

2004 - 2019

**ENGLAND TRADING STANDARDS
ILLEGAL MONEY LENDING TEAM**

Hosted By Birmingham City Council

Steve Ward
LIAISE Officer

STOP LOAN SHARKS
Intervention . Support . Education

1.2

The definition of a Loan Shark

- Someone who lends money as a course of trade or business (to two or more people) without having the necessary licence re 1st April 2014
- Post 1st April 2014 Will need to be Authorised by Finance Conduct authority (FCA) under Section 19 of the Financial Services and Markets Act 2000 (FSMA)
- Transition period of “interim permission” needed from FCA with current licence holders
- Smaller lenders may not go through hassle and expense of the authorisation... leading to more loan shark activity?

Loan Shark by another name

- The friend of a friend “pay me back whenever”
- The work colleague
- The school friend
- The rented debt
- The cage fighter
- The 80 year old woman
- The “community lender”

Charges

- **Illegal Money Lending**
- **Money laundering (really common)**
- **Drug possession**
- **Intent to supply drugs**
- **Possession of other people's property (passports)**
- **Possession of firearms/prohibited weapon**
- **Affray**
- **Criminal damage**
- **Blackmail**
- **Perverting the course of justice**
- **Fraud - benefit fraud and false representation**
- **Acquiring criminal property**
- **Concealing criminal property**
- **Possession of counterfeit goods**
- **Intent to supply counterfeit goods**
- **Deception**
- **Rape**
- **Kidnap**
- **Assault**

Typical characteristics

- No credit agreements given
- No receipts for payment or payment books
- Most payments are cash and weekly
- Violence and/or intimidation - threats
- May suggest payments in kind to themselves or others.....

....Typical characteristics

- Can take illegal securities e.g. cash card
- Never advertise – incentives for introducing a friend
- Communicate mainly in person or via text

Friend, mate, pal... Loan Shark?

Budget calculator
Spending

Household £

Food etc	<input type="text" value="0"/>	Monthly ▾
Mortgage / rent	<input type="text" value="0"/>	Monthly ▾
Council tax	<input type="text" value="0"/>	Monthly ▾
Electricity	<input type="text" value="0"/>	Monthly ▾
Gas	<input type="text" value="0"/>	Monthly ▾
Phone / internet	<input type="text" value="0"/>	Monthly ▾
Water	<input type="text" value="0"/>	Monthly ▾
Other	<input type="text" value="0"/>	Monthly ▾

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Manchester loan sharks jailed after preying on young mothers



Ian Parsons intimidated people who owed money with text messages and a menacing image

Three Manchester loan sharks who charged vulnerable people 100% interest and menaced them by mobile phone have been jailed.

Hospital Consultant



- £1 million lent, 90 people
- L/S for 6 years
- Hospital staff
- Operated from hospital in London
- Profits of £287,000
- Payments received more than £880,700
- POCA to follow

Stop Loan Sharks

Hospital Consultant

Dr Arjan Savani, struck off as a consultant doctor

Operated from Harrow hospitals in North West London

Sentenced to 10 months jail and 120 hours of unpaid work

Sentence suspended as he did not use violence or threats.

Lent money to hospital staff and made profits of £287,000

His loan books showed payments received of more than £888,700

GC – Stoke on Trent

4.5 year prison sentence following an 8 day trial
 Charges: Running an unlicensed business, money laundering, 3 x blackmail, 2
 x perverting the course of justice



*Judge Trevor said Caruso
 "Made money lending to
 vulnerable people on low
 incomes, aided by the
 absence of any records and
 charging very high levels of
 interest. He used ugly
 threats of violence and
 whilst they were never
 executed, his reputation and
 involvement with boxing
 and cage fighting meant the
 threats were taken very
 seriously."*

- Lending to 88 people over an 18 month period
- Making £3,000 per week his business was estimated at £360,000
- Charged £50 interest on £100 loans then increased this once payments started – told one client I'll tell you when to stop paying
- well known cage fighter he told victims *rearrange their face*, *break their legs* and *chuck acid into their face so no-one would recognise them again*.
- Caruso told a female victim she should work as an escort to pay of the debts, telling her he could drive her a long way from Stoke to do so.

