

Report reveals more than one million in debt to loan sharks in England

As many as 1.08 million people in England could be in debt to an illegal money lender, commonly known as a loan shark – over 700,000 more than previous estimates – a leading think-tank has found as the cost of living crisis bites on family budgets.

In the first detailed investigation into the scourge of illegal money lending in a decade, the [Centre for Social Justice \(CSJ\)](#) also reveals in its [Swimming with Sharks](#) report the devastating impact it has on victims.

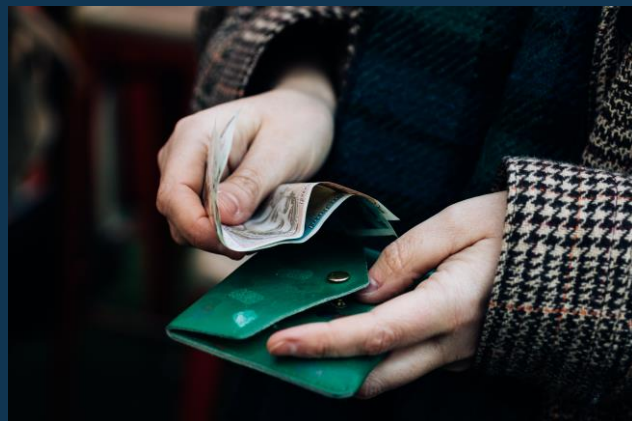
Analysing the largest sample of known victims of illegal lending compiled to date, the research found that 80 per cent of victims who applied to legal lenders first were refused, then turning to exploiters who often pose as a 'friend' before converting their victims into an illicit revenue stream.

Thousands of victims are forced down a pathway of 'hidden debt', not realising its risks until late in the day. Some are in denial, not recognising illegal loans as a debt out of a sense of embarrassment or shame.

Victims of illegal lending are the target of appalling abuses. Many pay way over the odds and are the targets of intimidation. Some are even coerced into signing contracts promising sexual favours, in the event of late repayment. Meanwhile, lenders are employing new methods to reach vulnerable people via social media, one convicted loan shark even using an 'influencer' to attract victims.

The report declares: "The consequences of borrowing from an illegal lender can be severe. The cost of repayment is often both arbitrary and extortionate where terms such as 'double bubble', where victims pay twice what they have borrowed, are used to extract large sums."

Illegal lenders are increasingly operating online, using the rapidly evolving social media landscape to entice and exploit new victims.



The CSJ heard countless examples of loan sharks terrorising victims through a steady stream of threatening messages and pictures – often in 'disappearing' sharing apps. Now, more than ever, victims are exposed to the relentless manipulation of their exploiters.

The effects can be tragic. More than one in ten loan shark victims go on to attempt to take their own life later on – with 70 per cent of attempted suicides occurring while the debt is outstanding. Yet more than half of known sufferers consider loan sharks to be a friend (55 per cent) when first borrowing.

Worryingly, 42 per cent of UK adults on the lowest incomes said that they are 'very worried' about the cost of living crisis in a new poll presented in the report. The CSJ learnt that 45 per cent of victims of illegal money lending use the cash for everyday expenses and household bills, almost three times higher than those borrowing to fund special events such as weddings.

Of known victims in 2021, 62 per cent had an income below £20,000, 66 per cent were already indebted to an authorised creditor, and 65 per cent had a long-term health condition.

The CSJ have proposed a three-pronged attack to ensure that tackling illegal lending is at the forefront of this agenda.

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Bid for slice of £160k cash from loan sharks

The England Illegal Money Lending Team (IMLT) have launched the latest round of their Stop Loan Sharks Community Fund with a share of £160,000 funding up for grabs.

Charities, community groups, schools, and public, private and voluntary sector organisations are able to apply for proceeds of crime funding for projects that raise awareness of the dangers of loan sharks and help make communities safer.

Grants of up to £5,000 are being made available with collaborative bids between multiple agencies being considered. Projects must raise awareness of the dangers of loan sharks, help to reduce crime and disorder and have a positive impact on local communities.

The funding comes from money recovered from convicted loan sharks under the Proceeds of Crime Act (POCA).

With the cost of living continuing to rise, there has never been a more important time to raise awareness about the dangers of borrowing from loan sharks and highlight the help for those in need.



Over £2.5 million has been given to more than 600 deserving projects so far since the Stop Loan Sharks Community Fund launched over 10 years ago.

Projects previously funded have included graffiti murals, art therapy sessions for vulnerable adults and drama performances in schools highlighting the dangers of dealing with loan sharks.

Click here to find out more about the funding and to download an application form.

The closing date for applications is Thursday 30th June. Please **email us** or speak to your local LIAISE officer if you need help.

Loan shark mural unveiled in Peterborough

A new mural warning of the dangers of loan sharks has been installed in a Peterborough underpass. The artwork is helping to spread awareness in the community and help people seek support if they are being exploited by predatory lenders.

The project was a collaboration between the IMLT, Werrington Neighbourhood Council and Street Arts Hire Ltd.

