InformationNOW
Information for people in Newcastle upon Tyne

Loan Sharks

Illegal money lenders, or loan sharks, are a problem across the country. Loan sharks are not a community service. Do not use a Loan Shark. No matter what the circumstances are.

> **Are you worried that you, or someone you know, has borrowed money from a loan shark? Are you worried that a loan shark is working in your neighbourhood?**
>
> **Speak to Stop Loan Sharks. This is a confidential service.**

There are other affordable credit options available in Newcastle, if you need to borrow money, even if you have been turned down for credit or a loan in the past. Read more about **Affordable Credit** on InformationNOW.

What is a Loan Shark?

Loan sharks are unlicensed money lenders who often charge very high interest rates and sometimes use threats and violence to frighten people who can't pay back their loan.

Licensed moneylenders are regulated by the **Financial Conduct Authority (FCA)**. Unlicensed loan sharks work outside of the law. If you have borrowed from a loan shark you have not broken the law, they have.

If you borrow from a loan shark it's likely you will:

- get a loan on very bad terms
- repay for years and years
- pay an extortionate rate of interest
- be harassed if you get behind with your repayments
- be pressured into borrowing more from them to repay one debt with another

How to spot a loan shark?

A loan shark:

- may appear to be your friend at first by offering to lend you money
- rarely offers paperwork, you don't really know how much you owe

- charges very high interest rates
- adds additional amounts to the debt, so you struggle to pay back what you owe
- takes items as security, such as passports and bank cards
- resorts to extreme methods to reclaim their debts such as threats, intimidation or violence

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How do I know if a money lender is unlicensed?

> **If you are worried about borrowing money from someone, contact Stop Loan Sharks.**

You can check the **Financial Services Register** online to see if a lender is licenced. This lists approved lenders and financial services. It's free to get basic information from the register, including trading names and the activities for which a business is licensed. Please get advice from the Stop Loan Sharks team if you need it.

If a lender doesn't have a current licence, don't borrow money from them.

You can find **Affordable Credit options on InformationNOW**.

What if I have borrowed money from a loan shark?

If you have already borrowed money from a loan shark you are under no legal obligation to repay the debt. Loan sharks sometimes frighten people by saying they'll be prosecuted and even sent to prison if they don't pay up. But it is the lender who has committed a crime, not you.

You can report the loan shark confidentially to the Stop Loan Sharks team.

How to report a loan shark

You can report a loan shark or suspected loan shark to **Stop Loan Sharks.**

They have a free and confidential telephone hotline, open 24 hours a day 7 days a week. Or you can send them a text, email or a private Facebook message.

Other useful Information

- For more information on loan sharks visit **www.gov.uk**
- **Newcastle's Borrow Wisely Leaflet** for more information on making good decisions about the best way to borrow money.
- Go to **Newcastle's Debt and Money Advice** section for more information if you are worried about debts, want to get an affordable loan, or need to know how upcoming benefit changes will affect you.

- **Dealing with Debt** article on Information Now
- **Affordable Credit** article on Information Now
- **Credit Unions** article on Information Now
- Stop Loan Sharks has a number of real life case studies on YouTube telling the stories of victims of Loan Sharks: **www.youtube.com/user/StopLoanSharks**

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Useful Organisations

Financial Conduct Authority (FCA)

Email: consumer.queries@fca.org.uk

Website: www.fca.org.uk

Telephone: 0800 111 6768

Address: 25 The North Colonnade, E14 5HS

Trading Standards – Newcastle City Council

Email: tradingstandards@newcastle.gov.uk

Website: https://www.newcastle.gov.uk/tradingstandards

Address: Newcastle Civic Centre, NE1 8QH

Stop Loan Sharks

Email: reportaloanshark@stoploansharks.gov.uk

Website: www.stoploansharks.co.uk

Financial Services Register

Website: http://www.fsa.gov.uk/register/home.do

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