

Press release: Northern Ireland bites back in the fight against loan sharks

- For the first time in Northern Ireland a new education project will be created to raise awareness of the dangers of loan sharks and to support vulnerable communities.
- Over £5.5 million will be spent to fund the fight against loan sharks across the United Kingdom, helping to investigate and prosecute illegal lenders, and support their victims.

Rt Hon Karen Bradley MP, Secretary of State for Northern Ireland, said:

Loan sharks are a blight on society and prey on vulnerable people who struggle to make ends meet and their callous methods will not be tolerated. Northern Ireland is at the forefront of fighting back against their criminal activity with the Consumer Council educating potential victims on the dangers and the PSNI ensuring those responsible will be brought to justice.

More money than ever before is being spent to fund the fight against loan sharks as this Government continues to build a United Kingdom fit for the future.

In Northern Ireland, the Consumer Council will lead its first ever education and awareness campaign to help prevent the most vulnerable from being bitten by loan sharks, and the Police Service of Northern Ireland (PSNI) will get funding for a specialised officer who will lead on illegal lending within the Paramilitary Crime Task Force.

In total, £5.67 million of funding will be provided to Britain's Illegal Money Lending Teams (IMLT) and bodies in Northern Ireland to tackle illegal lending – a 16% increase compared to the previous year. The money will be used to investigate and prosecute illegal lenders, and to support those who have been the victim of a loan shark.

Since the Illegal Money Lending Team was established in England in 2004, they've made over 380 prosecutions, leading to 328 years' worth of sentences, and have written off over £73 million of illegal debt, helping over 28,000 people to escape the jaws of the loan sharks. Similar teams operate in Scotland and Wales.

John Glen, Economic Secretary to the Treasury said:

These nasty lenders are nothing more than lowlife crooks taking hard-earned cash from the pockets of the most vulnerable. Over

300,000 people are in debt to illegal money lenders in the United Kingdom and they need to know that we're on their side. That's why we're taking the fight to the loan sharks and spending more than ever to support their victims.

Further Information

- People who lend money without the correct permissions are breaking the law. Often known as loan sharks, these illegal lenders typically charge unfair high rates of interest and use intimidation or violence to go about their business.
- The Illegal Money Lending Teams in England, Scotland and Wales work alongside the Financial Conduct Authority (FCA) to enforce the consumer credit market, but unlike the FCA they have broader powers to tackle the wider criminality associated with loan sharks, such as violence and blackmail.
- The Government committed at Autumn Statement 2016 to expand the scheme that uses funds recovered from convicted loan sharks under the Proceeds of Crime Act to incentivise consumers to join credit unions in communities at risk of being targeted by illegal lenders. The more money seized, the more that can be spent.
- In 2018/19, the England IMLT will spend up to £100,000 in funds seized from loan sharks to incentivise consumers in communities at risk of being targeted by illegal lenders to join and save at a credit union. Four times more funding is available compared to in 2016/17, helping more consumers access alternative sources of credit and avoid the misery caused by loan sharks.
- In 2016 the Government legislated to introduce a ringfenced FCA levy on consumer credit firms, and since April 2017 this levy has been used by HM Treasury to fund crucial action against illegal lending.
- You can find your nearest credit union [online](#):
- Citizens Advice can also help those in debt or who are thinking about borrowing from a loan shark. Their advisors are available in-person, over the phone or on their online web chat.
- All queries should be directed to Charles McKnight at the Treasury press office on Charles.McKnight@hmtreasury.gsi.gov.uk or 020 720 4290