

## StopLoanSharks

# National Newsletter

## Mental health study

The Birmingham Illegal Money Lending Team have so far provided much needed support to over 14,500 victims, having a massive impact on their well being. A recent study shows through the Team's intervention dramatic improvements are made to the lives and welfare of loan shark victims, allowing them to begin to rebuild a better future.

The study which looked into the effect involvement with a loan shark can have on mental health; saw a massive three scale drop in depression levels after the Team stepped in.

Victims from six different loan shark cases took part in the survey. Each of them had been assisted by the Birmingham Team, across their five regions.

Whilst in the grip of the loan shark every surveyed victim was classed as having severe depression. This was measured according to a scale widely used within the NHS. They were then measured again after they had received help and support from the Team and a three scale drop was recorded equalling mild depression.

This is a fantastic result for the Financial Inclusion Partnership Officers who work closely with victims, helping them to get their life back on track. In their day to day work they support victims through court proceedings and liaise with partner agencies in order to point people in the direction of legitimate financial services.

It also highlights the scale of the detrimental impact which these unlicensed lenders can have on the lives of scores of people. It is hoped that through supporting victims and improving their mental health this can impact on other areas, allowing more victims to return to work and reducing the strain on the NHS.

Callous and greedy loan sharks can make peoples' lives a misery. One victim who wishes to remain anonymous said of their experience with an unlicensed lender;

"It has created uproar in the family and meant we have had to live in anguish for the last few months. Our family have become homeless and had to move in with us. This has caused considerable stress, tension and uncertainty. It has placed a financial burden on both me and my partner"

However, as the survey proves, the team's intervention changed their victim's outlook. After working with the Team one victim said;

"I've learnt my lessons now and I'm great with money. I've seen the loan shark and I just looked right at him, I'm not scared anymore and I know I can call on you for help"

The survey was carried out using the PHQ9 scale used widely in medicine, for determining the severity of depression in patients. It consists of nine questions, which look at the way the person thinks and feels. Their answers are then correlated to form a grade out of 27, with 27 signifying the highest level of depression.

The survey showed an average depression level for the loan shark victims whilst dealing with the loan shark to be 24.1.

Afterwards, once they had been helped by the Team and were no longer living in fear of the loan shark, this dropped to an average of 8.2 which classes as mild depression. The victims were also asked how well they were getting on in day to day life, getting on with their work, taking care of things at home or getting on with other people. 80% of those asked now felt they were able to function in life a lot better than before.

## London IMLT win partnership award

The London Team were commended for their teamwork after scooping top prize in the 'Public Sector Partnership Category' at the 2010 Third Sector Excellence Awards.

The award highlights the successful partnership between the London Borough of Tower Hamlets who host the Team, and Toynbee Hall their financial inclusion partners.

Through this partnership investigators are able to refer victims of a loan shark to a team that will support them with debt issues, housing needs, recovery from substance misuse, health and mental wellbeing.

In one example of effective working, Toynbee Hall worked with Lovells Solicitors to challenge County Court debt recovery action taken by illegal lenders. They have so far had successes in three cases, with further court applications pending. Other examples include training staff at Gamcare (who support people with gambling problems) and running co-ordinated 'loan shark' campaigns with partners across the city.

The small Financial Inclusion Team of two people has



provided direct savings to clients totalling nearly £500,000 pounds. The figure accounts for:

- increased benefit uptake
- preventing home repossession
- debt restructuring and management
- obtaining charitable grants
- stopping the payment of illegal loans

On receiving the award, Peter Richardson Head of the London Illegal Money Lending Team said "This award commends all our staff, for their efforts in the fight against loan sharks. Unlicensed lenders can have a hugely detrimental impact on our communities, trapping vulnerable people in a spiral of debt and resorting to the most extreme methods to claim back their illegal loans.

Yet through this partnership we are helping support the victims of loan sharks and changing lives across the city. We are very grateful for the recognition that this award has given to our partnership approach"

## 'Pirates and Sharks' fun day in Portsmouth



An event in Portsmouth was hailed a huge success, as a total of 64 people joined United Savings and Loans Credit Union, pledging to save for the future. The event was branded 'The ultimate in community payback' by BBC South Today who attended the event along with local paper 'The News' and radio station 'Express FM.'

Money confiscated from a convicted loan shark who

operated in the area, was used to fund savings accounts for local residents. Those who signed up on the day along with existing members of the credit union, who collected a voucher from the team, will receive a £20 bonus in their accounts, just in time for Christmas.

