

## Witness statistics

### Report for January – December 2016

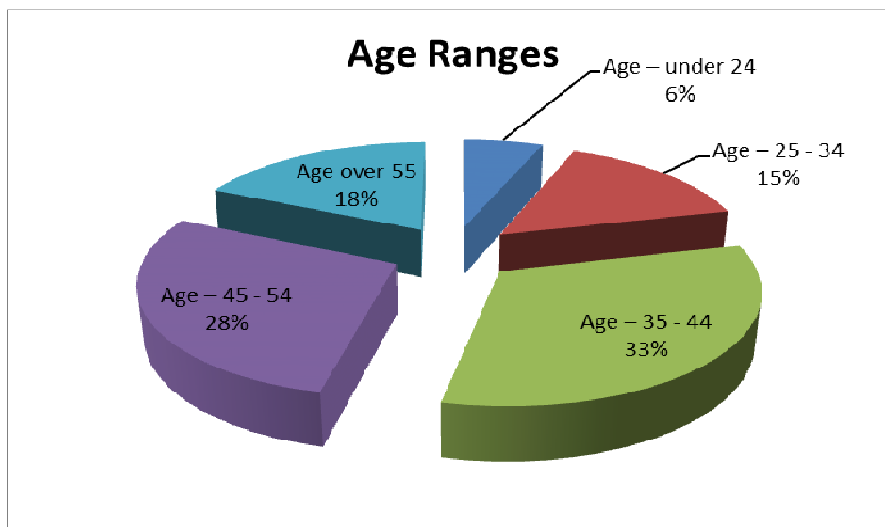
LIAISE Officers offered one-to-one support to 140 victims of illegal lenders during 2016, a larger number than the previous five years. We asked them about their health, safety and financial situations in order to tailor assistance appropriately. Below is a summary of the findings.

#### Victim profile:

The gender split was 61% female and 39% male. There has been a decrease this year in male victims reporting crime directly to us but that doesn't necessarily mean that they are not borrowers – often partners report on behalf of their spouse.

50% of victims were parents with an average of two children per family.

Ages of borrowers were from 19 years to 74 years of age.



#### Health:

40% told us they had a disability:

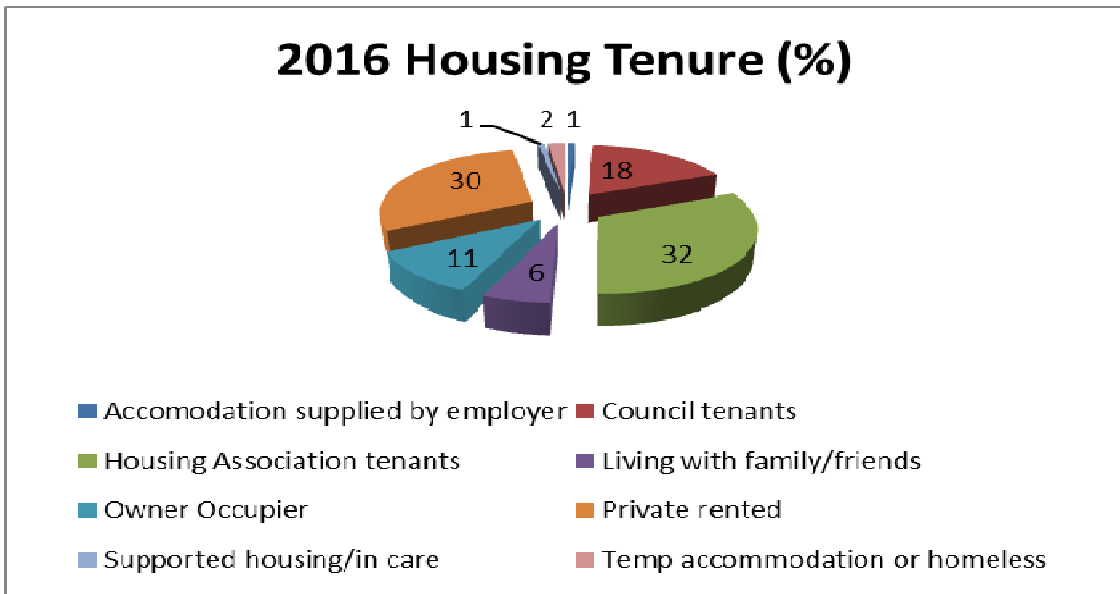
- 15% said they had a physical illness
- 12% had mental health issues.
- A further 11% said they suffered from both mental and physical illness