Featuring prominently on the mural are the words 'Let's keep sharks in the ocean and out of our community' as well as the phone number for the Stop Loan Sharks 24/7 Helpline 0300 555 2222.

Free workshop sessions were held for people to try out street art techniques to produce a shark-themed canvas to take home.



The impressive mural located at the Paston Parkway underpass in Peterborough was designed by a team of local artists, including Nathan Murdoch, who owns Street Arts Hire Ltd, along with Andrew Bowley, Steve Crowe and Carl Unwin. It was paid for by money seized from convicted loan sharks.

Got information about loan sharks? Email us  0300 555 2222 

Arrests
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Mother speaks out about loan shark ordeal

Families are under increasing financial pressure as the cost of living continues to rise. When people need money fast, they may find themselves considering the option of borrowing from a loan shark as a quick fix solution.

We spoke to one victim, a mother of two, to learn more about the devastating effect illegal money lending had on her family.

Kim, now 41, and her partner, took out four loans with a woman they knew and gave half of their earnings to her every month.

The couple said the loan shark was a woman who had previously worked for a legitimate lender and posed as their friend.

She said: "We trusted her. We thought she was operating legally, and she told us we were 'good payers'. She used to come and sit in our house and fuss over my children.

"She told us about her family and her holidays. We were friendly. We'd known her for some time."

For an initial loan of £750, Kim was paying back £400 interest. The pressure deepened when the lender asked when her payday was and harassed her until each payment was made.

Kim said: "She was messaging me constantly and I felt I was being hounded. I'd asked her if I could miss one month but the messages she was sending back were that I had to pay. There was no choice.



"I thought, 'this isn't right.' I contacted Citizens Advice to find out what my rights were, and it became clear I wasn't dealing with a legitimate lender."

Kim's case was referred to the IMLT who took action against the loan shark and provided her with valuable support.

The number of people taking out loans with illegal money lenders is increasing, and the stories behind each person are shocking. Kim was just one of many who has been ripped off and taken advantage of by a loan shark who preyed on her desperation.

If you're in a similar situation to Kim, then you can get help by contacting Stop Loan Sharks. We're here to help you get back on your feet.

Call us: 0300 555 2222 

Migrant charity warns of loan shark dangers

Migrant families and new arrivals to the UK are being preyed upon by loan sharks who charge very high interest rates, forcing families into a cycle of poverty.

The IMLT and Tulia, a charity supporting migrants and their families, have joined forces to release a new video aimed at raising awareness of the risks of illegal lending and helping people access support.

In the video, Fari is desperate to help pay for his dad's medical bills back home, so he tries to sell some of his possessions and contemplates borrowing money from a loan shark. He discovers that borrowing money this way comes with a high cost and can lead to devastating consequences in the future.



[Click here to watch Fari's Story](#)

Fin-tastic new art trail launches in Runcorn

An exciting shark art trail competition has launched in a Runcorn park.

Seven striking shark murals have been installed in Phoenix Park as part of the new outdoor art trail to raise awareness of the dangers of illegal money lending.

The murals, which have been painted on a variety of surfaces, depict a range of sharks, including the Great White, Hammerhead, Basking and the Loan Shark.

The project is a collaboration between Creative Health Initiatives (CHI), the England Illegal Money Lending Team (IMLT), Cheshire Constabulary and Halton Borough Council.

The new collection of stunning artworks have been created by young people from the Halton community, with support from local graffiti artist, Alex Taylor.

Families are encouraged to get involved in the #SharksInPhoenixPark art trail competition which is running until 30th June.

Seven different sharks will be installed at seven different points across the park for lucky hunters to encounter.



Follow the clues to each of the sharks, matching the correct name to a number and completing the puzzle on the [entry form](#).

Complete the art trail and you'll be entered into a prize draw where there will be plenty of prizes up for grabs including restaurant and shopping vouchers.

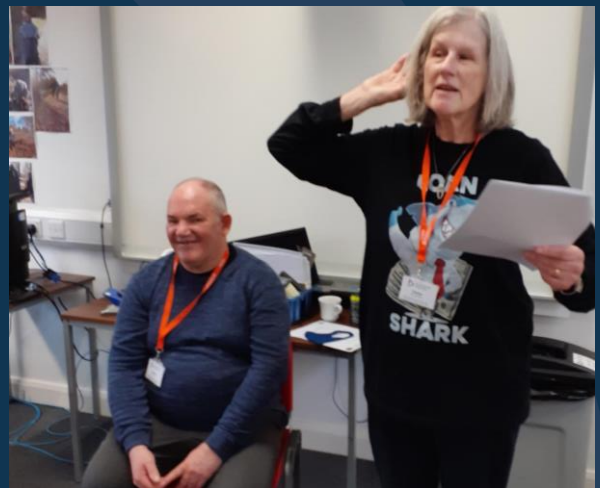
Supporting adults with learning disabilities

The IMLT have been working with [Talkback UK](#), an autism and learning disability charity, to deliver role play sessions with members on how to recognise the warning signs and avoid falling prey to loan sharks.

The sessions helped convey important messages about the dangers of borrowing from loan sharks in a fun, interactive and informative way.

