Witness statistics

Report for the period January – December 2015

LIAISE (Lead in Awareness, Intelligence, Support and Education) Officers offer one-to-one support for those who have borrowed from an illegal lender or loan shark as they are commonly called.

The LIAISE Team will assess the client’s needs and get them the appropriate help. For example a client may need debt or housing advice, they may also have health issues that need addressing or in extreme cases may need support with re-housing and a new identity.

Below is a summary of the findings from interviews with 131 victims of illegal lenders. We ask about their health, safety and financial situations in order to work out the best way to help.

**Victim profile:**

The gender split was fifty percent female and fifty percent male. This is the first full year that we have had a perfectly balanced gender split. This shows that the targeted LIAISE work since 2011, when only thirty-six percent of victims who contacted the IMLT directly were male, is working with a year on year improvement.

Forty-two percent of victims were parents with an average of two children per family. Age ranges of the borrowers went from 19 years to 58 years of age.
As per previous years, victims saying they were of white British heritage made up the majority of those interviewed. The Illegal Money Lending Team has been working hard to raise awareness of illegal lenders to other communities. We will continue to record any trends and target our work accordingly.

### Health:

Forty-three percent told us they had a disability: Fourteen percent said they had a physical illness, Fourteen percent told us that they had mental health issues.

A further fourteen percent said they suffered from both mental and physical illness – this number has increased since 2014 where 4% said they suffered from both illnesses. Poor physical health can lead to an increased risk of developing mental health problems. Similarly, poor mental health can negatively impact on physical health, leading to an increased risk of some conditions.

Although it is hard to find recent statistics, a 2014 report published by Government, refers to a Family Resources Survey of 2012 that states that nineteen percent of individuals in families with at least one disabled relative live in income poverty, on a before housing costs basis, compared to fifteen percent of individuals in families with no disabled family member.

During 2015, eleven percent of victims said they acted as a carer for someone over 18. The Carers Trust says that one in ten people act as carers in the UK.

We have just started to question victims as to whether they have had a health interview in the past year, either to carry on receiving benefits or to make a new PIP (personal independence payment) application. Thirty-eight percent had attended interviews and out of those, fifty-four percent had positive outcomes; the remaining forty-six percent were sign-posted by their LIAISE

### Backgrounds:

We asked borrowers what they considered their cultural background to be:

As per previous years, victims saying they were of white British heritage made up the majority of those interviewed. The Illegal Money Lending Team has been working hard to raise awareness of illegal lenders to other communities. We will continue to record any trends and target our work accordingly.
Officer to get specialist advice if they weren’t happy with the decision and needed more support.

**Employment:**

Thirty-three percent of those who borrowed from loan sharks were employed, an eleven percent drop compared to 2014;

Ten percent were self-employed – a rise of seven percent on 2014.

Forty-eight percent were unemployed, and a further nine percent were retired.

**Housing:**

![Housing Tenure Graph](image)

Sixty-two percent of respondents pay rent for their property. This figure has decreased when measured against figures collected from 2008 up till 2014.

Ten percent live in their own homes whilst eight percent live with friends or family.

Six percent of borrowers lived in property supplied by their employer – an increase from the zero figure recorded in 2014.
Spreading the word:

A large part of the LIAISE role involves promoting the service the IMLT provides and encouraging partner organisations to sign-post victims or report on their behalf.

We do this in a number of ways – one of which is free training offered to service providers and community groups.

We also spread the anti loan shark message via national and local media – from articles in parish newsletters to national coverage of prosecutions.

This year we have begun asking all interviewees how they found out about our team to evidence that our awareness raising activities and training sessions are effective:

<table>
<thead>
<tr>
<th>How did you find out about the IMLT?</th>
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</thead>
<tbody>
<tr>
<td>Can’t remember</td>
</tr>
<tr>
<td>Citizens Advice</td>
</tr>
<tr>
<td>Credit Union</td>
</tr>
<tr>
<td>Chirnside</td>
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<tr>
<td>Friend/Family member</td>
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<tr>
<td>Housing Provider</td>
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<tr>
<td>IMLT contacted me</td>
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<tr>
<td>Internet search</td>
</tr>
<tr>
<td>Media magazine</td>
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<tr>
<td>Mind</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Other debt advice agency</td>
</tr>
<tr>
<td>Police</td>
</tr>
<tr>
<td>Probation Services</td>
</tr>
<tr>
<td>Social Services</td>
</tr>
<tr>
<td>Stepchange Debt Advice</td>
</tr>
</tbody>
</table>

The “IMLT contacted me” answer will be because upon executing a warrant and searching a property, if a loan book is found Officers will try to trace as many listed borrowers as possible and then visit them to offer support.
We also asked what might have enabled the witnesses we interviewed to report the lender sooner. We do this to make sure there are no barriers to reporting that could be changed by the Team.

