

STOP LOAN SHARKS

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Taxi and private hire drivers warned to avoid loan sharks during coronavirus pandemic

Taxi and private hire drivers are being urged to avoid turning to illegal money lenders to make up for any loss of income during the coronavirus pandemic.

The warning comes from the England Illegal Money Lending Team (IMLT) – a national Trading Standards team set up to prosecute loan sharks and support their victims.

Loan sharks are unregulated, often give cash loans without any paperwork and charge extortionate interest rates. They may offer what appears to be a quick-fix small loan but in the long term, any money borrowed will come at a very high price and may lead to violence, threats and intimidation.

A loan shark is someone who lends money without the correct permission from the [Financial Conduct Authority \(FCA\)](#).

One case involved a loan shark who preyed on taxi and private hire drivers and provided vehicles with regular payments plus interest and lent money at excessive interest rates. Drivers were typically paying back at least £100 per week.

To ensure these loans were repaid, the unscrupulous money lender took different forms of collateral, including spare car keys and an electricity payment card from one customer.

Loan sharks often use threats and violence against those who fall behind with their payments, forcing many victims into crime.

A source from National Private Hire & Taxi Association, said: “Protecting our community from loan sharks is really important because their actions can have a massive financial and emotional impact.

“Borrowing from a loan shark can seem like an easy option but it will soon spiral into debts of thousands of pounds that you can never repay.

“We are pleased to support the work of the National Illegal Money Lending Team to prevent taxi and private hire drivers from falling victim to the unscrupulous activities of loan sharks.”

In most cases, victims are introduced to the lender either through a friend, family member or because they are known in the community. Victims believe the loan shark is offering them a service, but their behaviour can quickly change if repayments are not met.

The England Illegal Money Lending Team (IMLT) have already prosecuted loan sharks for illegal money lending, blackmail, threatening behaviour, violence, kidnap, drugs offences and rape.

The Team has had nearly 400 successful prosecutions resulting in 480 years-worth of custodial sentences, and more than 29,000 victims have been helped.

“Drivers have been threatened, intimidated, some have even considered suicide because of the impact that these loan sharks have had in charging exorbitant rates and then demanding the money back. I urge anyone affected by illegal money lending to get in touch for confidential support.” said Tony Quigley, head of the IMLT.

If you believe you have borrowed from a loan shark, contact the England Illegal Money Lending Team in confidence so that they can help you. Call the 24 hour helpline on 0300 555 2222, email reportaloshark@stoploansharks.gov.uk or complete an online report form at www.stoploansharks.co.uk.