money Lending Team in confidence on 0300 555 2222 or report online at www.stoploansharks.co.uk.

ENDS

For media enquiries, please contact IMLT Press Officer Holly-Leigh Luckman on 0121 464 4699 or email Holly.luckman@birmingham.gov.uk.

Notes to editors:

The Illegal Money Lending Teams in England, Scotland and Wales work alongside the Financial Conduct Authority (FCA) to investigate those operating within the consumer credit market without the appropriate authorisation.

The Illegal Money Lending Teams in England and Wales work in partnership with local Trading Standards Authorities in their related countries. They consist of specialist officers who investigate and prosecute illegal money lending and related activity and LIAISE officers who support victims and raise awareness of the dangers of borrowing from illegal money lenders.