

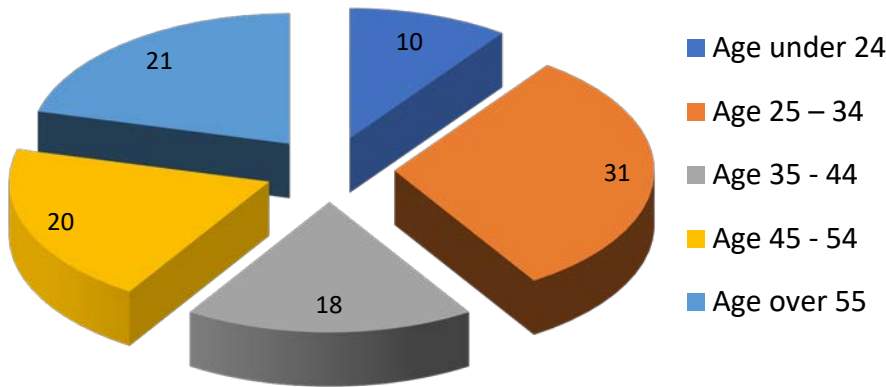


Summary Report Jan – Dec 2020

The year 2020 brought new challenges for all support and enforcement agencies but the Illegal Money Lending Team's LIAISE Officers quickly adapted their service to offer "business as normal" - intensive support to victims of illegal lenders who engaged with the team.

Whilst supporting a victim, officers will ask them about their health, safety and financial situations in order to tailor assistance appropriately. A summary of the findings follows with percentages rounded to the nearest whole number.

Age of borrowers - %



44% - The number of clients saying they had long term health conditions:

15% - Told us they had a physical illness

14% - Disclosed mental health issues

15% - Suffered from both mental and physical illness.

3% of borrowers said they acted as a carer for someone over 18.

Loan sharks can ruin lives:

IMLT Officers regularly have conversations relating to a client's well-being;

30% of victims said that they had considered committing suicide during their life-time including 16% who had attempted suicide.

91% of borrowers said that they were in a state of worry, stress, depression or severe anxiety because of their involvement with a loan shark and 56% told us that they had been abused verbally and/or threatened with physical harm (or actually harmed) by the loan shark.

Inclusion and equality:

Ages ranged from 19 to 75.

67% of the victims offered one-to-one support described themselves as "White British".

The remaining 33% of those helped during the year were from a variety of other cultural backgrounds.

The gender split was 50/50% female and male.

45% of victims were parents with an average of two children per family.

The IMLT have worked hard across communities to engage victims of all ages and background.

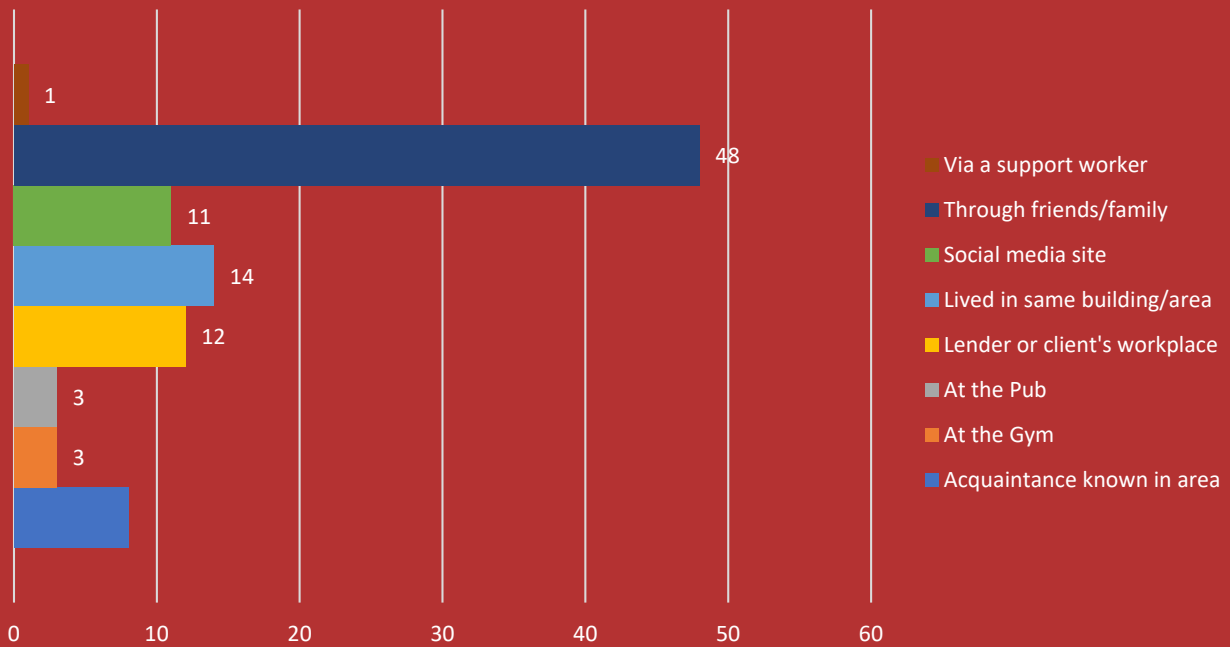
Officers provide free in-depth training to partners so they can spot signs of a loan shark victim and feel confident with reporting.