Witness Statement

With Statement

- Risk Assessed
- Bail Conditions
- Special Measures Court
- Legislation on Intimidation
- Legislation runs after prosecution
- Ongoing support from Liaise

Without Statement

- No risk assessment
- No legislation (as no legal position)
- No reason for loan shark to stay away
- Left in same situation

Julian Douglas pleaded guilty to illegal money lending, money laundering and attempting to pervert the course of justice

- He charged borrowers double the amount, and found new customers via word of mouth.
- Following his arrest he was released on bail with conditions not to directly or indirectly contact anyone listed in his records.
- He continued visiting victims homes or cold called from a different mobile numbers
- Douglas was rearrested for attempting to pervert the course of justice, and a further count of illegal money lending. He was remanded in custody.



Witness Support

Loan sharks sometimes over-estimate their own importance...

1. *Threats*

“If you grass me up, I’ll kill you”

NOT TRUE – out of all the witnesses we’ve supported – ***ZERO%*** have had any physical harm after we’ve got involved

2. *Retribution*

“If I’m in prison my mates can still get to you”

DOESN’T HAPPEN - The IMLT stay in contact with all our witnesses, risk assess any new situations and react quickly.

3. *Promises*

“If you report me, nothing will be done”

WRONG - 100% success rate at court

Resources Available



4-3



Remember?

- What do you need to run a legal money lending business?
- Who prosecutes for this crime?
- What are 3 main flags to indicate a loan shark loan?
- Who can be a loan shark?
- Who can be a victim?
- Who or Where can you report loan sharking activity?

4.1

National Success

- **354** prosecutions
- **298** years' worth custodial
- **£71.75** million worth of illegal debt written off
- **26,000** victims helped



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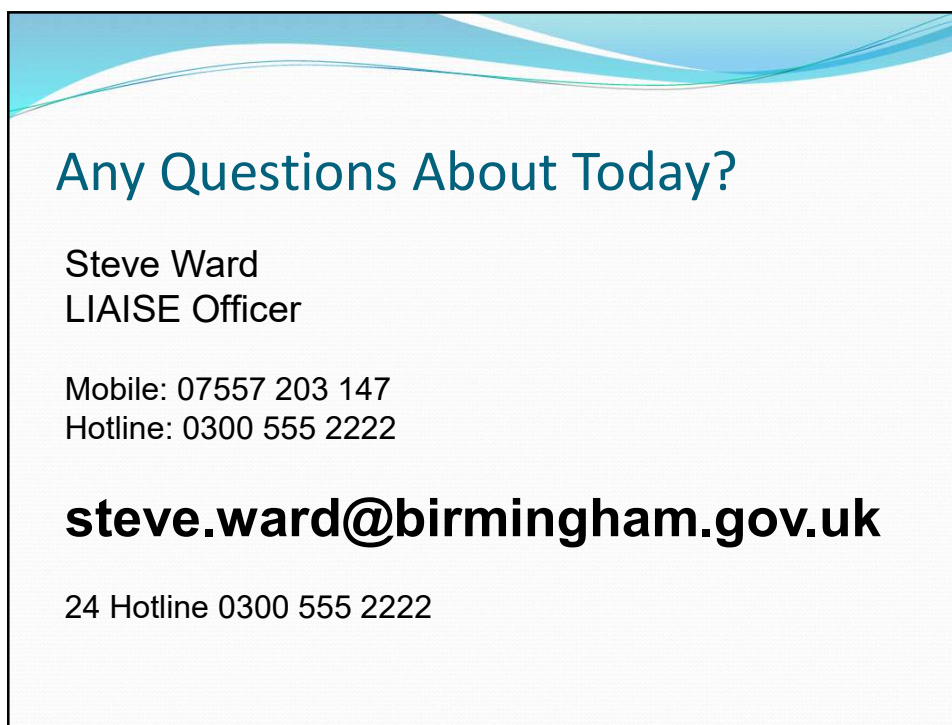
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Any Questions About Today?

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