



compass

LOCAL ACTIVISTS
/ COUNCILLORS

END LEGAL LOAN SHARKING



Mini toolkit

*Everything you need to launch your
local campaign*

More details of the campaign can be
found at www.endlegalloansharks.org.uk

Any further questions contact joe@compassonline.org.uk or 07796884487

INTRODUCTION

Over the past 7 years we have seen high cost credit companies expand three fold in the UK. At a time in which there are large scale cuts to our public services, costing many people their jobs and services that they rely on, there will inevitably be a further expansion of legal loan sharks in our communities.

Thousands of activists that form the End Legal Loan Sharking campaign think that it is completely unacceptable for these corporations to profit from those who have fallen on difficult times and often have no other place to turn.

We also feel it is vitally important to increase awareness of sources of affordable credit such as Credit Unions. People will always need to borrow money so it is helpful to encourage them to use alternatives that are legally capped at 26% APR. This is a stark contrast to the high street and internet money lenders who can charge anything up to 4200% APR.

We are doing all that we can to lobby the government on a national scale. However, we need your help to show there is nation-wide hunger for change. Contained within this Tool Kit there is everything that you need to run a successful local campaign to bring about change from the bottom up.

If this is something you are willing to run as an End Legal Loan Sharking campaign then Compass will be more than willing to give a donation to the campaign to cover the cost of letters/leaflets etc.

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1 A CASE STUDY

Norwich Takes on The Money Shop by Matthew Fulton

When I began the End Legal Loan Sharking campaign in Norwich I wanted to achieve a real change that would have a positive impact on people's lives. I knew that capping the cost of credit locally would not be achievable so I had to look for realistic goals which would help the most vulnerable in my community.

The two locally achievable goals I discussed with community activists were:

- 1 To get local money lenders to give debt advice before a loan is taken out
- 2 For money lenders to support local credit unions

Once I had my goals I arranged a meeting with the manager of The Money Shop in Norwich. He refused to accept either of my requests. Following this I printed 600 letters and distributed them to the surrounding area. The letters explained The Money Shop's position as outlined in our meeting and included a survey asking for people who have used legal loan sharks to come forward with their stories and experiences. We also included a tear off slip which included the date, time, and location of a demonstration.

The letters then found their way back to the manager who arranged another meeting with us. While he said he did not have the authority over what literature to display he did arrange a meeting between us and the Corporate Affairs Director.

Although we did not wish to damage relations with The Money Shop we felt the need to continue campaigning. As such we canvassed the area to conduct surveys and find people who would be willing to discuss the experiences they have had with a high street or internet money lender. We experienced great success with this and had many people tell us of their experiences however; very few would talk to the media, even anonymously.

After we had found three people with strong stories we then printed another 600 letters in another area closer to other money lenders.

Following this we then asked a public question to Norwich City Council whereby a detailed report was given on how lower household income and higher rent arrears had a positive correlation with the location of high street money lenders. This information along with our contact details and the contact details of the case studies were then given to the local papers. The following day we were interviewed by the Norwich Evening News. This then ran as a front page article (see end of text).

We continued canvassing as well as securing further media coverage through Future Radio and BBC Radio Norfolk. We were then put in contact with a BBC Look East journalist who took up our story where it received a 2 minute slot on regional TV. This then featured on the BBC UK web page. All this media activity applied considerable media pressure in the run up to our meeting with The Money Shop.

When meeting with the Money Shop we had clear goals in mind; we wanted The Money Shop to show literature on debt advice and to support local Credit Unions. By the end of the meeting we had achieved more than we set out to. Not only did they agree to our requests they agreed to make them national policy. This shows what a big change we are able to make with the community on our side.

The key to this campaign was setting locally achievable goals which could have national implications. The reason why we managed to achieve a lot of media interest which really racked up the pressure was the way we campaigned along side the community and really involved local people. It was their stories that made the media listen to our cause. We should not underestimate the power that ordinary people are able to wield when motivated to achieve change in their community.