The IMLT launched this scheme, as part of a fun day in the City Centre. They worked in partnership with Portsmouth City Council Trading Standards, Job Centre Plus, United Savings and Loans and South Coast Money Line to offer a comprehensive range of information about finances.

Consumer Minister Edward Davey MP said of the event "I am delighted that the money these criminals were taking from the community will now be put to a good use. No matter how difficult your situation is turning to a loan shark is a bad idea."

# Jacqui Kennedy voted Local Government Personality of the Year



From left; Sian Williams, presenter of BBC breakfast who hosted the awards event, Jacqui Kennedy - Director of Regulatory Services, Sarah Ask - Local Government Ombudsman who presented the award to Jacqui.

Jacqui Kennedy, Birmingham's Director of Regulatory Services and Corporate Head of the Birmingham IMLT received national recognition for her work with the Team at the 'Women in Public Life Awards'.

Jacqui scooped the award for 'Local Government Personality of the Year' at the ceremony in September. This award gives further credit for her hard work, as Jacqui has continued to champion the Team since its launch. She was last recognised in the Queen's New Year Honours back in 2009 when she was awarded the OBE.

On receiving her award Jacqui praised those she works with;

"At this time, when sometimes the challenges we face seem almost too enormous to even contemplate I know that I couldn't wish for more professional and able people around me. I feel really lucky to work with so many excellent people within Regulatory Services and Birmingham City Council and this award recognises them as much as my own contribution".

## Joint operation by IML teams leads to prosecution

A joint operation by the East Midlands and London Teams has led to the successful prosecution of a loan shark and his accomplice. Moses Nyonjo was given an 8 month custodial sentence, suspended for 12 months along with 100 hours of unpaid work and a 4 month curfew of 10pm to 6am, after pleading guilty to illegal money lending at Derby Crown Court.

His accomplice Julin Katumba from Hounslow, Middlesex received an order to do 60 hours of unpaid work, after she was convicted of acting as an illegal broker for Nyonjo.

Nyonjo resided in Derby where his illegal money lending business was based, however he had 'customers' not only in Derby but in London (70% of his customers lived in the capital), Leicester and Scotland.

He was actually arrested in London by the East Midlands team. They led the prosecution, while the London team stepped in to help the many victims across 10 London boroughs.

This was a fantastic partnership approach and Consumer Minister Edward Davey MP praised both of the teams for their efforts.

## Enhanced training sessions for frontline staff

The Birmingham Team work closely with a range of partner agencies, raising awareness of the dangers of unlicensed lenders. The Team work with Housing Associations, Credit Unions, Third Sector Staff and The Police amongst others. It is paramount that the frontline staff from these agencies have a full understanding of the role of the IMLT in order to help their clients.

1000 frontline staff across the five regions have now undergone enhanced training sessions. A survey was carried out to analyze how successful these sessions have been;

- 100% of staff involved with the training thought it was useful.
- 95% of staff thought it would impact their daily role.
- 96% scored 8 or above for the general content of the training sessions.
- 20% of staff believed illegal lending was taking place in their communities.

With staff describing the sessions as ‘thought provoking’ and ‘inspiring’, they will be able to take what they have learnt and use it in their day to day working life. Before the sessions only 50% of frontline staff were aware of the campaign, but now through the sessions led by Financial Inclusion Partnership Officers, they are able to spot the key signs which would indicate one of their clients is involved with an unlicensed lender and be able to help them in the best possible way.

One member of staff from Salex Homes in Salford underwent the training and recognised that one of the tenants she was working with was a victim of an unlicensed lender. This enabled the Team to halt eviction proceedings against the tenant to establish an affordable repayment plan for the arrears; the tenant is no longer paying back the loan shark who is in prison.

These sessions are proof that partnership working really helps raise awareness of the dangers of unlicensed lenders. The Team are continuing to work with even more associations, to host further training sessions and increase awareness.

