

SAFER & STRONGER COMMUNITIES SCRUTINY COMMITTEE 6 SEPTEMBER 2010

TACKLING ILLEGAL MONEY LENDING PROGRESS REPORT

Report by Deputy Head of Trading Standards & Community Safety

Introduction

1. Birmingham City Council operates an illegal money lending team funded by central Government. The purpose of this team is to investigate allegations of illegal money lending (loan sharks), to establish whether illegal activity is taking place and, if so, to take enforcement action to bring that illegal activity to an end. Enforcement actions centre on the licensing requirements of the Consumer Credit Act 1974 which require anyone carrying on a consumer credit business (which includes anyone providing credit on a commercial basis) to have a licence to do so. However, commonly those involved in unlicensed money lending are often also involved in more serious offending.
2. Alongside identifying and tackling illegal money lending, the Team also builds financial resilience within communities affected by loan sharks. In doing so they are able to ensure that communities have access to legitimate lending opportunities and financial support when loan shark activity ceases.
3. Oxfordshire County Council has entered into an agreement with Birmingham City Council to authorise the Illegal Money Lending Team to enforce the provisions of the Consumer Credit Act 1974 in Oxfordshire. The Illegal Money Lending Team commenced work in Oxfordshire in January 2010.

Progress to Date

4. The initial focus of the Illegal Money Lending Team has been to raise awareness of the problems associated with Illegal Money Lending and to raise awareness of the help that the Team can provide. A significant barrier to tackling loansharks is that their activity is often invisible to enforcement agencies. The Team operate by encouraging reporting of illegal activity, from the public and from partners who may become aware of loanshark activity or have suspicions that there is loanshark activity in a particular area. These reports are used to trigger investigations.
5. Partners in particular play a key role in tackling loansharks since victims will often seek help or advice from existing community support groups (e.g. Citizen's Advice Bureaux). Fear of reprisal frequently makes victims reluctant to report loansharks themselves despite the confidential reporting facilities that the Team offers and the witness protection services that they can utilise. Therefore, initially the Team aims to raise partner organisations' awareness of the problems associated with loansharks, the warning signs and the reporting

facilities in order to generate intelligence from third parties and also to encourage more reporting by victims.

6. A summary of the Team's awareness raising activities for January to July 2010 follows:

Presentations and Events

Date	Group/Meeting	Activity
29-01-10	Oxford Launch event	Approximately 50 people attended the launch event from public, private and 3 rd sector organisations.
24-02-10	Oxfordshire County Council	Presentation to Trading Standards Team.
25-02-10	GOSE (Government Office South East) presentation	Presentation for staff members covering South East region.
26-02-10	Cottsway Housing, Oxfordshire	In-depth Training Session for staff members.
02-03-10	Thames Valley Probation Services	Presentation to Directors, Senior Offender Managers, Managers and other staff – approx 120 attendees.
15-03-10	Oxfordshire County Council Shared Services – Debt Team	Staff training for debt advice staff.
31-03-10	Charter Community Housing	Presentation delivered for staff members.
01-04-10	Oxford Citizen's Housing Association	Presentation delivered to 40 attendees.
22-04-10	Community event – Charter Housing, Oxfordshire	Estate day at Banbury, stall manned with Oxfordshire CC Trading Standards team.
27-04-10	Oxfordshire County Council/ Citizen's Advice Bureaux	Presentation for Trading Standards Advice Officers and two different CABx.
14-07-10	Presentation for Cherwell District Council	Multi-agency event with approx 60 attendees. Delivered presentation and then took questions.

Other promotional actions

Medium (e.g. mail merge, rent statements, newsletter article)	Organisation	Number Reached
Newsletter Article (for tenants magazine)	SOHA Housing - Oxfordshire	5,200 properties
Training pack	Thames Valley Probation	Sent out to all departments - 100 managers
Project brief, posters etc	Thames Valley Probation	Sent out to all departments across region
Project brief, posters	Oxfordshire County Council Money Management Team	20 people
Newsletter article	South Oxford Housing Association	3,500 households
Newsletter article	Oxford Citizens Housing Association	1,500 properties
Newsletter article for MOD clients	Oxford CAB	200+
Box A5 flyers sent for inclusion with rent statements	Charter Community Housing, Oxfordshire	1,800
Leaflets – OFT, traffic light posters and shark posters	Cherwell District Council – general meeting	200
Leaflets – OFT, traffic light posters and shark posters	Cherwell District Council – Customer services	300

7. In addition, The Trading Standards Community Engagement Team has promoted the Stop Loan Sharks initiative as part of its normal community engagement activities (e.g. talks and presentations to community groups, displays at specific events, radio interviews, etc). The Trading Standards website also includes a dedicated section on loansharks.
8. Clearly, promotional work is on-going and the Team would welcome invitations to present to further community groups.
9. The Team do not make available any detail on any on-going investigations, including whether there have been any reports of loansharks operating in Oxfordshire. This protects the integrity of the investigations they conduct as well as ensuring the safety of victims and the team's enforcement staff.
10. No specific performance indicators apply specifically to this project in Oxfordshire. The Illegal Money Lending Team is funded by central Government and reports on national performance to the funding department (the Department of Business, Innovation and Skills).

11. At this time there is no indication that funding for the project will cease. Clearly, given the review of all Government spending that is on-going it is possible that changes will be made that affect the operation of the team.

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Background papers: Nil

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