**More vulnerable people forced to turn to loan sharks as cost-of-living soars**

* *Vulnerable customers also more likely to be pushed into higher cost borrowing*
* *One in four vulnerable customers now struggling to keep up on payments*

**National Stop Loan Sharks Week, UK, 26 September 2022 –** Soaring energy, food and fuel prices have forced 1.2 million UK adults (2%) to turn to unscrupulous loan sharks in the last 12 months, new research from the [Vulnerability Registration Service](https://www.vulnerabilityregistrationservice.co.uk/) has revealed.

Released during [National Stop Loan Sharks Week](https://www.stoploansharks.co.uk/new-campaign-letstalkloansharks-encourages-people-to-speak-out-in-the-fight-against-illegal-money-lending/), the research also revealed that this picture is twice as bad for the most vulnerable in society, with 630,000 vulnerable people (4%) having used loan sharks in the last year.

Victims are unable to settle the growing amount of money they owe, while loan sharks use intimidation, threats and violence against them and their families.

Vulnerable people have also increasingly been pushed into higher cost borrowing with 12% of vulnerable people taking out higher cost borrowing in the last 12 months, compared to 6% of the general population. As a result, 27% of vulnerable people admitted that they were in financial distress and struggling to keep on top of payments.

**Helen Lord, CEO of the Vulnerability Registration Service,** said: “Vulnerable people are trying to keep their heads above water and trying to access any finance that is available to them. But it appears that the only option opening up to them is higher cost finance, which they can’t really afford. When these avenues are exhausted, and they are being chased for payment, they panic and can see loan sharks as their only way out, only to find themselves trapped in a cycle of debt and extreme misery.

“The research highlights how crucial it is for legal credit lenders and providers to do much more to identify their vulnerable customers, so they can adjust their approach, offer more affordable options and ultimately ensure their treatment of them is fair and appropriate to their circumstances. Placing pressure on people who have already have debts that are spiralling out of control is pushing them into the hands of illegal money lenders who will make their lives a living hell.”

**Tony Quigley, Head of the England Illegal Money Lending Team, said:** “Loan sharks are predatory, exploitive and dangerous. They lure victims in with false promises and a seemingly safe place to turn for help but once you are in, these unscrupulous lenders trap you into a cycle of debt and make it as hard as possible for you to escape.

“We’re committed to ending this kind of exploitation once and for all by making sure loan sharks are taken off the streets. Now more than ever we need to expose these criminals for what they are and protect those most at risk of financial harm.

“If you are struggling to make ends meet, don’t be afraid to reach out and ask for help. There are many agencies out there that can provide support and help get your finances back on track. Loan sharks should always be avoided as they will make your situation much worse and cause significant damage to your physical and mental health. If you need help dealing with loan sharks, our helpline is available 24 hours a day on 0300 555 2222.”

The Vulnerability Registration Service and the England Illegal Money Lending Team formed a unique and powerful partnership last year to enable service providers (i.e. banks, utilities, mobile phone companies, local authorities, councils...etc.) to play a vital and active role in protecting those customers who have fallen victim to loan sharks from further harm.

For anyone affected by loan sharks, confidential advice and support is available from the Illegal Money Lending Team. Call the Stop Loan Sharks 24 Hour Helpline on 0300 555 2222 or visit the website for more information at [www.stoploansharks.co.uk](http://www.stoploansharks.co.uk) National Stop Loan Sharks Week runs from the 26 September to the 2 October and aims to highlight the help available to those that have been targeted by loan sharks, as well as raise awareness of this hidden crime in communities.

For more information on the Vulnerability Registration Service, visit: <https://www.vulnerabilityregistrationservice.co.uk/>

**ENDS**

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**Note to editor:**

The research, commissioned by the Vulnerability Registration Service, was conducted by Censuswide between 21st-26th July 2022. A total of 2,048 Nationally Representative respondents participated. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles.

**About The Vulnerability Registration Service:** [www.vulnerabilityregistrationservice.co.uk/](http://www.vulnerabilityregistrationservice.co.uk/)

We help financial services providers and utility companies to identify and ensure the fair treatment of vulnerable customers – helping to reduce debt, financial problems and harm.

[The Vulnerability Registration Service](about:blank) (VRS) is a not-for-profit company providing the UK’s first central vulnerability database. Registering with the VRS is completely free for vulnerable customers and their representatives to help inform financial services, utility, debt collection and other organisations of their vulnerable circumstances such as financial abuse, risk of fraud, over-indebtedness, and power of attorney. The Vulnerability Registration Service is used by organisations to help them ensure vulnerable customers are treated fairly and appropriately, and that their financial and vulnerable circumstances are taken into account.

**About** [**The Illegal Money Lending Team**](https://www.stoploansharks.co.uk/)

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.

Since launch in 2004, the England IMLT has supported more than 30,000 people and written off over £87 million worth of illegal debt.