The figures for those suffering from mental health conditions have decreased compared to the previous two years, the percent of those suffering from dual conditions or physical ones have remained the same.

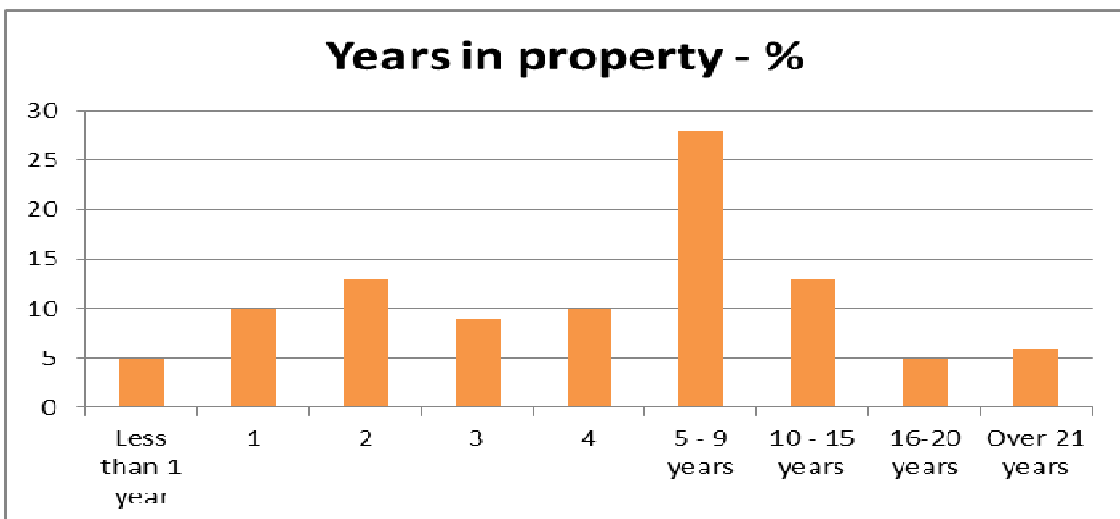
Poor physical health can lead to an increased risk of developing mental health problems which is also something that has been considered by the team. Support given by LIAISE is not just about getting debts cleared; it can include referrals to health services.

9% of borrowers said they acted as a carer for someone over 18. This is a decrease compared to 2015 when 11% said they were carers; LIAISE Officers have been working with care providers to raise awareness.

