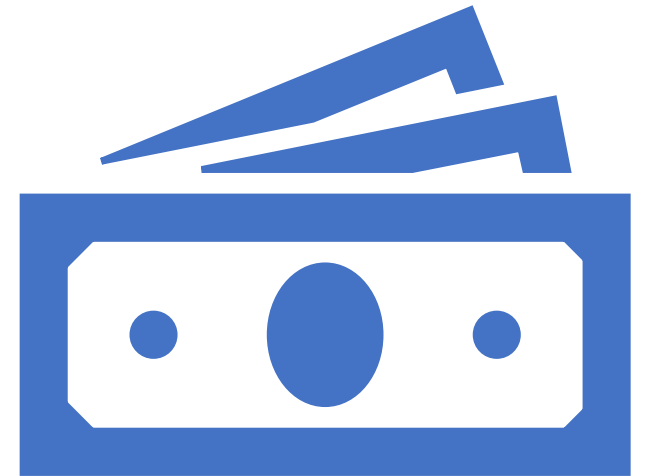


# Illegal Money Lending Team

Trish Cassidy



# Trigger Warning

This discussion includes content relating to sexual assault, physical violence, self-harm and suicide.

We encourage you to seek support and to be mindful of your own wellbeing.

# What is an illegal lender, unlicensed lender or loan shark?

The definition of a loan shark is someone who lends money in the course of a trade or business without the correct permission from the Financial Conduct Authority (FCA)

- Nothing to do with a high APR or interest rate
- Nothing to do with bullying or harassment
- It is simply NOT having the correct permission to lend money!
- Financial services & Marketing Act 2012

# Check information about a firm, or an individual at a firm

You can search by name or reference number. You can narrow your search results by adding a location.

Enter a name or reference number

Postcode or town (optional)

Show me first

☐ Firms ☐ Individuals

How to check...

<http://www.fca.org.uk/firm/financial-services-register>

# The England Illegal Money Lending Team

## **Enforcement**

- Financial Investigators
- Seconded police
- Intelligence
- Solicitor

Purpose: Investigate intelligence we receive with a view to removing the suspected loan shark

## **Liaise**

- 16 officers across England
- Generate intelligence
- Raise awareness
- Training
- Victim support

Purpose: Work with partners and local agencies to identify and support victims

Work closely with separate teams in Wales and Scotland. Contacts for organisation in Northern Ireland.



Could you spot  
a loan shark?



# A spectrum of illegal lending

Community lender	Business lender	Online lender	Criminal and Mr Big	Work place lending
Local estates. Known as the person who lends money.	Lending is secondary to the legitimate business. Such as greengrocer or off licence.	May use social media or chat rooms on gambling or dating sites so meet new victims.	May suggest that the money is owed to an elusive character, linked to crime gangs.	Could be a colleague or boss
May come recommended by friends or family	Parallel lending. Usually, a current or ex agent of legitimate lending such as Morses, provident.	Often infiltrate community online groups from ethnic minorities.	May be part of organised crime gangs.	Concerns over colleagues finding out or employer
Seeks out customers at foodbanks, schools, pubs etc	Posing as a legitimate lending company. May have marketing material.	Greater geographical reach.	Typically, more violent and dangerous.	Knows exactly how much victim is paid and when
Often befriends the victim first	May provide some form of paperwork.		May lure victim into a life of crime to repay debts.	Fear of losing job





# RED FLAGS

**STOPLOANSHARKS**  
Intervention . Support . Education

*Worried that you might have been targeted by a loan shark?*

## Five red flags to look out for:

1. Too good to be true: You are offered a loan, often with no questions asked and may be told not to mention it to anyone
2. Casual arrangements: You are asked to make payments to a personal account rather than a business account – and sometimes in person - but you are given no paperwork or receipts
3. Personal documents: You are asked to hand over bank cards or a passport or valuables as security
4. Never-ending payments: You find yourself paying large amounts of interest and the amount borrowed never seems to go down
5. Threats: You are threatened, bullied, attacked or forced to do something you are not comfortable with if you struggle to pay

*Worried that someone has been targeted by a loan shark?*

## Five red flags to look out for:

1. Anxious: They are withdrawn, anxious or depressed and decline social invitations with no reason
2. Afraid: They are afraid to leave home, or anxious about visitors
3. Money worries: They are constantly short of cash and always looking for ways to avoid spending or cut back
4. No bank card: They haven't got access to their bank card or passport because they may have handed it over to a loan shark
5. Threats: They are receiving threatening texts or calls



# Ways of making you pay

Not all control is stemmed from violence. Often the threat of action is what keeps a victim paying.

