

	London Borough of Hammersmith & Fulham CABINET MEMBER DECISION SEPTEMBER 2014
STOP LOAN SHARKS CHARTER	
Report of the Cabinet Member for Environment, Transport & Residents Services - Councillor Wesley Harcourt	
Open Report	
Classification - For Decision Key Decision: No	
Wards Affected: All	
Accountable Executive Director: Nigel Pallace, Executive Director of Transport and Technical Services	
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AUTHORISED BY:

The Cabinet Member has signed this report.

DATE: 1 September 2014.....

1. EXECUTIVE SUMMARY

1.1. This report seeks agreement to launch the Stop Loan Sharks Charter in September 2014 with local partners to create a cohesive community statement that loan sharks will not be tolerated in the Borough.

- 1.2. The overall aim is to
- Promote the Charter as widely as possible and encouraging organisations to sign up;
 - Plan and implement initiatives to support and take part in a loan shark awareness week once a year;

- Create opportunities to provide awareness on budgeting and money advice to local communities so residents can make informed financial choices; and
- Take a multi-agency approach to facilitate the England Illegal Money Lending Team (IML) to increase their reach into local communities

2. RECOMMENDATIONS

- 2.1. That the Stop Loan Sharks Charter is supported and launched in September 2014.
- 2.2. To agree the wording in the Charter, list of proposed signatories, next steps and to advise about other Cabinet Members/Councillors who should sign the Charter.

3. REASONS FOR DECISION

- 3.1. Working in partnership with other organisations to share information is vital as they will often be in a position to gather intelligence on illegal money lenders, alert residents and provide any necessary advice.
- 3.2. There is often a reluctance to speak out about loan sharks but the charter aims to start a conversation about the issue and in doing so reach those who are at risk, which are often some of the most socially excluded people.
- 3.3. Research shows that those at risk to loan sharks respond better to word of mouth and information in the local media than to posters, leaflets and other publicity materials. The charter provides an opportunity to speak to the public and to publicise our partnership approach.
- 3.4. A3 size charters can be produced with the logos of each signatory and when signed will provide a photograph and media opportunity which can be widely publicised. A draft copy of the charter is embedded at the end of this report.
- 3.5. Signing a Charter sends a message to illegal money lenders, that The borough is not a place to do business.

4. INTRODUCTION AND BACKGROUND

- 4.1. Trading Standards have been working in partnership with the England Illegal Money Lending Team (IML) to tackle illegal money lenders in the Borough.
- 4.2. Last month, it was reported that a 49 year old woman who operated as a loan shark in Fulham was sentenced to 9 months in prison suspended for two years and ordered to complete 150 hours of unpaid work and pay back all her available assets, worth £24,842. Her illegal business spanned from 2009 to 2013 where she was lending without a licence to members of

the local Filipino community. Her total criminal benefit was valued at £79,000 and nearly £100,000 worth of unexplained deposits went into her bank account between April 2009 and her arrest.

- 4.3. Loan sharks also known as illegal money lenders are people who offer loans at extremely high interest rates, do not have a consumer credit licence and their practices are often illegal.
- 4.4. There are a number of illegal activities associated with illegal lending. As these debts are unenforceable in law, lenders usually enforce debts through fear, intimidation, violence, sexual offences and other illicit means.
- 4.5. Bullying can affect a resident's quality of life, as victims often worry about how they are going to pay each week, and the consequences if they cannot pay. This can result in high stress levels, depression and other mental health issues.

THE ILLEGAL MONEY LENDING TEAM (IML)

- 4.6. There are three National IML teams; Scotland, Wales and England. The England team is based in Birmingham. IML Officers based around the country investigate any related criminal activities and prosecute offenders through the Courts.
- 4.7. Since the England team launched in 2004:
 - § More than 212 loan sharks have been prosecuted, resulting in 134 years of custodial sentences;
 - § Financial inclusion officers have supported more than 18,000 vulnerable loan shark victims to get back on their feet;
 - § Regional IML liaison officers work with Local Authority Trading Standards Services on campaign work to increase awareness in local communities.
- 4.8. The IML team have a confidential victims hotline number (0300 555 2222) for anyone who has been a victim or anyone who wants to report a loan shark.