Media Links:

<http://www.bbc.co.uk/news/uk-england-12773962>

<http://futureradio.co.uk/podcast/2011/march/best-chest-saturday-5th-march-2011> – 22 Minutes in

Friends of injured man want to help city's SOS Bus
 Friends of a young man whose life was saved after an accident this morning have set up a SOS Bus to help him get to work. The bus will be a white van with a SOS sign on the side. It will be used to transport the young man to work each day. The bus will be run by a group of volunteers who will be based at the young man's home. The bus will be used to transport the young man to work each day. The bus will be run by a group of volunteers who will be based at the young man's home.

Norwich MP attacks city council over Connaught
 A Norwich MP has accused the city council of spending too much on the Connaught hotel. The MP said the council had spent £10 million on the hotel, which is a waste of money. The MP said the council should have spent the money on other things, such as improving the city's infrastructure. The MP said the council should have spent the money on other things, such as improving the city's infrastructure.

New Project for city's night scene
 A new project has been launched to improve the city's night scene. The project will involve creating a new night market in the city. The market will be held every Friday and Saturday night. The market will feature a variety of stalls selling food, drink, and other goods. The market will also feature live music and other entertainment. The market will be held in the city's main shopping area.

People 'borrowing now just to get by'
 A survey has found that more people are borrowing money just to get by. The survey found that 40% of people are borrowing money to cover their living expenses. This is up from 30% just a few years ago. The survey also found that 60% of people are borrowing money to pay for their education. This is up from 50% just a few years ago. The survey also found that 70% of people are borrowing money to pay for their holidays. This is up from 60% just a few years ago.

Credit Unions in Norfolk
 Credit unions in Norfolk are helping people to get out of debt. Credit unions are financial institutions that are owned and controlled by their members. They offer a range of financial services, including loans, savings, and insurance. Credit unions are known for their low interest rates and their commitment to helping their members. Credit unions in Norfolk are helping people to get out of debt by offering them loans at low interest rates. They are also offering them financial advice and support.

Warning over email scam
 A warning has been issued over an email scam. The scam involves sending people an email that says they have won a prize. The email asks the person to click on a link to claim their prize. However, the link leads to a website that asks the person for their personal information. The person's information is then used to steal their money. People should be warned not to click on links in emails from unknown sources. They should also be warned not to provide their personal information to anyone online.

Points are more important than my wonder strike, says Crofts
 A Norwich MP has said that points are more important than his wonder strike. The MP said that he has been awarded 100 points for his performance in the city council. The MP said that he is proud of his achievement and that he will continue to work hard to improve the city. The MP said that he is proud of his achievement and that he will continue to work hard to improve the city.

Concern over city families in debt
 A survey has found that more people are borrowing money just to get by. The survey found that 40% of people are borrowing money to cover their living expenses. This is up from 30% just a few years ago. The survey also found that 60% of people are borrowing money to pay for their education. This is up from 50% just a few years ago. The survey also found that 70% of people are borrowing money to pay for their holidays. This is up from 60% just a few years ago.

Tiddies
 Save £25 at Mandarini Cycles. Time to switch. How television turns digital this year p12-13.

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2 PLAN OF ACTION

Step 1

Identify locally achievable goals and set a date/location for your event. Your goals may include asking high street money lenders to display debt advice or credit union literature.

Step 2

Hold a meeting with the manager of your local money lenders asking whether they will take your local requests on board.

Step 3

Inform sympathetic groups of your meeting and ask for their support including pensioner groups, trade unions, youth groups, local political parties and councillors.

Step 4

Identify a suitable area surrounding the high street money lender to distribute a letter informing them of the results of your meeting with a questionnaire/survey on the back.

Step 5

As you await results from any surveys sent out conduct several canvassing sessions to collect stories and experiences that people have had dealing with any “legal loan sharks”.

Step 6

Ask a public question at the next full council meeting. This can be done by contacting your local council’s democratic services department. Local journalists usually attend these to get their stories. Issue a press release to your local news desks following the question.

Step 7

Draw up a motion to be put to your local council which can then be given to a councillor who is sympathetic to your campaign. This has to be done 3 weeks before the next full council meeting to make it on to the agenda.

Step 8

After the motion is debated issue a press release giving details of the result and your campaign event.

Step 9

Make sure you have any props needed for your event and invite a list of speakers from a range of backgrounds. People who have had debt problems, local councillors, MPs, MEPs, and Chairs of Credit Unions.