**Housing:**



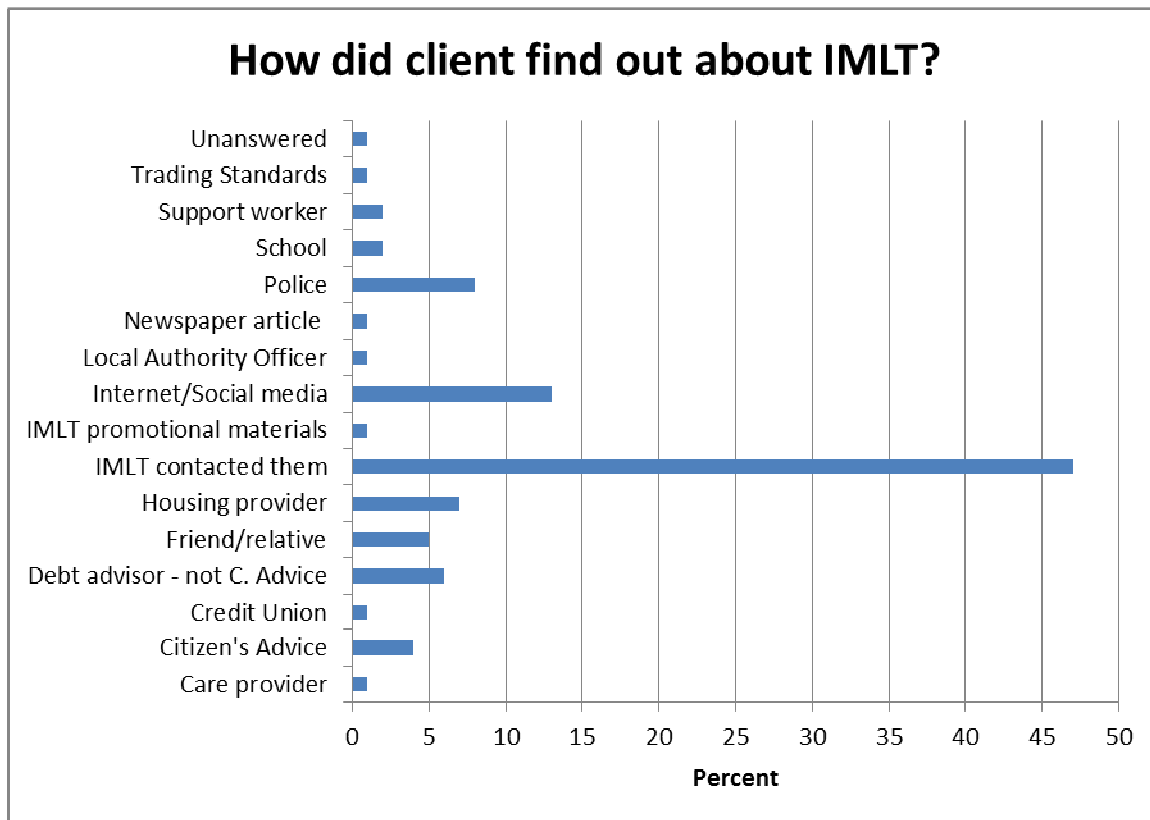
80% of respondents paid rent for their property – an increase of 7% on 2015. This figure was made up of 18% who lived in council owned premises, 32% were housing association tenants and 30% in homes owned by private landlords.



5% of victims had lived in their property for less than one year, whilst 6% had been in the same property for over 21 years.

## Working with partners:

We ask all the victims that we support how they found out about our team: The majority in 2016 were contacted by the Team after warrants were executed in the loan shark's properties and loan books or documentation found. The IMLT will then go out in the immediate area to raise awareness and support borrowers.



We value all our partner agencies across the country and provide free tailored training to help staff spot victims of loan sharks. Clients have been signposted by lots of different organisations including schools, support workers and debt advisors.

13% of clients found out about the IMLT through an internet search or Face Book. This was an increase of 6%. Unlike previous years, there was a variety of age groups: In 2015 all those who accessed the Team through the internet or social media were under 40 years of age. In 2016 ages ranged from 20 to 69.

## Debt Advice:

41% of respondents said that they had visited a debt advisor; a slight rise on last year's figure of 37%.

43% of those who had accessed advice said they had told the Advisor about the loan shark; Comments made by victims who said they hadn't mentioned the lender included "I was too scared" and "I didn't think they could help" and also "the Advisor didn't ask me about loan sharks so I didn't tell."

Clients who contacted us via money advisors were between twenty-three and sixty-nine years of age.