Below are some of the threats we see:

- Reporting to home office for deportation
- Being chopped up and served as take away food
- The cat would be killed by lender's "cat killer dog"
- Witchcraft
- Sharing sexually explicit photos/videos
- Shame on social media
- Telling family "back home"
- Family/partner finding out about the debt
- Court action
- Guilt

# Borrowers from 2023

- Half believe they are borrowing from friends
- Most were recommended by someone they know and trust
- We have seen many victims under the age of 18
- We have prosecuted loan sharks from 18 years old
- Half pay by bank transfer
- 39% were in arrears on priority costs
- 60% went without food or fuel to repay the loan shark
- 70% owed money to legal creditors
- 30% contemplated suicide
- 17% made attempts on their own life
- We have seen cases with APR of up to 4.5 million %

**To victims the loan shark is the priority**

# Impact

## **Financial**

- Priority arrears
- Creditor arrears

## **Health**

- Poor mental health
- Impact on physical health

## **Social**

- Relationship breakdown
- Children, family and friends impacted

## **Wider impact**

- Employment
- Education
- Strain on local services

**This is a safeguarding issue, loan shark victims are vulnerable customers. Consider consumer duty – good outcomes**

# Matthew's story



# How prevalent is illegal money lending?



In March 2023 the Centre for social justice estimated 1.08 million people in England. Equates to around 2% of the population.



Fair4all research estimated that 3 million households have used a loan shark in the last 3 years.



The decline of subprime credit providers has left a void of 2 billion pounds and the cost of living means many people are struggling to make ends meet.



A quick and easy instant loan can seem very appealing.

# How might a victim present?

- Looking for food or fuel voucher
- Owes money to a friend
- Looking to borrow money to repay the loan shark
- Requesting grants or additional financial support
- Other debts spiralled out of control
- Employment or education issues
- May be forced into other criminal activity to try and release themselves from the loan shark
- Arrears on priority costs
- Physical or mental health concerns

**It takes on average 2.75 years for a victim to reach our team. Victims typically have contact with a range of services during that time.**

# What support we offer

Support for professionals in advice roles including training and materials.

Victim support – Local LIAISE officer allocated

24 hour helpline

Risk assessment

Needs assessment

Safe house

Live chat

Can access advice and support anonymously

Possibility of recouping money paid!



# GDPR

## GDPR/Data Protection - The Elephant in The Room

- GDPR Exemption – Part 3 of the Data Protection Act 2018
- Law enforcement – the processing of personal data by **competent authorities** for law enforcement purposes is outside the GDPR's scope (e.g. the Police investigating a crime or IMLT investigating a Loan Shark)
- There are two parts to this exemption. The first part can apply if you process personal data for the purposes of: the prevention and detection of crime; **the apprehension or prosecution of offenders**; or the assessment or collection of a tax or duty or an imposition of a similar nature.

You don't need to consent to share details of a suspected LS  
You do need consent to share victim details  
Postcode information about activity could help

# How to report

24 hour freephone number 0300 555 22 22

An orange rounded rectangular box containing the text '24 hour freephone number 0300 555 22 22'. A light orange arrow points downwards from the bottom right corner of this box towards the email box below.

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

A grey rounded rectangular box containing the text 'Email' followed by the email address '[reportaloanshark@stoploansharks.gov.uk](mailto:reportaloanshark@stoploansharks.gov.uk)'. A light grey arrow points downwards from the bottom right corner of this box towards the text box below.

Text 07860022116

A yellow rounded rectangular box containing the text 'Text 07860022116'.

# How you can help

- Training
- Help us raise awareness, social media, website, newsletter, promoting to other organisations
- Help us keep the conversation going
- Request our publicity; posters, flyers, pens etc
- If you have any conversations with someone you are supporting, record a note on your systems and let us know
- Download our social media toolkit [Social Media Toolkit Home page - Stop Loan Sharks](#) and share!

# Discussion point 1

- Do you think your customers could be susceptible to IML?

## Discussion point 2

- How can we work together to identify and support these customers, Including in a digital journey?

## Discussion point 3

- What challenges do you foresee with identifying and supporting these customers?

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Any Questions?