3 MODEL LETTER TO COUNCILLOR

Dear Cllr [Name]

I am currently looking to set up a local campaign to support the national “End Legal Loan Sharking” campaign. The goals of the national campaign are to give regulators the power to cap the total cost of credit and to raise a levy on high cost money lenders (such as Provident & Wonga) to help fund Credit Unions. There is currently a private members bill (with cross bench support) progressing through parliament with these goals.

If enough communities show their support for this campaign the government will be forced to take decisive action. In addition to this I have identified several locally achievable goals for my campaign. These include: asking high street money lenders to show debt advice literature and to support local Credit Unions by offering leaflets in stores. I currently have a meeting with the manager of [Retailer Name] on the [Date] and would be very grateful if you would accompany me in this meeting to show your support for the campaign.

Yours Sincerely

[Name]

4 LETTER TO RESIDENTS

Dear Resident,

As your active local campaigner, I am working hard on ways to improve [City/District]. Recently I have been shocked to hear about how high street and internet money lenders like The Money Shop, Provident, and Wonga are charging interest rates of up to 4200%. This is particularly unacceptable at a time when people are facing large scale cut backs both to their household incomes and to local public services.

It is clear to see that these “legal loan sharks” are turning a profit from the most vulnerable in society. Within the last 7 years the legal loan shark business has increased in size by 300% by taking advantage of the difficult situations people find themselves in. I feel that these legal loan sharks are ruthlessly exploiting local people. Last week we had a meeting with the manager of [Retailer Name] and [Result of meeting]. I cannot tackle this problem alone. I need your help!

I’m organising an event outside [Retailer name] [Location] [Time]. We want to show the manager that this exploitation is unacceptable and is not what local people want. We are asking you to help in any way possible and to show your support for this important campaign. We will be joined by [List guests]. If you or anyone you know has been badly treated by The Money Shop, or any other Legal Loan companies like Wonga and Pounds2Day, come and share your experiences. Together we can bring an end to this exploitation. We hope you can make it on [date].

I believe we can make a real difference to our local area with this ‘End Legal Loan Sharking’ campaign. It will only work however with the backing of local residents. If you want to get involved please fill in the short survey on the back of this letter and either send it to me or bring it along on [Date of event]. Together we can make our voices heard.

Best wishes

[Name]

5 MODEL SURVEY

Please tear this off and keep it safe!

What is it?

Demonstration to end “legal loan sharking” in [City/District]

Where is it?

[Location]

When is it?

[Time & Date]

Loan Sharking Survey

Name _____

Address _____

Email _____

Phone _____

	<u>YES</u>	<u>NO</u>
Do you agree that companies should be able to charge over 4200% interest on their loans?	<input type="checkbox"/>	<input type="checkbox"/>
Have you or any one you know used a High street or internet money lender (e.g. The Money Shop and Wonga)	<input type="checkbox"/>	<input type="checkbox"/>
Would you like to get involved to stop this unethical practice?	<input type="checkbox"/>	<input type="checkbox"/>

If you have previously used a “legal loan shark” could you fill in the section below giving a description of your experiences?

Please return to:

[Name & Address]

The end legal loan sharking campaign may use these details to contact you please tick this box if you do not wish to be contacted

6 GUIDE TO CANVASSING

Some of you may have canvassed for a political party before but others may not have. The structure is broadly similar however this is about building a relationship with the person NOT gathering as much data as possible. Debt is a very personal and often difficult subject. The people you speak to will need to trust you before they are willing to open up to you.

Good canvassing tips:

- Begin by introducing the campaign and giving a small introduction of why you got involved and who you are. People are much happier to talk to someone who is open with them.
- If you have a personal story relating to this or know someone who has then share it with them as they will feel more at ease.
- It is important to engage with people by asking them questions, do they know how much interest can be charged? Do they know what a credit union is? Have they taken out a high cost loan before?
- The most important thing is not to out stay your welcome. People may open up a certain amount on the doorstep but the likelihood is they don't want to stand there for hours on end. There is no harm in arranging another time to come round and talk in a more relaxed setting e.g. over a cup of tea.

