

Hutton commits to 'bringing loan sharks to justice'

The government has launched an initiative which will see specialist teams pursuing loan sharks, it has been revealed. Around £3 million is being invested in the scheme, which will see extended pilot projects rolled out across the country.

Undercover teams will work with trading standards officers in an attempt to apprehend the loan sharks themselves, while people who feel the need to resort to monetary help from unqualified individuals will be offered free help and advice. The scheme forms part of an attempt by the government to cut down on financial exclusion and will complement its existing 'Face to Face' initiative.

Loan sharks have remained in operation despite the wider availability - and far greater social acceptance - of loans, including online personal loans. However, John Hutton, the secretary of state for business, enterprise & regulatory reform, was scathing in his assessment of loan sharks and vowed to bring an end to the practise.

"Loan sharks are criminals who prey on vulnerable and desperate people. We are committed to shutting these thugs down and bringing them to justice," he commented. "Our targeted teams will make sure anyone who feels trapped or scared has the confidence to report these crooks and put a stop to their illegal behaviour.

"We are determined to make it as hard as possible for these crooks to prosper, and have invested nearly £50 million into providing financial help and advice for those traditionally vulnerable to this type of exploitation."

The scheme has already been tested in two locations - Birmingham and Glasgow - over the last three years, during which time 200 loan sharks have been apprehended and books worth £3 million closed. Loan sharks typically target people in deprived inner-city areas, and around 165,000 householders resort to borrowing from loan sharks every year, government figures show.

Many of these people borrow money from loan sharks as they believe it is the only avenue available to them, even though it's likely they could actually take out a [personal loan](#) from a recognised lender.

Areas to be particularly targeted by the teams - due to their vulnerability - include Hackney, Newham and Tower Hamlets in London; Newcastle and Tyneside in the north-east; and Nottingham, Leicester and Derby in the East Midlands.

Jacqui Kennedy, director of regulatory services at Birmingham City Council, welcomed the news.

"It is fantastic news for the victims of loan sharks across the country. This project is having a huge impact economically, socially and in reducing crime.

"These teams can improve the lives of so many people and communities. Loan sharks target the most vulnerable people in society and we can stop them," she added.

About the Author

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