## Courts speak out against illegal lending

The IMLTs have now secured almost 80 years worth of custodial sentences, as well as an indefinite sentence for public protection. The courts have made their feelings clear about illegal money lending, as the following quotes, taken from judges at various prosecutions led by the Teams, show;



***“Calculating, devious and dishonest”***

***“A prime mover”***

***“You terrorised the couple ”***

***“ You are a thoroughly despicable man”***

***“ You threatened and cajoled people”***

***“It is very easy to understand how much distress that would have caused to a person who was in a dire financial situation”***

***"It is necessary, in the troubled financial environment that we all live in, to send a clear message that this type of activity is unacceptable."***

***“You exploited your victims and placed huge emotional pressure on these vulnerable people”***

***“You say you lent money out of pity to these people but this explanation is just window dressing. You lent money for selfish reasons and made a nice little earner.”***

***“There is a need to send a clear message that any loan shark will lose their liberty.”***

***“You are leeches on the community’***

***“You were behaving like a gangster”***

***“Your crime was like an attempted murder of the soul”***

***“Your methods were unscrupulous”***

***“You caused fear and misery over a long period of time to some of the most vulnerable people in the community”***

***“wholly illegitimate”***



## Launch in Thurrock



Tony Quigley  
at Thurrock

The Birmingham Team have extended their work in The East of England by moving into Thurrock. A launch event in October was well attended by representatives from various support organisations including the CAB, the Council, The Credit Union, Police, Housing and Children's Centres. The head of the team Tony Quigley hosted a presentation which highlighted the Team's aims for Thurrock.

It was followed by a training session hosted by Financial Inclusion Partnership Officers, to highlight the dangers of illegal lending and show staff from the agencies how they can work with the Team, to help victims of illegal lenders.

## Health study in Wales

The Welsh Team have worked with Cardiff Council's Health Improvement Team to lead a health survey. The current measure of the success of the teams is primarily by identification of victims and monitoring of successful loan shark prosecutions.

As this only provides part of the information on a very complex situation, data from this study can be used to provide more subtle measures of the positive impact the Team is having on the health and lifestyle of loan shark victims.

It is anticipated that the data can be used to identify public health needs and prioritise interventions ensuring that appropriate and targeted support can be provided for victims. It will also highlight the positive impact the units have on health, wellbeing and lifestyle of vulnerable loan shark victims. So far the data received has been of good quality and is developing to show some interesting points.

## Re-housing protocols

In the Midlands, the IMLT has teamed up with Housing Associations to put in place a protocol, which provides an essential protection route for victims and will assist in the prosecution and removal of more loan sharks in the future.

The success of this protocol, put in place as part of each Housing Association's financial inclusion strategy, has led to plans for further protocols to be put in place up and down the country.

The Birmingham Team liaised with Birmingham Partner Housing Associations (Ashram, Birmingham Civic, Bromford, Castle Vale, Family, Friendship Care and Housing, Harden, Midland Heart, Mercian, Optima and Sanctuary) to re-house one particular victim in just 25 minutes, highlighting how effective the protocol and partnership working with the IMLT can be.

## My Money- Financial Capability Conference

Steve Ward Partnership Development and Promotions Manager from the East Midlands Team outlined the work of his Team, when he was one of the main guest speakers at the My Money-Financial Capability conference held in July by the Personal Finance Educational Group. Along with Sarah Barry the Financial Inclusion Manager for Lincolnshire he presented to a large audience of primary and secondary school teachers.

My Money is an innovative financial education programme aimed at providing a joined up approach to learning about money right from the start of primary to the transition into working life or higher education. Steve was able to raise awareness of the issue of unlicensed lending at the conference, in doing so the message can be shared with youngsters all over the East Midlands helping them prepare for their financial futures.

## Awareness raising with Sandwell College students

Students at Sandwell College, in the CENTSA region have been learning about unlicensed lenders. The Birmingham Team worked with the college and Sandwell Council, as the students worked through a booklet which outlined the

dangers of illegal lenders amongst other financial issues. The culmination of the students work came with the production of a DVD promoting the Stop Loan Sharks Project. This will be put on You Tube.

## Follow- up work in Manchester

In July this year Michael Morris from Salford, was sentenced to four years in prison for illegal money lending, blackmail and affray. Since then the Team have been working with his victims, helping to point them in the direction of legitimate financial services and offering any further support they may need.

The Team reached out to all of his victims, ensuring no-one who wanted help went unnoticed. The Team wrote to over 250 people before a two day door-knocking exercise took place. The outcome of this was as follows;

- The Team had contact with 61 victims.
- 22 people were referred to the credit union.
- 13 people carried out research questionnaires, helping the Financial Inclusion Partnership Officers target their support in the future.
- Nine referrals for debt advice were made.
- Eight victims were supported with information about Criminal Injuries Compensation.
- Two people were given referrals for home contents insurance.
- Two people were given benefits checks.
- Four other referrals were made- MIND (Mental Health Support), Letter for Court, Moneymadeclar and CDFI for a business loan.

