

## **Using a Loan Shark for Christmas could cost you for the rest of your life**



Christmas can be a costly time of year, and as more and more people find themselves strapped for cash, illegal money lenders, more commonly known as loan sharks, may take advantage. These criminals are to be avoided at all costs.

Loan sharks can seem like a nice, easy and cheap option to fund Christmas, but they can quickly put the pressure on you to pay back more and more money with no thought to the impact this may have on your ability to buy essentials.

Loan sharks can charge any rate of interest that they want, often changing how much and when you repay at short notice. Loan sharks will often take security from you. This will normally be something of value, including jewellery, computers, passports but also Post Office account cards. When keeping these cards Loan Sharks will cash them and give you back only what they want to sometimes leaving you with not enough income to live on.

You are nothing but money for a loan shark and they do not care about your personal situation or how the lack of money affects you and your family.

But don't worry, help is at hand. There are many agencies across Scotland that can help you avoid falling into the trap. There is also help if you have already become involved with a loan shark.

### **Who can help**

#### **Reporting a Loan Shark:**

Trading Standards Scotland: 0800 074 0878 or [www.tsscot.co.uk](http://www.tsscot.co.uk)

#### **Debt Advice:**

Step Change Debt Charity: 0800 138 1111 or [www.stepchange.org](http://www.stepchange.org)  
(free debt advice)

Scotland's Financial Health Service: [www.scotlandsfinancialhealthservice.gov.uk](http://www.scotlandsfinancialhealthservice.gov.uk)

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### Katie's story:

Katie is a 19 year old single mother & she was looking for an extra bit of money to help her pay for Christmas. She spoke to family members but they couldn't help her. She knew of a local man who offered loans and she felt she would be able to make the repayments.

When she spoke to her brother about what she wanted to do, he warned her about some of the stories that he had heard and begged her not to go to him. However, she decided to go ahead and borrow the money anyway. Katie borrowed £200 and was able to give her son a Christmas experience in keeping with the other kids who attend the same toddler group.

By February, Katie was struggling. The repayments were getting too much and she was no longer able to feed and clothe herself or her son. Katie was paying more than half her monthly benefit to the loan shark meaning she was unable to heat her home whilst also causing her to rack up rent arrears, putting her tenancy under threat. When she asked the Loan Shark for a break she was told no, when she then missed her next payment she was threatened & told her son would be 'cut'

With nowhere left to turn, Katie finally contacted Trading Standards Scotland for help and advice. With the help of the team she was referred to a foodbank, supported to repay her rent arrears which removed any threat of eviction and was able to escape the clutches of the loan shark.

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