Members also learnt about ways to borrow money safely and how to report someone who is lending money illegally.

Thanks to further funding from the IMLT, the charity was also able to take the educational package into some of Buckinghamshire's and Berkshire's schools and colleges, where it reached a wider audience.



If you would like to work with IMLT to deliver a similar programme to your service users, [please get in touch](#).

Writing's on the wall to help tackle loan sharks

A giant mural warning of the dangers of loan sharks has been painted on a wall in St Austell in Cornwall.

The IMLT are working in partnership with St Austell BID and Safer Cornwall to tackle illegal money lending in the town and are encouraging members of the public, who are concerned about loan sharks, or know people who are being pressured into taking out loans, to call their confidential helpline.

The colourful design, which features warning messages about illegal money lending, has already attracted attention across the town and is helping people to spot loan sharks more easily.



The eye-catching mural located on a wall in Chandos Place has been paid for by money seized from convicted loan sharks.

Shadow puppets help beat the loan sharks

Shadow Puppetry and drama games were used as part of a project to help teach children about the dangers of loan sharks.

The IMLT partnered with [ArtsGroupie](#) to deliver a series of creative workshops where children made their own puppets and learnt about loan sharks and nasty lenders in a fun and engaging way.

The puppet show was delivered at several events across Liverpool and proved to be very popular with residents. The events reached over 1000 people and offered vital information about ways they could protect themselves from loan sharks.



Sid joins clean up events across Tees Valley

The IMLT joined Thirteen Housing and local community organisations for their Big Clean-Up events in Hartlepool, Middlesbrough and Stockton to highlight the dangers of dealing with illegal money lenders and encourage communities to report their activities.

Officers from the IMLT LIAISE team took part in a leaflet drop where over 3000 homes were delivered with information about Stop Loan Sharks and how to report suspected illegal lending in their community.

Mascot Sid the Shark made sure families had fun getting to know facts about sharks at the events. He also taught them how they can save and borrow money safely with Moneywise Credit Union.



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PRESS COVERAGE



BBC Morning Live join loan shark operation 26th April 2022



Scandal of a million driven into clutches of loan sharks by cost of living crisis

The Daily Express join loan shark operation 18th April 2022



Loan sharks trap poorest as cost of living crisis bites

BBC join loan shark operation 21st March 2022

The Telegraph

More than one million in debt to loan sharks, with some demanding sexual favours as repayment

The Telegraph 21st March 2022

EAST ANGLIAN DAILY TIMES

Suspected loan shark arrested in Bury St Edmunds

East Anglian Daily Times 22nd April 2022

Mirror

Mum-of-two trapped in debt after borrowing £750 from loan shark 10 years ago

The Mirror 18th April 2022

Update from Wales Illegal Money Lending Unit

The Wales Illegal Money Lending Unit (WIMLU) is experiencing an increase in reports of loan shark activity. Communities are encouraged to report incidents of identified or suspected loan sharking activity to tackle the scourge of this problem.

A Swansea businessman is to stand trial later this year following an investigation into his lending practices. The lender was demanding repayments of over £70,000 on loans of less than £25,000. Tragically, it is believed that one borrower committed suicide as a result of the stress.

The team are investigating an 83 year old woman from Swansea, who allegedly was lending small sums at a very high rate of interest to vulnerable borrowers with mental health problems.

In Pontypool and Cwmbran in Wales, a man in his 70s is awaiting trial on charges of lending small sums of money to vulnerable adults and charging them 'double bubble' interest.

As pandemic restrictions have eased, and the cost of living has become a particular concern, the Wales Illegal Money Lending Unit has stepped up its engagement with partner organisations.

The unit recently presented an awareness raising session to eleven of the major social housing providers via Community Housing Cymru.

Community Hubs in Neath Port Talbot and South Denbighshire have also begun working with the unit to ensure that there is an understanding of the loan shark problem in the communities they serve.

Cardiff Council is undertaking a major initiative among housing staff to raise awareness of the danger of tenants being drawn into borrowing from illegal lenders.

The unit continues to engage with all Citizens Advice organisations across Wales, as CA remains a key source of information about loan shark activity.

'Real life' events for the public such as Family Fun Days are on the increase, and the unit is happy to become involved.

Contact the team on 0300 123 3311 for partnership enquiries.

Have you gained Partner Recognition status yet?

The **Stop Loan Sharks Partner Recognition Programme** is a way for IMLT to recognise the partners who are working with the team to stamp out loan sharks in their community and helping to create safer spaces for people to live and work.

Our reach would not be as far without the hard work and dedication of our partner organisations and supporters, giving their time and energy every day to stop loan sharks and protect people from harmful practices.

Congratulations to Birmingham City Council Neighbourhood Advice and Information Service (pictured right) and Devon, Plymouth, Somerset and Torbay Trading Standards Service for being awarded Partner Recognition status.

Just Credit Union are the first organisation in the country to be awarded Partner Plus status, which recognises their exceptional commitment to partnering with us.

By working with us on our Stop Loan Sharks campaigns, they have played a key role in raising awareness of the dangers of illegal money lending and have helped more residents to avoid becoming victims.

