

17<sup>th</sup> November 2022

**EMBARGOED UNTIL 22 NOVEMBER 2022, 9.00AM**

## Fears over debt as more people could turn to loan sharks to cover Christmas

- Nearly one in ten people turned to loan sharks to cover the costs of Christmas last year.
- More than half of victims turned to illegal money lenders in order to pay for essentials such as utilities, food and fuel in the first half of 2022.
- New campaign #SleighNoToLoanSharks aims to protect communities from the devastating effects of illegal money lending in the run up to Christmas.

Experts have warned that unscrupulous lenders could try to cash in on the festive period as households struggle to cope with rising food, fuel and energy bills.

Loan sharks are targeting vulnerable people seeking credit and trapping them into a cycle of debt with exorbitant interest rates and threats of violence.

A [report](#) published by the Centre for Social Justice estimated that 1.08 million people could already be in debt to an illegal money lender. This is over 700,000 more people than the most recent official estimate.

Figures released by the [England Illegal Money Lending Team \(IMLT\)](#) show that nearly one in ten of those who borrowed money from loan sharks last year did so to cover the costs of Christmas.

More than half of victims (52%) supported by the IMLT in the first half of 2022 had borrowed from a loan shark to pay for essentials such as food and fuel.

Loan sharks pose a dangerous threat to all communities. They charge exorbitant interest rates and target the most vulnerable with aggressive and exploitative practices. The impact of illegal money lending is severe and far-reaching, with devastating consequences for the mental health and wellbeing of those affected.

The figures come amid national warnings that the scale of household debt will continue to rise as financial pressures on households leaves many struggling to afford their monthly bills. The IMLT is working hard to combat the growth in illegal lending by focusing on prevention, awareness and enforcement activities.

A new social media campaign, #SleighNoToLoanSharks, is being launched to alert people about the dangers of using loan sharks and help prevent them from falling into their traps in the run up to Christmas.

**Tony Quigley, Head of the England Illegal Money Lending Team, said:** “Loan sharks are doing untold damage in local communities, and we must do all we can to stop them. With their ruthless tactics, these predators are threatening vulnerable families, driving them deeper into debt, and pulling entire communities into an endless cycle of despair.

“At a time when families are under extreme cost pressures with mounting living costs, we are deeply concerned that those who are already struggling to make ends meet could be targeted by these predatory lenders.

“Our campaign aims to break this cycle by helping people understand the risks of loan sharks, what they can do if they feel threatened and where they can turn for help and support.

“The Stop Loan Sharks 24/7 Helpline offers confidential advice and support to anyone affected by illegal money lending. We know how stressful and frightening this experience can be. We can give you support on how to deal with this problem and help find a way forward.”

**Follow these safety tips to protect yourself and loved ones from loan sharks:**

1. If you're struggling to make ends meet and need cash fast, the thought of a loan shark might seem tempting, but remember these lenders are not your friends. Debt can quickly spiral out of control – it's important to think carefully before taking out a loan and consider other options.
2. Never send money or give credit card, online account details or copies of personal documents to anyone you don't know or trust. This information is valuable so make sure you protect it from criminals who can use it to find and stalk you, harass you or threaten those you love.
3. If you're thinking about borrowing money, it's important to check that your lender is genuine. Loan sharks operate illegally without the correct permission from the Financial Conduct Authority (FCA). Do your research first and check the firm or person you're dealing with is listed on the [Financial Services Register](#).
4. When exploitative loan sharks are preying on hardship, it's vital for people to know there is an ethical, local, not-for-profit alternative

available. [Credit unions](#) are a lifeline for many people, with their services helping members to save regularly, borrow responsibly and keep track of their finances. There are other community lenders who are mostly not for profit, and who reinvest any surpluses into serving vulnerable customers, which can be found on <https://www.findingfinance.org.uk/>

5. Getting trapped in a never-ending spiral of debt after borrowing from a loan shark can have devastating consequences, not only on your finances but also on most other aspects of your life, including your mental health, work and relationships with your family and friends. If you're worried about a friend or family member, or if you need help yourself, [Stop Loan Sharks](#) can offer confidential advice and support.

Are you worried about a friend or family member who is being taken advantage of by a loan shark? Contact the Stop Loan Sharks 24/7 Helpline on 0300 555 2222 for support or visit [www.stoploansharks.co.uk](http://www.stoploansharks.co.uk). Live Chat is available on the website between 9am and 5pm, Monday to Friday.

**ENDS**

**For media enquiries and interview requests, please email [press@stoploansharks.gov.uk](mailto:press@stoploansharks.gov.uk)**

**Notes to Editors:**

### **About the England Illegal Money Lending Team**

The England Illegal Money Lending Team (IMLT) is a specialist unit with a remit to investigate and prosecute illegal money lenders – also known as loan sharks. The team also provides specialist support to victims and communities affected by this crime.

Since its inception in 2004, the IMLT has written off nearly £90 million worth of illegal debt and helped 30,000 victims reclaim their lives.

The IMLT works with credit unions across the country to protect consumers from the predatory practices of loan sharks and help build stronger, more financially resilient communities.