THE CHARTER

- 4.9. A draft copy of the Charter is embedded as Appendix 1.
- 4.10. The A3 size charter can be produced with the logos of each signatory and when signed will provide a photograph and media opportunity which can be widely publicised.
- 4.11. The purpose of the Charter is that the IML team work in partnership with Trading Standards to:
 - § Gather intelligence about what is going on in the local community;

- § Stop illegal lenders from operating, by providing alternative solutions for people in debt, such as credit unions;
- § Encourage potential victims to avoid going to loan sharks in the first place.
- § Provide training to front line staff and awareness training to residents;
- § Encourage the vulnerable, those at risk and the socially excluded to speak out about loan sharks.

5. PROPOSAL AND ISSUES

PROPOSED LIST OF PARTNERS TO SIGN THE CHARTER

- 5.1. The following organisations and services have regular interaction with residents and local businesses, and can play a key role in protecting them from becoming victims of loan sharks.

- 5.2. Trading Standards will aim to get representatives from the following ten organisations to sign up to the Charter to send the right message to illegal money lenders that the London Borough of Hammersmith & Fulham is not a place to do business:
 - § Age UK;
 - § Citizens Advice Bureaux;
 - § Community Safety;
 - § Environmental Health Service Group;
 - § Housing Health and Adult Social Care;
 - § Public Health;
 - § Revenues and Benefits;
 - § Tenant Management Organisation;
 - § The Metropolitan Police;
 - § Credit Union.

- 5.3. These partners will play a key role in providing support, signposting victims to the IML team and credit unions, and engaging with Resident Associations and Trade Associations.

PROPOSED NEXT STEPS

- 5.4. The proposed next steps are:
 - § To finalise the Charter (Trading Standards Team);
 - § To obtain signatures from agreed partners during a week of action (Trading Standards Team);
 - § To attend residents meetings, seminars, and any other local groups to provide money advice and awareness training (IML Team);
 - § To attend partners meetings and provide training to front line staff (IML Team);
 - § Investigate all reports about loan sharks, and publicise successful cases; (IML/ Trading Standards Team).

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. The launch event to take place:

- On the 24th September 2014 at the West London Financial Capability Forum which is organised by the Citizens Advice Bureaux and attended by key partners detailed above, or
- Jointly with the Royal Borough of Kensington and Chelsea where Cllr Harcourt, Cllr Ahern and members of partnership organisations from both Borough's attend a joint signing event, or
- At London Borough of Hammersmith and Fulham where Cllr Harcourt, and members of partnership organisations from the borough attend the signing event.

7. CONSULTATION

7.1. Officers have met with the partners listed under paragraph 5.2 and all have advised that they are in support of signing the charter.

8. EQUALITY IMPLICATIONS

8.1. The north of the Borough has higher levels of deprivation, however the project will cover the whole of the Borough and therefore no particular characteristic will be excluded. For this reason there are no equalities implications to this report.

8.2. (Awaiting comments from Opportunities Manager)

9. LEGAL IMPLICATIONS

9.1. By signing the charter, agencies are not entering into a legally binding agreement but simply agreeing to take a zero tolerance approach to loan sharks and to raise awareness.

9.2. (Awaiting comments from Legal)

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. Most work will be done by the IML team. No additional resources will be sought, as many other local authorities have demonstrated that they can support the Charter through normal service delivery. The IML team also assist with publicity material.

10.2. (Awaiting comments from Finance)

11. RISK MANAGEMENT

11.1. See comments under 9.1 above.

11.2. (Awaiting comments from Legal)

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. There are no contractual arrangements and procurement proposals associated with this report.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1: Draft Charter



Appendix 1 Draft
LBHF Charter.pdf