## Past and upcoming events

The IMLT's have organised several awareness raising events up and down the country. Through meeting with the general public they are able to point out the dangers of illegal lending, show them the key signs to look out for and tell them what they can do if they find themselves or someone they know in a spiral of debt with an illegal lender. The teams often target areas where illegal lenders have been prosecuted, to help move the more vulnerable people from these communities move towards financial inclusion.

At many events the Teams work with partner agencies, such as the Credit Union, Housing Associations or Debt Advice agencies.

Past events have included the 'Olympics Festival' in Kings Lynn. The Team sponsored a t-shirt design competition in the run up to the festival. The winning design, a superhero to ward off loan sharks was worn by 400 local children as they competed to become 'Olympic Champions 2010'.

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Afterwards the team's mascot 'Sid' the Shark entertained the kids while adults sought information and financial advice from representatives from the Team and from Norfolk Credit Union. Future events include financial awareness days in Leeds and Blackpool, the latter of which has been organised in partnership with the Private Tenants Forum and is aimed at tenants in private rented accommodation, an event in Wolstanton, Staffordshire the area in which convicted illegal lender William Anthony Maddox operated, and an awareness raising week in Wolverhampton in partnership with housing provider Wolverhampton Homes.

## Stop Loan Sharks website

The Stop Loan Sharks website has been updated to include downloadable publicity material. Any organisations who wish to obtain posters and leaflets, including the recently produced Office of Fair Trading campaign posters, can do so from the website. Please visit;

[www.direct.gov.uk/stoploansharks](http://www.direct.gov.uk/stoploansharks)

## Round-up

- Kenny Willis from Liverpool was sentenced to 14 months in prison after he pleaded guilty to illegal money lending and affray. Willis, who charged the highest APR rate seen by the Team- 131,000%, became intimidating towards his victims when they could not pay.
- In London, Paul Leroy Ashman was ordered to pay over £114,000 to the courts, following a confiscation hearing. Ashman was convicted of illegal money lending and money laundering in September 2009 after he lent illegally over a five year period. The judge ordered that all of Ashman's available assets should be confiscated. He has six months to pay or he could face two years in jail.
- Eleven people were arrested by the North East team, after a series of raids in Newcastle. The team worked in partnership with Northumbria Police, to execute warrants at seven properties in October. Documents and cash were seized, along with drugs and knives. Those arrested have been bailed pending further enquiries.
- Paul Thomas, from Plymouth was sentenced to 15 months imprisonment for illegal money lending and benefit fraud after he was prosecuted by the South West team. The court heard how Thomas lent money to vulnerable women at huge interest rates- one woman who borrowed £2000 ended up in debt to the value of £7000 as Thomas added compound interest over a number of years.
- Two people have been arrested in Weston Super Mare, after a warrant was executed by the South West Team. The pair were questioned by officers from the team following the warrant in August. Investigations are ongoing.
- Two people have been charged with illegal money lending and money laundering by the Birmingham Team. The man and the woman from Kings Lynn have been bailed and are due to appear before magistrates in October.
- The confiscation hearing for Paul Nicholson who was sentenced indefinitely by the Birmingham Team is due to take place in late 2010. Nicholson's proceeds of crime- the amount he made through his illegal business will be calculated.
- Two men from Preston have been charged with illegal money lending and gambling offences following an investigation led by the Birmingham Team working in partnership with the Gambling Commission. The men are due to appear before magistrates in January.
- Further warrants have been executed by the Birmingham Team in Manchester, Sheffield and Lowestoft where investigations are ongoing.

## Latest stats

Nationally, across the seven IMLT's operating:

- Over 16,000 victims of loan sharks have been helped
- Over £30 million worth of illegal debt has been written off.
- £10 million worth of assets are being investigated with the intention of removing these from illegal lenders.
- Over £700,000 worth of cash seized.
- In excess of 77 years in prison sentences have been handed out to illegal lenders.

### To report a loan shark:

Call the **24/7 confidential hotline 0300 555 2222**  
Text **'loan shark + your message'** to **60003**  
E-mail **reportaloanshark@stoploansharks.gov.uk**  
Log-on to **www.direct.gov.uk/stoploansharks**  
Twitter **www.twitter.com/loansharknews**



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