IMLT LIAISE Officers ask victims how they found out about our team:

The majority were contacted by the IMLT after warrants were executed in the lender's property and evidence found, but they also rely on partner agencies to report any worries directly to the team.

| Source that encouraged reporting | % |
|--|----|
| Age UK | 1 |
| Citizen's Advice | 4 |
| Credit Union | 1 |
| Debt advice agency other than C. Advice. | 2 |
| Family member/Friend | 3 |
| Health services | 2 |
| Housing provider | 8 |
| IMLT contacted the borrower | 42 |
| Internet search (IMLT website) | 22 |
| Local Council | 4 |
| Local publicity (flyers) | 2 |
| Police | 7 |

Where did they meet the lender initially? - %



12% met in either the lender's or the victim's work place. Victims may be forced to give personal documentation that may be needed for work such as passports or vehicle registration certificates and may have to take time off due to mental health issues caused by the lender.

11% of borrowers met the LS via social media. Those under 25 were more likely to get to know LS via social media than any other age group; those over 55 were more likely to access via a friend or family member.

The IMLT welcome reports from victims themselves, family members, friends or partner organisations. Please ask your clients about loan sharks especially if they refer to loans from "a friend".



Friend or Foe?

57% of victims believed the loan shark to be a friend at the point of borrowing. Most lenders will make borrowers believe that they are doing them a favour.

Often illegal lenders will be friendly at the point of borrowing and many people will believe they are doing them a favour - until they miss a payment.

