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For Immediate Release

Families struggling with back to school costs urged to avoid loan sharks

Whilst the summer holidays may be in full swing, some families are already feeling the pinch with sending their children back to school.

The cost of school uniforms can be a real worry for many families, who are already under increasing pressure from the rising cost of living.

According to The Children's Society, the average uniform costs £315 per primary school pupil and £337 per secondary pupil.

Families who are struggling to make ends meet could be at risk of falling prey to predatory lenders who offer quick cash loans at astronomical rates.

These loans can lead people into long-term financial hardship, with exorbitant interest rates as high as 100,000% and threats that leave borrowers trapped in a cycle of debt for years.

Loan sharks prey on all vulnerabilities, from emotional to financial or psychological. They'll do whatever it takes to get their money, no matter how ruthless and deadly the tactics.

It's important for parents to know about the dangers of loan sharks so they can protect themselves from opportunistic lenders and avoid falling into a vicious trap.

[The England Illegal Money Lending Team \(IMLT\)](#) is running a month-long social media campaign throughout August to raise awareness of the dangers of loan sharks and signpost families to financial information and support available.

The campaign begins on Monday 1st August with a series of posts across the Stop Loan Sharks' social media channels.

Tony Quigley, Head of the England Illegal Money Lending Team said: "Back to school is always an expensive time of year for parents and with

household budgets already stretched, loan sharks will be looking for any opportunity to exploit those most in need.

“These 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.

“We’re running this campaign to make sure families get access to safe, responsible sources of financial information and support. If you do feel trapped by illegal lenders, there are a number of ways our team can help.

“Please don’t feel loan sharks are the only option for you as there are many agencies that can provide support to help ease the burden of back-to-school costs.”

A recent study by the Centre for Social Justice (CSJ) revealed that more than one million people could be in debt to loan sharks in England.

Nearly half of people who borrow from illegal lenders use the cash for everyday expenses and household bills, including the purchase of school uniforms and prams.

Warning signs to indicate that you could be dealing with a loan shark include giving no paperwork upon the agreement of a loan, refusing to give detailed information about a loan, intimidation and threats, taking items such as a bank card or passport until the debt is paid, and taking things from you if you do not pay on time.

Michelle’s Story

Standing at the school gate, Michelle was approached by another mum wanting to be friends – but her family were left homeless after falling into a loan shark trap.

Mum-of-three Michelle, whose name we have changed to protect her identity, had recently moved to a new area after escaping an abusive relationship.

When Michelle was struggling to afford a birthday present for her son, her new friend offered to lend her some money.

It started with a small loan for £50, but then the loan shark offered to lend Michelle larger sums of money with interest. The most she borrowed at one time was £350, and she repaid nearly £2,500. The debt quickly spiralled out of control with huge interest piled on.

The £50 turned into thousands of pounds being paid in cash over several months, with no records kept. The loan shark knew the date Michelle got paid, so knew when to chase for the money.

In a [video](#) released by the IMLT, Michelle described her experience as 'soul-destroying' and that she lived in constant fear of what would happen next to her family.

She said: "I was stressed over the repayments. I knew I had to pay her back because I had seen what she had done to other people if they didn't pay back. She made it her business to know exactly what days money went in my bank.

"I got to the point of wanting to end everything. I was very suicidal and didn't know who to go to. There were threats on my life and on my home. I had windows put in and I would get messages off people bullying me because she had sent them to my door, she even used local youths in the area as a campaign of terror."

Michelle eventually fled with her children, leaving all her possessions behind, and was placed in temporary accommodation by her local council.

After seeking help from the IMLT, she has since been able to turn her life around.

Her circumstances are far from unusual though as research by the IMLT showed that two-thirds of the victims helped last year thought they were borrowing from a friend.

Michelle got in touch with the helpline number for Stop Loan Sharks.

She said: "From that first phone call, I suddenly felt like I could breathe for the first time because the person on the phone understood my situation and there was no judgement.

"There's no shame or embarrassment by asking for help, and don't allow someone like that to take advantage of you."

Financial help available for families

If you're on a low income, you might be able to get help with some of the costs of sending your child to school, including school meals, transport and uniform.

There are grants available for eligible families to cover the cost of free school meals and a contribution towards the cost of school uniforms.

In addition to grants and other funds, many local councils have their own schemes to help with the cost of buying new school uniforms. [Find out if your local council can help you with the cost of school uniforms.](#)

Check if your child can get free school meals in England and find out how to apply on your local authority's website.

Check to see if you're claiming all the help you're entitled to, there may be some benefits you aren't aware you'd be eligible for. Use the free and

confidential [Turn2Us Benefits Calculator](#) to find out what benefits you are entitled to claim.

Borrowing from loan sharks can easily lead to disastrous consequences. Credit unions are a safer option for those in need of short-term loans. If you need to borrow money, [contact your local credit union](#) for help.

If you're struggling with debt, you're not alone and it's never too late to seek help. There are many agencies, such as [Citizens Advice](#), [StepChange Debt Charity](#) and [National Debtline](#) that can provide expert advice and support.

If you or someone you know has been affected by loan sharks, you can access confidential advice and support on the Stop Loan Sharks 24 Hour Helpline on 0300 555 2222 or online at www.stoploansharks.co.uk. Live chat is available on the website between 9am and 5pm, Monday to Friday.

ENDS

For media enquiries, please contact IMLT Press Officer Holly-Leigh Carr on 07703 373535 or email Holly.Carr@birmingham.gov.uk.

Notes to editors:

The Illegal Money Lending Teams in England, Scotland and Wales work alongside the Financial Conduct Authority (FCA) to investigate those operating within the consumer credit market without the appropriate authorisation.

The Illegal Money Lending Teams in England and Wales work in partnership with local Trading Standards Authorities in their related countries. They consist of specialist officers who investigate and prosecute illegal money lending and related activity and LIAISE officers who support victims and raise awareness of the dangers of borrowing from illegal money lenders.

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