

# STOP LOAN SHARKS

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## Illegal Money Lending:

A guide for health and social care professionals

Over 310,000  
households in the  
UK use  
illegal money  
lenders every year

Unauthorised lenders, or loan sharks as they are more commonly known in the UK operate a money lending business without permission from the Financial Conduct Authority and are acting illegally.

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# Could your colleague be a victim of a loan shark?

## Hospital staff case study

The **nurse** worked at the same hospital as the loan shark and had known them for over a year. £25,000 was borrowed in total.

Due to the interest accrued, the debt quickly rose to £28,100. However, the Loan shark warned that unless the debt was paid off 'soon' then the interest would exceed £40,000.

The Loan shark was given pre-dated cheques to be cashed monthly to the tune of £750.00.

The Loan shark then proceeded to ask the borrower for 'security' at which point the title deeds for the victims house abroad was handed over to the loan shark and threats were made to sell the property if the victim fell behind on their payments.

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# Could a patient be involved with a loan shark?

## Patient case study

The borrower suffered from mental health problems and lived opposite the loan shark's associate. The loan shark visited this property on six days of the week, often up to three times in the same day. The witness's son, also a victim, suffers from Bi-polar Disorder, often having psychotic episodes.

The loan shark would enter the witness's property causing disruption in the house. The borrower's mental health deteriorated to the point of losing control of bodily functions, turning on the gas stove then just sitting in the kitchen, not sleeping or eating and spending days in pyjamas.

The **Crisis Care Team** carried out a visit and admitted the borrower to hospital, due to them having suicidal thoughts. After assessment the client's condition was stabilised with medication.

When the witness's son suffered from serious psychotic episodes involving self harm and threats to his life and others, he also ended up in **hospital**. Whilst in the hospital, he received several texts and voice mail messages from the loan shark's associate. He has since been referred to a **counselling addictions clinic** in order to get the help he needs.

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# People often believe they have borrowed from a friend.

The borrower was admitted to hospital with injuries that were clearly caused by another person.

He received several calls and text messages whilst recovering which seemed to cause great upset. Upon questioning, the **nurse** was told that he had “borrowed money from an old friend.” This person was within their social circle; the lender was friendly whilst payments were being kept up but had beaten him up when he fell behind.

Despite the borrower being in hospital the loan shark still wanted paying.

The **nurse** knew of the **Illegal Money Lending Team** and got him to call.

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The loan shark who worked at the hospital as a **nurse** would shout at her colleagues who had borrowed and were late in paying.

Nurses who had borrowed were intimidated and felt ashamed that they owed money despite it being an illegal debt.

When one person reported the loan shark to the **Illegal Money Lending Team** she not only helped herself out of the situation but provided relief for all the others who had borrowed.

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# Signs that a loan shark may be involved

## Loan sharks:

Rarely offer paperwork so those who borrow from them are kept in the dark about how much they still owe

Can charge extortionate rates of interest- rates of up to 4million% APR have been seen

Add additional amounts to the debt so the borrowers struggle to repay

Take items as security. These items could even include passports and bank cards

Resort to extreme methods to reclaim their debts. This could mean threats, intimidation, violence or worse.

## Key legislation:

**Financial Services and Market Act 2000**

**Consumer Credit Act 1974**

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# Health issues might include:

...Multiple injuries

...Mental trauma

...Sexual trauma

...Psychological distress

...Self harm, including suicide attempt

# Health professional role:

- Trust in your professional instinct that something is not right
- Your colleague or patient may be showing signs of depression or anxiety due to involvement with a loan shark
- Ask the question - “have you borrowed from someone and are worried about paying it back?”

Follow up by asking if they had paperwork for the loan or if the person they have borrowed from also lends to other people.

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# Mental Health

- In 2016, 15% of loan shark victims interviewed by the Illegal Money Lending Team said they had considered committing suicide
- 12% had tried to commit suicide
- 5% had contemplated suicide as a direct result of being involved with a loan shark
- 310,000 households across the UK are estimated to be borrowing from a loan shark
- That means at least 15,500 people may be contemplating suicide because of a loan shark

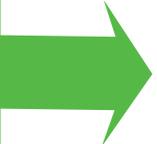
**Many of these will have accessed medical services**

# Why do people borrow from loan sharks?

There are many reasons why someone might borrow from a loan shark:



Repair or purchase of a motor vehicle



To help out family members with unexpected emergencies



Mortgage or rental deposit



By far the most common reason given is everyday bills and living expenses

People may borrow because they have a poor credit history; are newly arrived in the UK; believe they can't get a loan from a mainstream legal credit provider or more commonly just believe they are borrowing from a friend or colleague.

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# Useful information

If someone is lending you money they must be registered with the Financial Conduct Authority.

Search their database to see if the lender is legal:  
Go to <https://register.fca.org.uk/>

## **Free confidential debt advice**

For free, confidential debt advice on money worries from legal lenders visit:

Stepchange – [www.stepchange.org](http://www.stepchange.org)

National debtline – [www.nationaldebtline.org](http://www.nationaldebtline.org)

## **Legal advice**

The following organisations will give you advice on legal issues:

Citizen's Advice – [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

Citizen's Advice for consumer legal issues –  
[www.citizensadvice.org.uk/consumer](http://www.citizensadvice.org.uk/consumer)

## **Saving and borrowing:**

Credit Unions offer ethical loans and secure savings for thousands of people across the UK. Owned by their members and run solely for their benefit, anyone can join.

Visit [www.findyourcreditunion.co.uk](http://www.findyourcreditunion.co.uk) for more details.

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# Report a loan shark:

TELEPHONE our 24 hour hotline on

**0300 555 2222**

All calls are confidential.

Visit our website at

**[www.stoploansharks.uk](http://www.stoploansharks.uk)**

Speak to us on Twitter: **#stoploansharks**

Find us on facebook -

**[www.facebook.com/stoploansharksproject](http://www.facebook.com/stoploansharksproject)**

Or Text:

**07860022116**

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