## Credit Unions:

LIAISE Officers always speak to clients about credit unions - community organisations with ethical values that offer saving and borrowing options. We ask if they know what a credit union is:

54% have heard of a credit union, with 7% already being a member. The LIAISE team continually promote credit unions and provide funding opportunities for Credit Unions to increase membership, whilst also raising awareness of loan sharks, using Proceeds Of Crime Awards - money taken from convicted loan sharks.



The poster features the Wyvern Savings & Loans logo at the top left, which includes a green arrow pointing upwards. To the right of the logo is the slogan "BITE BACK AGAINST ILLEGAL MONEY LENDERS!" in bold, black, uppercase letters. Below the slogan is a photograph of a shark's head with its mouth open, showing sharp teeth. A starburst graphic on the left contains the text "Join Wyvern and get £25\*". Below this, three bullet points list the terms: "\* Join Wyvern Savings & Loans before 31.08.16", "\* Save at least £10 each month for 3 months", and "\* First 50 members - £25 credited to your Wyvern Savings & Loans account". At the bottom left, it states "£25 funded from Proceeds Of Crime - money that has been taken from criminals." and "JOIN US AT www.wyvernsandl.co.uk". At the bottom left, there is a logo for "NATIONAL TRADING STANDARDS" and "Illegal Money Lending Team England". To the right of this logo, it says "Wyvern Savings and Loans is working in partnership with the England Illegal Money Lending Team: To report a loan shark call 0300 555 2222 or email reportaloanshark@stoploansharks.gov.uk All reports are confidential."

**Join Wyvern and get £25\***

**BITE BACK AGAINST ILLEGAL MONEY LENDERS!**

\* Join **Wyvern Savings & Loans** before **31.08.16**

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JOIN US AT [www.wyvernsandl.co.uk](http://www.wyvernsandl.co.uk)

Call us on 01305 268444

**NATIONAL TRADING STANDARDS**  
Illegal Money Lending Team England

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*Example of a Credit Union promotion*

We asked if they would consider joining their local credit union, if not already a member and 62% of those who answered said yes.

## Reporting:

We also asked what might have enabled borrowers to report the illegal lender to us sooner. We do this to make sure there are no barriers to reporting that could be improved by the Team. Answers we received included:

- Having the confidence/courage to come forward – 11%
- I didn't know about the IMLT: If I had, I would have reported – 15%
- I didn't know he or she was an illegal lender. If I'd have known, I would have reported – 16%
- I didn't realise loan sharks were illegal – 7%
- I contacted you straight away – 1%

- Ability to remain anonymous at time of reporting and after – 1%
- I don't know what would have made me report sooner – 15%
- Nothing would have made me report any sooner – 32%
- Got to breaking point with threats or high interest – 3%

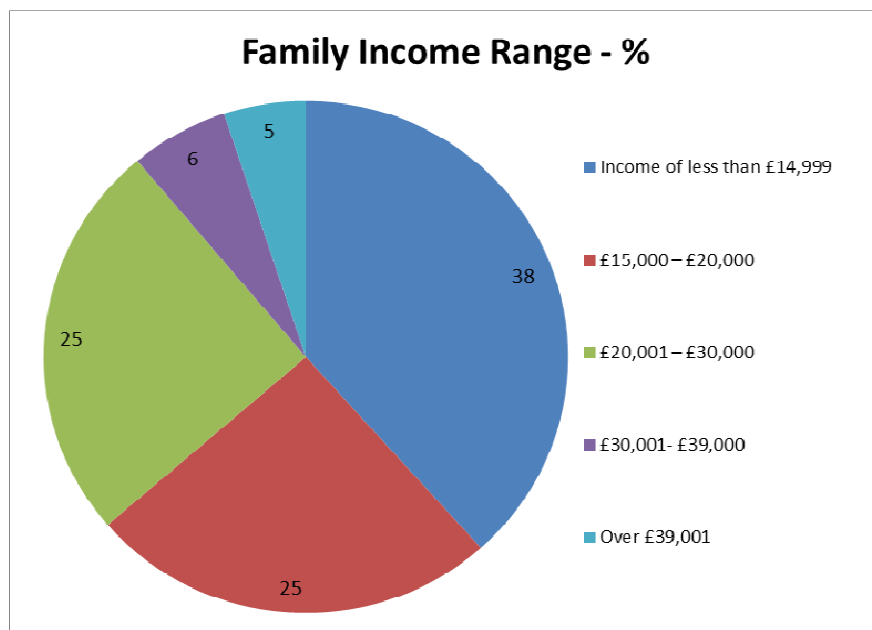
A few clients said had they had known that they could remain anonymous at the time of, or after, reporting they would have come forward sooner, however many hadn't actually realised the lender was illegal. The IMLT have had some cases of "parallel lending" during 2016; this is when a lender acts like they have a legitimate business at the initial point of borrowing.