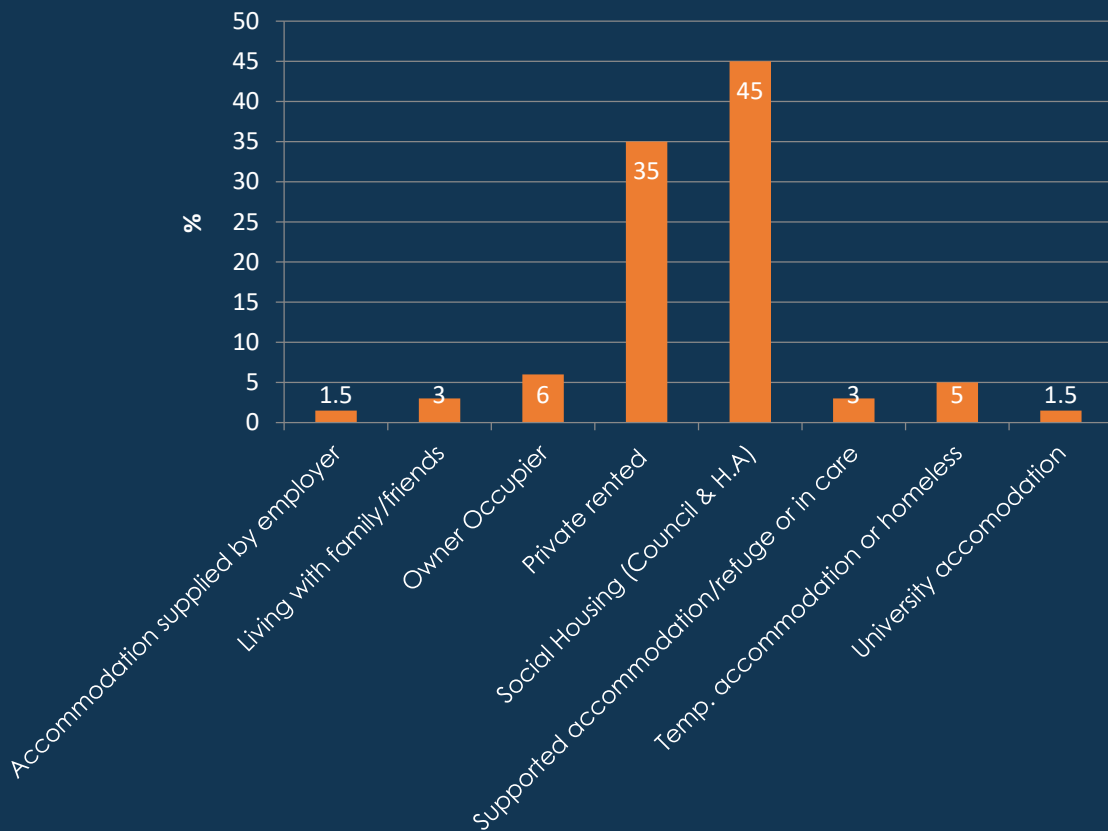
Do the comments below sound like someone has borrowed from a friend?

It was handy at first - I didn't have to have any checks or get someone to approve. Now I'm not working and she is giving me grief and threatening my family.

I genuinely thought she was a friend helping me out. Very soon she had me taking higher loans out from her in order to pay her back for the smaller loans. Very soon was taking all of my benefits and leaving me nothing.

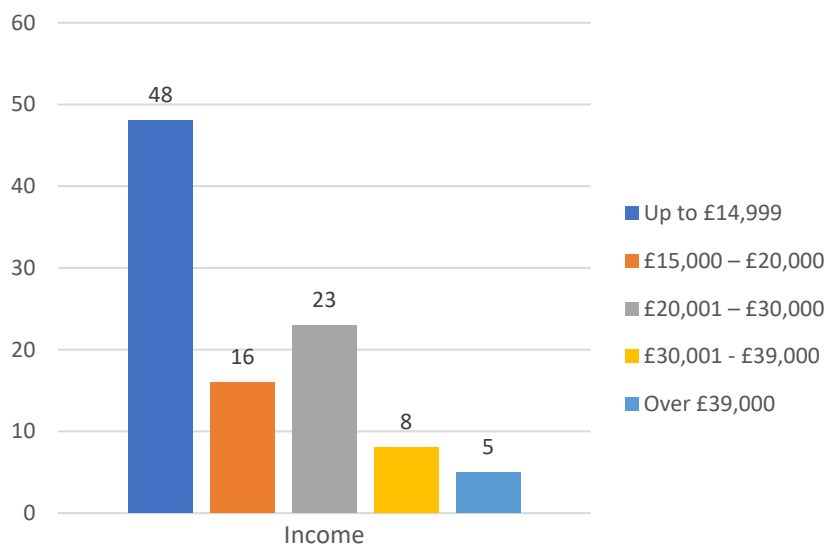
Started off as a favour and now want more and more money. I don't understand how he can want more. They've already held a gun to my head and threatened to kidnap my family.

