

# **Stop loan sharks campaign**

**May 2010**

## **Introduction**

The Office of Fair Trading (OFT) is supporting the work of the Trading Standards Illegal Money Lending Teams (IMLTs) by joining the campaign to encourage people to report loan sharks. This paper gives details of national communications activities being undertaken during May 2010.

## **Background**

The Stop Loan Sharks project aims to identify and support the most hard to reach individuals, helping them move to a state of financial inclusion and empowerment in order to eradicate the activity of illegal money lenders across our communities. The project is funded by the Department of Business, Innovation and Skills and has seven Illegal Money Lending Teams covering England, Scotland and Wales. As well as undertaking enforcement action the IMLTs undertake a range of consumer communications appropriate to the audience in their regions, such as leaflet drops, advertising, media activity and information at supermarkets.

## **What is a loan shark?**

Loan sharks are people who lend money without a license from the OFT. Loan sharks are often well known in the community and source their customers through word of mouth.

## **Who uses loan sharks?**

There are an estimated 165,000 households in the UK using loan sharks, with half of these in the most deprived areas.<sup>1</sup>

Households are usually from deprived social housing estates largely in urban areas, mainly Scotland, the North and the West Midlands, though pockets arise in the South parts of London and in Wales.

Users of loan sharks tend to be between 30-40 years of age, with families and are often female.

## **Objectives**

- To increase awareness of the fact that loan sharks are illegal.
- To increase understanding of how to spot a loan shark.
- To encourage people to report loan sharks.

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<sup>1</sup> Policis. *Illegal lending in the UK*. December 2006

### **Key messages**

- Loan sharks are dangerous and acting illegally
- If you have borrowed money from a loan shark *you* haven't broken the law, *they* have. You can report them in confidence by:
  - calling 0300 555 2222
  - texting **loan shark** and details you want to pass on to 60003
  - emailing [reportaloanshark@stoploansharks.gov.uk](mailto:reportaloanshark@stoploansharks.gov.uk).
- Loan sharks tend to:
  - offer you a cash loan but do not give you any paperwork
  - do not tell you when you will finish paying
  - charge high interest rates and add extra charges to loans
  - take people's bank cards as 'security' on the loan.
- A loan shark is a person who lends money without a licence from the OFT.

### **Communications activities**

The IMLTs undertake a range of communications in their local areas. The following are some national activities that the OFT and the IMLTs are undertaking in May.

- Fillers. Television and radio fillers have been developed for use by stations when they have free airtime. These will be distributed to stations on 24 May. These will also be available on You Tube.
- Adverts in Doctors' surgeries. Adverts are being run, from May until July, in Doctors' surgeries in areas when loan sharks may be operating.
- Printed materials. Leaflets and posters will be sent to a range of organisations that are in contact with people who may be using loan sharks. Materials will also be distributed locally by the IMLTs.
- Media. A press release will be issued to announce the launch of the above activities.