Some lenders originally work for a home loan provider and then make the decision to offer loans themselves but do not apply for the requisite permission from the Financial Conduct Authority. Often the client believes they are still paying the legitimate company and so doesn't feel they are able to complain.

**Money:**

Household income and expenditure:

Borrowers come from all walks of life – from having an income of a few hundred pounds a month to earning a good wage.



62% of victims were claiming benefits. Borrowers on benefits were receiving a variety of payments; none we spoke to during 2016 were in receipt of Universal Credit – an "all in one" monthly payment that is currently being rolled out across the country.

8% had requested welfare help from councils; it may be that borrowers do not know that they can go to their local authority for help in some areas. 14% had visited food banks within the last year.

69% of respondents didn't have home contents insurance, a 6% rise compared to 2015.

42% had pre-payment meters installed for fuel supplies whilst 48% paid by direct debit through their bank. 96% of respondents had bank accounts, 15% had basic accounts with the bank or Post Office.

67% owed money to legal creditors for:

- Loan repayments and/or credit card bills to banks
- Council tax arrears
- Door-step loans
- Debt with DWP (over-payment or old social fund loans)
- Utility bills
- Education costs
- Domiciliary care costs
- Car hire
- Hire purchase companies or catalogues
- Pay-day and sub-prime loans
- Rent or mortgage arrears
- Outstanding phone bills

The lowest amount owed to legal creditors by one individual was £32 for gas payment arrears. The highest amount of debt owed by one person to legal creditors was £35,000.

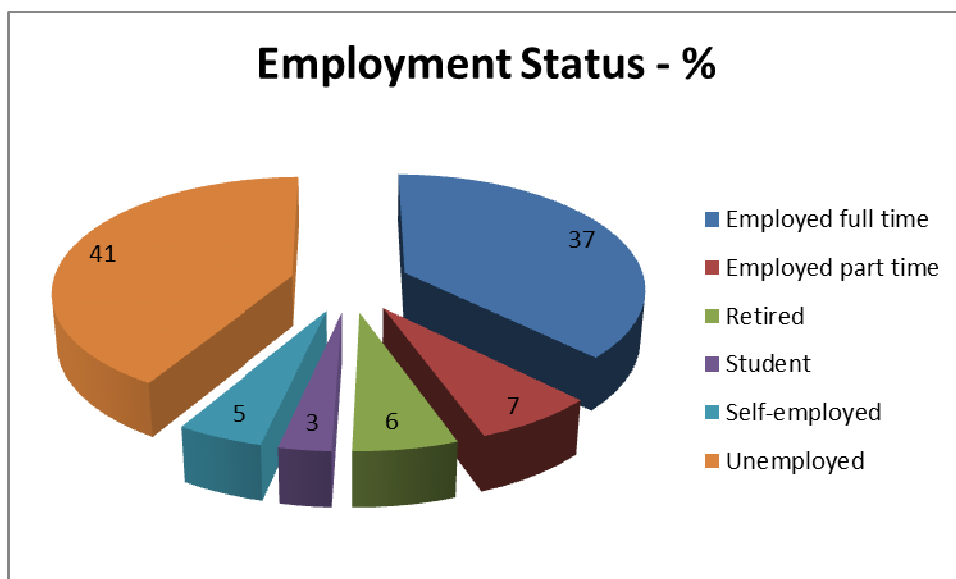
Out of those that disclosed their debts to legal creditors, 33% had priority debts including rent, mortgage or council tax arrears, the same number compared to 2015 but a 15% rise on 2014 statistics.