Tenure - 2020



80% of victims paid rent for their property. This figure includes private rented accommodation and social housing. More clients were in temporary accommodation or homeless than in previous years.

Household Income - %



Clients were asked about their household income.

The number with an income of under £14,999 has increased up to 48% compared to 38% two years ago.

Those on incomes of more than £30,000 were more likely to have tried other legal avenues to get money before borrowing from the loan shark. 65% of those on incomes below £30,000 didn't try as they believed they would be refused.

37% were employed either full or part time, 9% were self-employed and 3% were students and 3% a stay at home carer.

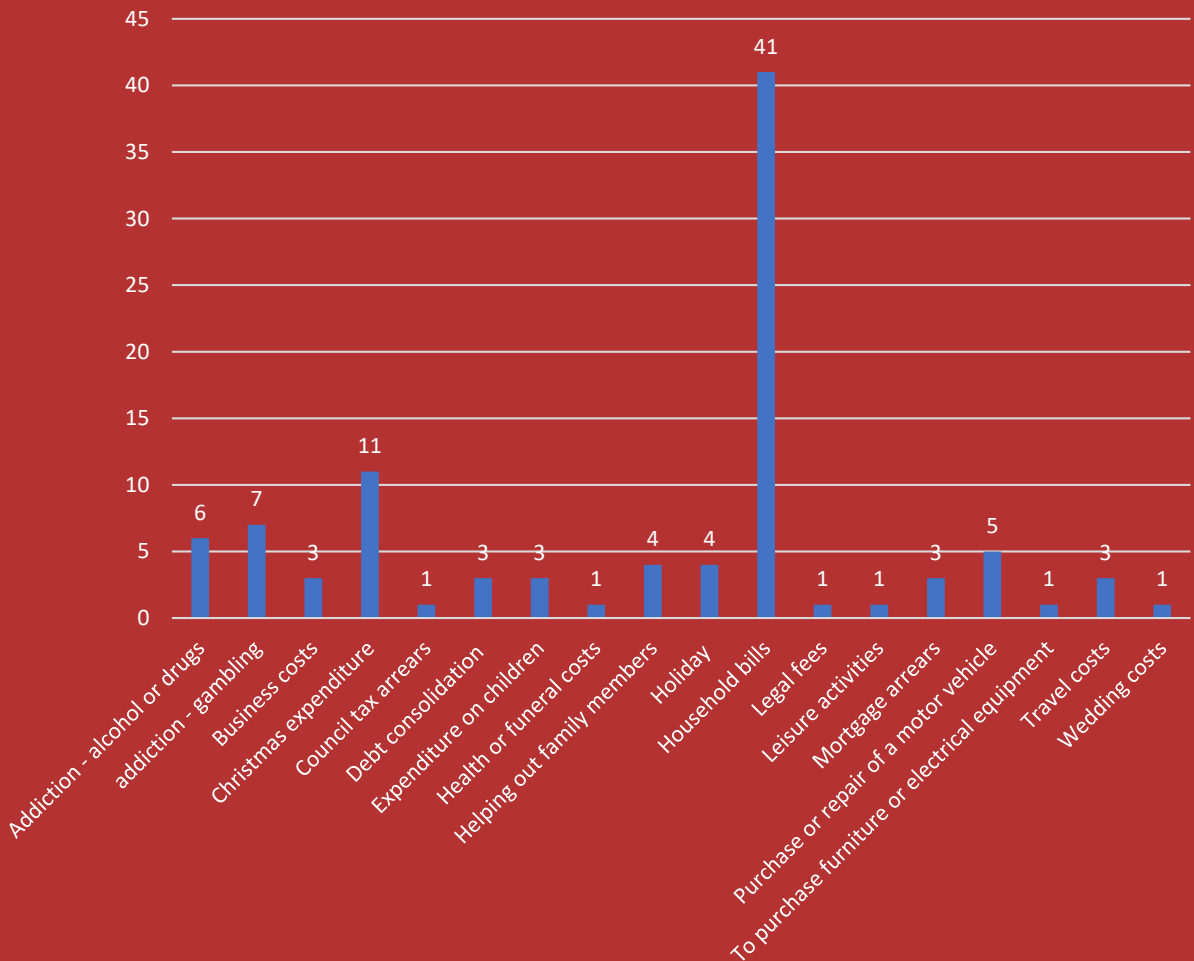
48% were unemployed – an increase of 17% on last year's figure.

