

Stop loan sharks – preventing illegal money lending

Working with forces to support investigations and prosecutions of illegal money lenders.

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Key details

Stage of practice	Untested
Purpose	Prevention
Topic	Adults at risk Fraud Serious organised crime
Organisation	England Illegal Money Lending Team
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Region	West Midlands
Partners	Police Government department Local authority Voluntary/not for profit organisation

Key details

Stage of Implementation	The practice is implemented.
Start date	January 2011
Scale of initiative	National
Target group	Adults Children and young people Communities Disability Families General public LGBT+ Offenders Race/ethnicity Victims Women Workforce

Aim

Stop Loan Sharks aims to identify, investigate, and prosecute people who lend money as a business without authorisation from the Financial Conduct Authority (FCA).

Other aims are to:

- create an environment to encourage victims to report crimes
- support victims who have borrowed money from loan sharks
- prevent people from becoming victims of loan sharks
- provide training to frontline staff to help them identify loan sharks and their victims
- share intelligence between forces

Intended outcome

The intended outcomes are to:

- increase the number of loan shark prosecutions
- increase the number of crime reports
- improve awareness of loan sharks

- improve the sharing of information with police forces

Description

Loan sharks charge extortionate rates of interest. They have been known to threaten and cause violence towards victims to ensure they pay. Loan sharks, or illegal money lenders, can be linked to organised crime groups or act in communities in person or online.

The England Illegal Money Lending Team (IMLT) was set up in 2004. Initially created as a pilot scheme in Birmingham to investigate loan sharks, in 2011 it was rolled out nationwide. IMLT's work includes:

- a hotline and live chat where victims and partner agencies can report loan sharks
- applying for warrants to search alleged loan sharks' property to look for evidence

- contacting borrowers identified through records found, mobile phone analysis and banking
- building cases for prosecution for Birmingham City Council (the team prosecute for all offences linked to the illegal money lending, including rape, assault, money laundering, and blackmail)

Staffing

IMLT consists of 60 members of staff from a variety of career backgrounds, including ex-police officers and staff, safeguarding, debt advice, and housing.

The team includes two seconded police officers from West Midlands Police and Merseyside Police who have:

- access to police databases in force to search for intelligence linked to identified loan sharks – this can also help supporting victims, by placing markers on properties where there is a tangible risk
- the power to arrest, whereby police officers can attend with a warrant to arrest loan sharks, and the arrest would be processed through a local custody suite

Location

Though the office is located in Birmingham, the work covers all police forces across the country. To facilitate this work, information sharing agreements have been set up with forces. Leads in awareness, intelligence, support and education (LIAISE) officers within Stop Loan Sharks aim to identify key contacts within forces. This facilitates information sharing.

Stop Loan Sharks offers a variety of support and actions:

- conduct intel searches every three months to identify loan sharks. Usually, these are be signposted by force intelligence teams and sent directly to the IMLT.
- conduct training for frontline staff and financial investigators to help them identify loan sharks and their victims.
- process referrals from third party organisations, including homeless teams, police, drugs and alcohol teams. Additionally, family and friends of victims can also submit referrals, for which Stop Loan Sharks offer advice.
- support victims through LIAISE officers, who provide holistic and bespoke support to anyone who has borrowed money from a loan shark, whether they make a statement or not. This includes rehousing, support with debts, emotional support and case updates.
- raise awareness to prevent people from becoming victims of loan sharks and promote, promote debt advice, and credit unions. This includes running campaigns to encourage people to access debt advice rather than borrow further.

In conjunction with credit unions, IMLT have funded the following projects:

- savings accounts for people at risk of borrowing from loan sharks
- underwriting of loans
- social media awareness
- training to help credit unions promote themselves

Overall impact

- As illegal money lending is an underreported crime, it is difficult to assess the overall impact. However, since 2011, Stop Loan Sharks have arrested 730 loan shark offenders and have written off almost £90 million of debt to illegal lenders.

- Stop Loan Sharks have supported over 37,000 people who had borrowed from loan sharks. This has been done either by writing off debts or actively engaging with the team around debt issues, emotional issues, and housing.
- Training has been delivered to approximately 20,000 people a year.

Learning

Stop Loan Sharks work best with forces when training for police officers and staff has taken place. Without this, illegal money lending is often dismissed as a civil crime and victims are advised to consult with a solicitor. Additionally, training on what to look out for when executing warrants for other crimes has led to arrests and prosecutions.

Information sharing agreements are implemented, to help facilitate information sharing with ease and consistency.

IMLT have also found that being included in local partnerships and strategic planning has helped facilitate their work.

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Tags

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