

# Cheshire West & Chester Council

## Media Release



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### **West Cheshire Trading Standards and Credit Union Join Forces to Bite Illegal Loan Sharks**

Trading Standards and the West Cheshire Credit Union are joining forces to combat illegal loan sharks who are preying on residents struggling to find the cash to pay for Christmas.

Unscrupulous money lenders are operating on some of the largest housing estates across the Borough charging massive interest rates and sometimes backing up demands for payments with threats of violence or damage.

And today (Tuesday) both organisations sent out the message that help and support is available to long suffering victims.

“Removing these criminals from the streets will help alleviate a great deal of distress and hardship amongst the communities they are targeting” said Andrew Rees, Investigations and Complaints team leader.

“We want help from victims to identify and take action against these people. All information will be treated in the strictest confidence.”

One possible lifeline for those struggling against debt is the West Cheshire Credit Union, a none profit-making organisation with ethical values and affordable interest rates capped by Government legislation at 2%.

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The organisation, which has offices in Chester and Ellesmere Port, actually increased its loans by 65% over the Christmas period with borrowers seeking an alternative to the traditional financial houses – and doorstep loan companies.

Most loans taken out with the West Cheshire Credit Union are charged at 1.5% a month which works out at £49 interest over 50 weeks, equating to 19.6% APR.

In stark contrast, some doorstep lenders are known to charge up to £375 in interest on the same amount- a massive 254.5%!

Other 'horror stories' known to Trading Standards involving loan sharks include loans without any relevant paper work ; interest rates increased daily and APR per percentages rocketing into the thousands .

Said Neil Jay West Cheshire Credit Union Manager: "We do consider loaning to people who have difficulty in obtaining credit in any other way and we have helped people struggling to pay off loan sharks.

"Obviously, everyone must meet our criteria of saving with us for a month, but we are there to give help and advice."

The West Cheshire Credit Union have a membership centre in Blacon, which lost its only bank when the Halifax moved out leaving 15,000 people without a banking service.

"This situation obviously presents both problems for the community and opportunities for exploitation by unscrupulous money lenders." Said Mr. Jay.

Members of the public wanting to report loan shark activities in confidence should ring the Illegal Money Lending team on 0300 555 2222.

And to find out more about West Cheshire Credit Union either visit their website at [www.wccu.co.uk](http://www.wccu.co.uk) or ring 01244 399006.

Ends