The type of industry of those in employment included:

*Care sector *Science *Catering *Engineering *Civil Service *Teaching

Anyone can fall victim to a loan shark!

Reason for borrowing - %



By far, every year, the main reason for borrowing is every day living expenses - just getting by till the next pay day.

Amounts borrowed:

The median amount borrowed was £2,000 – £1,500 lower than last year.

The median amount repaid was £10,000 – 5 times the amount borrowed.

The lowest amount borrowed was £10 for travel costs and the highest amount was £98,000 for mortgage arrears.

The female borrowers supported during 2020 tended to borrow 50% less than the male victims.

Those on incomes of more than £30,000 were more likely to have tried other legal avenues to get money before borrowing from the loan shark. 65% of those on incomes below £30,000 didn't try as they believed they would be refused.

Debt Advice:

23% of respondents said that they had visited a debt advisor – 16% lower than last year which may have to do with the different way of accessing services during 2020.

Only a third of those who had accessed debt 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," "I didn't think they could help" and that the advisor hadn't asked whether their client was involved with a loan shark.

55% of those in the age group 41 -59 accessed debt advice whilst only 9% of those either under 25 or over 60 had. Maybe this reflects a lack of awareness of where to go for help in the younger age group and a lack of mobility or internet access for those in the older age group.

Benefits and Debt:

64% of victims were claiming benefits – an increase on 2019

37.5% of respondents claiming benefits were on Universal Credit – again, an increase on 2019

60% of clients owed money to legal creditors as well as the loan shark: The average amount owed was average debt £12,594

29% of clients told us that they had priority debts including rent, mortgage or council tax arrears.

The lowest amount owed to legal creditors by one person: £125, highest amount: £201,500.

Credit Unions:

LIAISE Officers always speak to clients about credit unions asking if they know what a credit union is:

18% had heard of them and knew what they are including 4% who were already members. This number is lower than last year's figure.

14% had heard of them but didn't know what they are and the remainder had never heard of a credit union.

Officers asked clients if they would consider joining their local credit union and 40% said yes. Details of their nearest Credit Union were then provided .

Of those that said they wouldn't consider joining, reasons given included that they were happy and able to use mainstream banking facilities or that there wasn't a credit union in their area.

Others said they wouldn't have enough money to save or they felt the Credit Union wouldn't provide as good a service as their bank.

Repayment to the loan shark:

28% of victims had payments collected from their home – an increase of 6% on 2019

13% of victims made payments at the lender's home – an increase of 5% on 2019

9% of borrowers repaid at a pre-arranged venue in their local area and 11% at either their work place or that of the lender.

36% of payments were made via electronic bank transfer compared to 46% in 2019.

This shows that criminals will keep going out and about and encouraging others to do the same despite the Covid regulations over the past year.

33% of victims said their relationship with the loan shark was affected because of the Covid epidemic. Either they had to borrow more because of loss of income or the lender increased threats over non-payment.

STOP LOAN SHARKS

Intervention . Support . Education

To report a loan shark please call the IMLT hotline:

0300 555 2222

Email: reportaloanshark@stoploansharks.gov.uk

For more information about the work of the IMLT please contact
Cath Wohlers, LIAISE Manager.

Email: Catherine.wohlers@birmingham.gov.uk.

Visit our website at www.stoploansharks.co.uk

For updates on the Stop Loan Sharks campaign visit:

www.facebook.com/stoploansharksproject

Or Twitter: [@loansharknews](https://twitter.com/loansharknews)

Download the Stop Loan Sharks App:

