

Stop Loan Sharks

Loan sharks will trap people in a spiral of debt, and resort to the most extreme bully tactics to enforce repayment. Anne* from Manchester learnt this the hard way, when she fell into an illegal money lenders trap:

It was coming up to Christmas, and Anne was worrying about affording presents for her two young children. Spotting an advert in her local paper for unsecured loans, she decided to call the number.

A man answered, and told her he would be able to lend her £150, but it would need to be secured on something. He came to her home and took her passport, explaining that this would be returned once she had repaid in full. He explained that she would need to repay £15 each week plus an extra £10 a week in interest. She knew this was steep but she was desperate and believed she would be able to pay back within a few months with her wages from working in a shop.

In the January, Anne fell ill and was unable to work. As a result of this she defaulted on a couple of payments. She was resting at home with her six year old daughter, when the loan shark barged in with two other men, demanding to know why she hadn't paid. They pulled electrical items out of her living room, claiming the loan was secured against these.

Anne was terrified. "There was nowhere to go" she said "I wasn't even safe in my own house. I was screaming, crying, pleading with him not take my stuff. To think, that my little girl had to see that."

A few days later she received a note from the loan shark through her door, to tell her that an extra £100 had been added to the debt for the 'bailiff' visit. From that point onwards, she paid the loan shark religiously retaining the post office slips as proof of payment. However the loan shark still appeared at her door, alleging she'd missed payments. He would turn up late at night and on once occasion Anne had to hide, as he tried to climb in through her kitchen window. For every visit he would add an extra charge of £80 to £100.

This continued for 5 years, with Anne paying back around £5000 on the loan of £150.

The England Illegal Money Lending Team caught the loan shark, and discovered Anne was not alone in her experience. The loan shark had around 900 'customers' who he was harassing for payments, he believed to be due. He was given a lengthy custodial sentence and stripped of £270,000, money he had made illegally.

Anne said "It was such a weight of my shoulders. It had got to the point where my nerves were shot and I was too frightened to answer the door. I'd realised he was never ever going to go away. If he hadn't been arrested I'd probably still be paying him now"

Remember illegal debts are not enforceable in law. If you have borrowed from an illegal lender, you have not committed a crime - they have. Most loan sharks will appear friendly at first, but their behaviour can quickly change.

If you believe you have borrowed from a loan shark, contact the England Illegal Money Lending Team in confidence as we can help;

To report a loan shark:

Call the 24/7 confidential hotline [0300 555 2222](tel:03005552222)
Text 'loan shark + your message' to 60003

Email reportaloanshark@stoploansharks.gov.uk
Log-on to www.direct.gov.uk/stoploansharks

* Name has been changed.