We asked the victims about the amounts they initially borrowed and have repaid so far: The lowest amount borrowed was £20 and the highest was £80,000. The average amount borrowed was £569.60. The average repayment was £9368.48 with lots paying much more. One victim supported during 2016 borrowed £10,500 and believes he has paid back over £200,000!

### Employment:

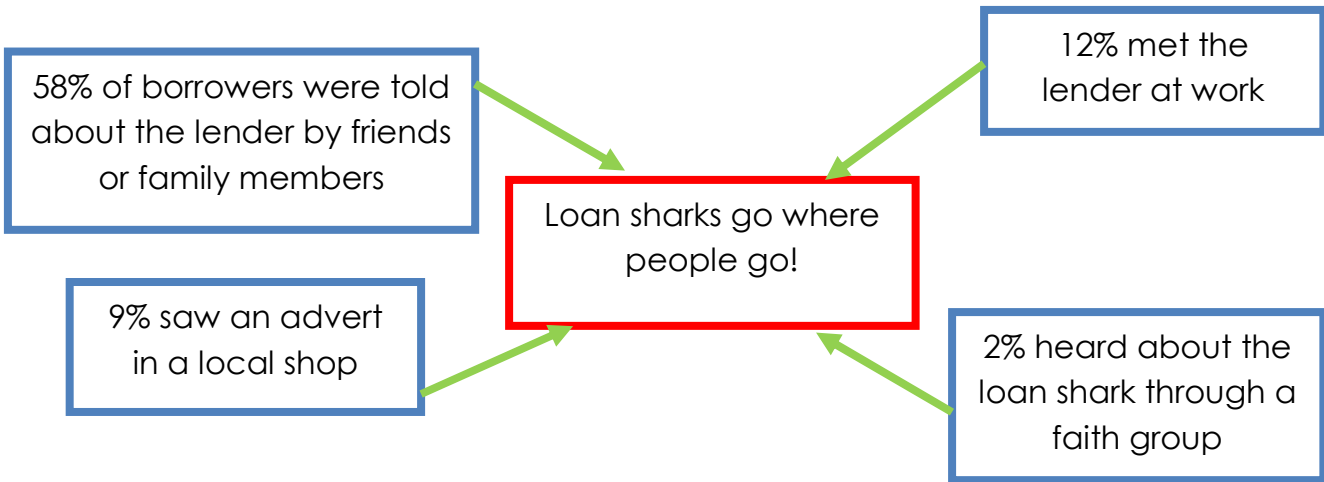
37% of those who borrowed from loan sharks worked full time, a 13% rise compared to 2015.

This trend reflects the Government statistics showing less unemployment across the country.



