

# STOP LOAN SHARKS

## Intervention . Support . Education

Anyone can be a victim of a loan shark – your family, friends, neighbours and even you.

It's not always easy to spot a loan shark as they come in all shapes and sizes and will at first appear friendly, just part of the community. It is when you can't pay that they will turn on you.

A loan shark is someone who lends cash as an unauthorised business.

If someone is struggling to pay a debt the loan shark will resort to threats, violence and intimidation to get what he thinks you owe, even if the debt has been paid off several times over.

A loan shark will typically have little paperwork and, will add penalty charges for late payments. Sometimes they will add random sums to the bill.

Many victims keep paying because they think they can afford the agreed weekly sum, but they don't realise how much their continuing weekly payments add up to or they are too afraid to stop payments.

Our advice is that you should never go to a loan shark. They do not provide a community service; they are simply out to make money.

Loan sharks:

- Are running an unauthorised business under the Financial Services and Markets Act 2000
- Often refuse to tell the borrower how much they still owe, when they will finish repayments.
- Often increase the debt or add additional amounts.
- May take items as security- including passports, bank cards and driving licences.
- May resort to violence, threats and intimidation.

### What is being done to stop this?

The Illegal Money Lending Team investigates illegal money lending and any related offences- in the past this has included violence, blackmail, drugs offences, threats, kidnap and even rape.

### Mikes Story

Aged 17, Mike\* was keen to buy his first car. When Peter\* offered to lend him £250, Mike agreed and began paying back in instalments until the loan was repaid. It was only then that Peter mentioned additional interest, Mike wasn't expecting this and found it difficult to repay, so Peter offered him a further loan to pay off the first.

This became a cycle and continued over the next two decades, which Mike described as “Sheer hell”. He was trapped in a never ending spiral of debt, and struggled to get by, despite working two jobs. He would make large repayments but his outstanding balance would never drop below £9000.

Over the years Mike paid a staggering £90,000 to the loan shark, all from an initial loan of £250.

This had a hugely detrimental impact on Mike and his family. The loan shark attacked Mike in front of his children, he lost his home as he couldn’t pay the mortgage and three jobs due to depression. Aged 33, he suffered a stress-related heart attack.

On more than one occasion, Mike attempted suicide.

*“You wouldn’t wish it on anybody” He said “It affected my relationship with my wife. If I wasn’t at work I was home arguing, and it affected the kids. They had nothing. Every Friday and Saturday he was sat outside my work- if I finished late he would text saying ‘its payday where are you’ It was a living nightmare”*

The turning point was when Mike spotted an article in his local paper about a loan shark who had been prosecuted by the Team.

Peter was now threatening to harm Mike’s wife and realising he couldn’t take any more Mike called the confidential hotline.

From that point forwards he was supported and Peter was prosecuted and imprisoned.

*“I wish I’d known there was somewhere to go years ago” Mike said “The Team were fantastic, they offered so much support, and every promise they made they delivered. It was such a relief when I found out Peter was arrested and then put in prison. I nearly broke down when the Team rang to say”*

Mike is now looking to the future, and has a message to anyone in the grips of a loan shark.

*“I would tell anyone who is borrowing from a loan shark to be confident to stand up and speak out- the Team will support you the whole way. Even a year later the Team are always there for me, regularly in touch and always on the end of the phone.*

*Life is absolutely fantastic now- we don’t have to worry about money anymore and I’m happier than I’ve ever been. Were going on holiday as a family for the first time in 17 years- I can’t imagine ever being able to do this before*

*Contacting the Team is the best thing I could ever have done. I’m living the life I should be living”*

If you think you may be involved with a loan shark, call the team in confidence on

**0300 555 2222**

Text 07860022116

E-mail [reportaloanshark@stoploansharks.gov.uk](mailto:reportaloanshark@stoploansharks.gov.uk)

Website [www.stoploansharks.co.uk](http://www.stoploansharks.co.uk)