<table>
<thead>
<tr>
<th>What would have enabled you to report the lender sooner?</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>I didn’t know about the IMLT: If I had I would have reported earlier</td>
<td>25</td>
</tr>
<tr>
<td>I didn’t know he or she was an illegal lender. If I’d have known, I would have reported</td>
<td>14</td>
</tr>
<tr>
<td>I don’t know what would have made me report the lender sooner</td>
<td>13</td>
</tr>
<tr>
<td>I took action after the threats/violence began</td>
<td>5</td>
</tr>
<tr>
<td>Language difficulty: Hard to access an English language project</td>
<td>1</td>
</tr>
<tr>
<td>Nothing would have made me report any sooner</td>
<td>34</td>
</tr>
<tr>
<td>Support agency sign-posting me earlier would have helped</td>
<td>3</td>
</tr>
<tr>
<td>I was too frightened to report at any time</td>
<td>5</td>
</tr>
</tbody>
</table>

**Money:**

<table>
<thead>
<tr>
<th>Household income breakdown:</th>
</tr>
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<tbody>
<tr>
<td><img src="chart.png" alt="Income range - %" /></td>
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</table>

Sixty-five percent of victims were claiming benefits, as forty-eight percent were unemployed we can ascertain that seventeen percent were on top up benefits such as working tax credits.

Twenty-five percent had requested welfare help from local councils – a significant increase from 2014 statistics which show eight percent of victims as having accessed local authority help.

Twenty-three percent had also visited food banks within the last year.
Sixty-nine percent of respondents didn’t have home contents insurance mostly because they couldn’t afford it. Fifty percent had pre-payment meters installed for fuel supplies and thirty-five percent paid via their bank account.

Ninety-five percent of respondents had either basic or current bank accounts. This doesn’t necessarily mean that they were without debt. Sixty-three percent had debt, owed to legal companies, with an average of £5,646.07 per person.

Money was owed for:

- Loan repayments and/or credit card bills to banks
- Council tax arrears
- Door-step loans
- Debt with DWP (over-payment or old social fund loans)
- Water and energy providers
- The Credit Union
- Hire purchase companies or pawn shops
- Pay-day and sub-prime loans
- Rent or mortgage arrears
- Outstanding phone bills
- Outstanding TV contracts (e.g. Sky or Virgin)

Thirty-two percent had priority debts including rent, mortgage or council tax arrears.

**Debt Advice:**

Thirty-six percent of clients had accessed debt advice; Fifty-three percent had told the advisor about the loan shark.

Eighteen percent of clients said the reasons given for not telling was that they were ashamed; nine percent said that they didn’t know the lender was illegal; three percent didn’t think that a debt advisor could help and twenty-seven percent said they didn’t because the advisor didn’t ask them.

This year we have started to ask victims about the amounts they initially borrowed and have paid back so far.

The median amount borrowed was £400 with borrowers paying at least double the amount back.

Sometimes victims pay much more than double the amount borrowed: One victim the England LIAISE Team has supported borrowed £500 and has paid back more than £100,000 - 200 times the original amount borrowed.
**Lives**

We asked victims “how did you hear about the lender”? | Percentage
---|---
Through friends or family | 67%
At work | 12%
Well known in the community | 13%
On social media pages | 2%
The lender was my landlord | 2%
Other (including “the lender was my bus driver”) | 4%

Forty-four percent had borrowed from the loan shark more than once.

Thirty-eight percent went without food fuel or miss rent or mortgage payments in order to repay the loan shark.

Twenty-three percent had visited food banks in the last year and 25% had applied for welfare payments from local councils.

Reasons for borrowing:

As with every past year, by far the main reason for needing money was for everyday bills such as food, fuel or rent.

Out of the six percent of victims who stated that they had borrowed because it was “quick and easy” half had been turned down by legal lenders.

A new reason sited this year was for expenditure with a new baby. More people helped out family members and friends than ever before.
Most victims are pleased to no longer be involved with a loan shark – how do we know? We ask them:

- They have bled me dry and caused me misery; I have paid back around £20,000 on loans of around £1000.
- My family were living a life of hell. I did not know where the money was going to come from. I was paying £300 every week.
- I couldn’t pay the rent as the money had to go to him.
- Why would you never borrow from a loan shark again?
- I paid back £2,000 on a £500 loan and am still re-paying! The loan shark has taken my TV and wash machine.
- I couldn’t buy my children clothes or gifts and I had bailiffs threatening entry to my property to remove my goods. I was paying the loan shark £300 per week.
- My benefits had been stopped but she still put pressure on me to pay £90 per week. I could not afford to buy food or top up my gas and electric.
- Meeting him caused me bankruptcy, ill health and stress; I’m now separated from my wife because of him.
- I had to move out of the area for fear and they call me around 10 times a day. I had to come back home in the dark to see my wife and children.
- It’s a vicious cycle once you in it you can’t get out of it. The moment that you have borrowed you are immediately in their grasp. You’re stuck!
- We had to move from a house we loved that we’d been in for ten years due to his intimidation
- We thought it was easy money but the interest you pay is horrendous. We were borrowing from Peter to pay Paul and living way above our means.

What was your family’s experience of being involved with a loan shark?
NOW:

“We had no money as we had to pay him £120 per week. Now we can buy more things and treat the kids”

“The Illegal money Lending Team have saved my life – if it wasn’t for them, I wouldn’t be here right now”

“Thank you so much for all your support”

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For more information about the work of the Illegal money Lending Team please contact Cath Wohlers, England IMLT on 07500 809 339 or email catherine.wohlers@birmingham.gov.uk.

For updates on the project visit www.facebook.com/stoploansharksproject or Twitter: @loansharknews