**Lives:**

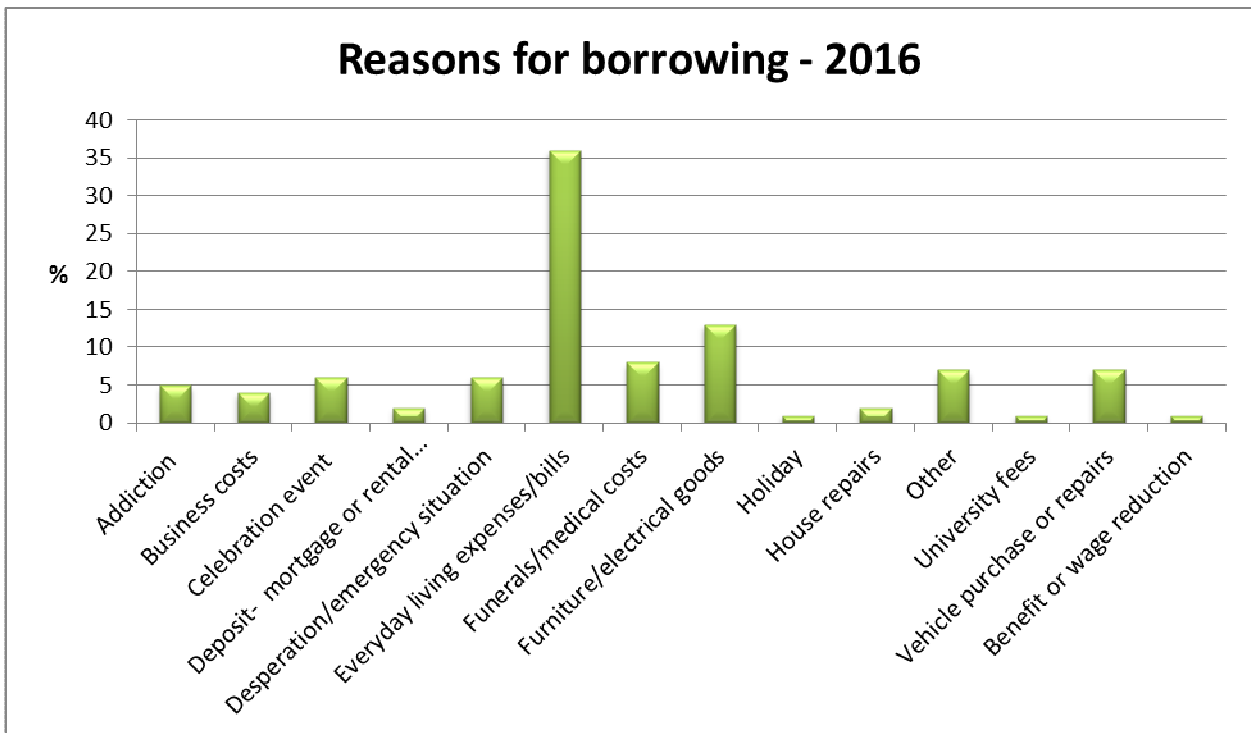
We ask clients how they found out about the loan shark:



47% had borrowed from the loan shark more than once.

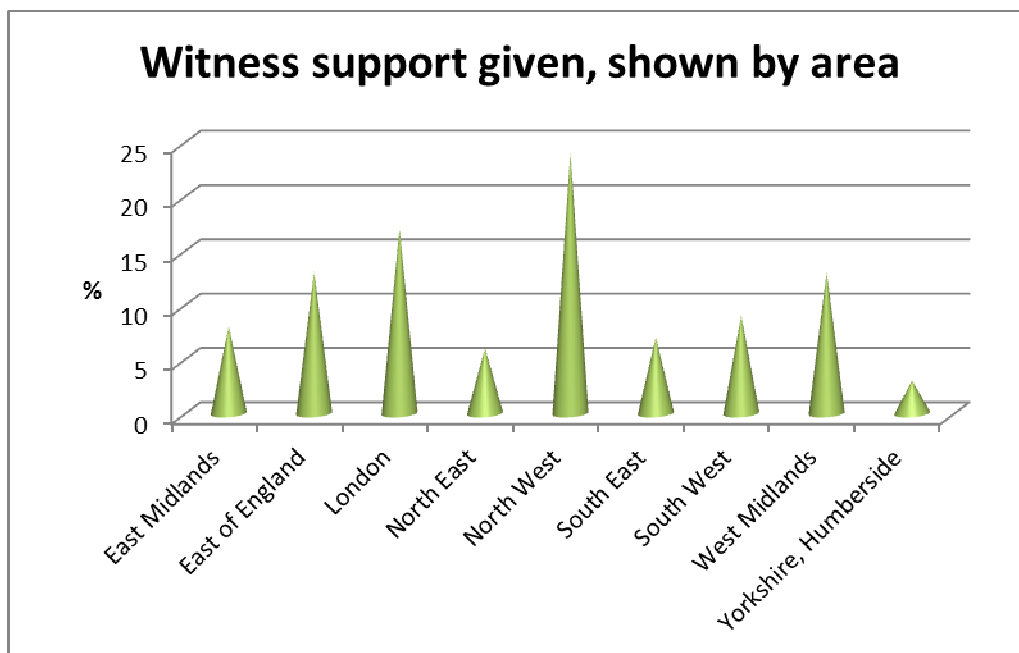
Worryingly, 34% went without food, fuel or missed rent or mortgage payments in order to repay the loan shark.

**Reasons for borrowing:**



As with every year past, the main reason for borrowing money was for everyday bills such as food, fuel or rent. Some borrowers mentioned borrowing for specific items such as clothing or food for their children.

LIAISE Officers can help witnesses in any part of the country. Below is the breakdown of support given by area.



### Loan sharks can ruin lives:

From March 2016, we started discussing suicidal thoughts openly with clients.

- 15% of victims, whom we asked, said that they had considered committing suicide in the last year; 12% had made an attempt to take their life.
- 5% said that they considered suicide directly as a result of being involved with the loan shark

The LIAISE Team are successfully working with health and well-being partners across the country to prevent service users getting involved with loan sharks.

45% of borrowers who disclosed information told us that they had been abused verbally and/or threatened with physical harm (or actually harmed) by the loan shark before IMLT involvement;

We ask borrowers if they would ever borrow again from the loan shark: 4% said they would borrow again. 91% said they would never borrow again – reasons given included threats, harassment and the high interest charged. Some had borrowed from loan providers who they had believed were legal lenders at the time of taking out the loan. Once we advised them, they said they wouldn't borrow again and would join their local credit union or try to get credit from other legal lenders.

We ask clients about their experience of being involved with a loan shark. Overleaf are some of their comments – quotes have been sanitised to prevent identities being revealed.



## What was your experience of being involved with a loan shark?

*Fear: I have been threatened and I am unwell. I have been harassed and intimidated from my hospital bed.*

*Keeps pestering me on Facebook and sending texts. He scares me now.*

*I used to sleep on the couch, wouldn't move from the one room and slept, washed cooked everything in darkness as I was too afraid to put a light on or let anyone know I was there.*

*He has now added another person's loan to mine. I no longer talk to this person so don't know if she has paid or not. I don't know if he will add any other people's loan on to my debt.*

*I nearly lost my home due to being in rent arrears. I had no money to pay anything else - earning £1,000 per month and paying him £600.*

*I was suicidal, no money or food. I've been living in grave fear for over a year, and cannot take any more.*

*I have been paying back for 7 years - £42,000 on £13,000 loan!*

*He's a "bully" - I feel I can't get out of this I am stealing money from my partner to pay him. We went without food for about 2/3 weeks.*

*I am shocked now I realize how much money I have paid him back. I thought he was a mate helping me out. However I now realize that every time he sees me he always drops into conversation where and when he has seen my kids and who they were with or if they were on their own. I thought he was just letting me know, but now I am worried.*

**To report a loan shark call the IMLT hotline – 0300 555 2222**

**Email: [reportaloanshark@stoploansharks.gov.uk](mailto:reportaloanshark@stoploansharks.gov.uk)**

For press enquiries about the work of the IMLT please call 0121 464 4699 or 07703373535

For updates on the campaign visit [www.facebook.com/stoploansharksproject](https://www.facebook.com/stoploansharksproject)

Twitter: @loansharknews