Key things to avoid:

- Do not launch into interview. Remember to talk about what you hope to achieve together.
- Try not to appear nervous or embarrassed when talking to strangers about their debt problems. People need to be reassured that you will not judge them as debt for many people is a deeply embarrassing thing.

7 PUBLIC QUESTION FOR LOCAL COUNCIL

A public question on any issue can be asked by any member of the public at a Full Council meeting. However, public questions need to be passed through the democratic services department at any local council as they will be answered by the cabinet member for the specific area. You will then be given a right of reply. Public questions are a good way for a member of the public to highlight a particular issue as these meetings are usually attended by journalists looking for stories.

Public questions must be kept short, here is a good example below:

In the light of the current economic circumstances many of the most vulnerable in [City/District] are in danger of falling prey and becoming dependant on “Legal Loan Sharks”. Will this council help to further promote mutual alternatives such as Credit Unions and support the national “End Legal Loan Sharking” campaign?

8 HOW TO OBTAIN MEDIA COVERAGE

When dealing with the press remember to include details on the “human interest”. This is a real life example of how high interest rates can destroy people’s lives. Don’t forget to try all media sources not just the newspapers. TV and radio are key to running a high publicity campaign. Never assume the reporters or news desks are knowledgeable about the topic - so include all the relevant local and national info. Try to obtain contact details for individual reporters rather than just talking to the news desk as this is more likely to get results.

End Legal Loan Sharking Campaign – [Date/Location]

There is increasing concern over the role of high cost lenders in the local area.

Many local people find it appalling that legal loan sharks such as Provident and The Money Shop charge over 1000% APR. Worryingly, the worst offenders are the online lenders where interest can top 4000% APR.

In response a local ‘End Legal Loan Sharking’ campaign has been established.

Since [Date] the local End Legal Loan Sharking campaign has been arranging meetings with local high street lenders asking them to offer debt advice and information on credit unions. They have held a meeting with the manager of [Retailer Name] where it was/wasn’t agreed that... [What’s been agreed?]

[Campaigner’s name] aims are to see debt advice literature available in all money lenders along with information on credit unions as many people do not know the vital role these organisations play.

(S)he has canvassed the surrounding areas [Area names] where people have come forward with their experiences and are willing to talk at an event to be held [Place]. From there the campaigners will walk down to the [Retailer] where local residents will discuss their experiences and ask the manager of the money shop to display literature on debt advice and credit unions. Also in attendance there will be [Guests names]. This event shall be held on Saturday March 19th.

Case Studies [Examples]

Say whether they want to be anonymous or not

[Name], [Address] – [Contact Number] – Named

[Company Used]

Began by using who were offering products on finance such as answer machines for 1.70 per week which seemed to be an affordable rate however this soon escalated into a chain of other offers as they deliberately targeted him due to his previous history with the company. When Christmas came Mercantile Credit then offered him a Woolworths voucher for £300 he was told that as he was a good customer he would only have to repay what he had spent yet was not informed of any of the terms and conditions which lead to him having huge interest rates to repay as it was presented as a gift.

After this he was targeted by National Home Loans who had received the information from Mercantile Credit where he was granted a mortgage to buy his own property however from the period where this was granted to the time he had purchased the house (less than 2 months) the interest rates had increased 3 times.

After these incidents he and his family then became dependent on store cards and regularly reached their maximum limit however every time this happened their limit was increased to maximise the amount of interest they could get. This caused huge strains on his marriage along with his other debts and was often borrowing on store cards to pay off the higher interest rates from legal loans sharks such as Mercantile Credit.

Eventually his marriage broke up and he was involved in both a car accident and a industrial accident for which he received compensation of £80,000 yet this went to clearing all his loan debts and to pay off the high interest mortgage he had to sell his house.

Case Studies [Examples] cont.

[Name], [Address] – [Contact Number] – anon

[Company used]

Originally took out a small loan to put his car through its MOT and servicing, however the problems came when he was asked to change the form of payment from a bank transfer to door to door collection. He arranged a date and time and the collector never arrived. For 9 weeks he tried to organise a collection then he received a court summons for non payment of his loan. This is clearly just to build up the 500% APR which the loan incurs as he knows of several other people who have used this company and have experienced similar treatment.

Key Information to be mentioned

- Event meeting at location, time, place.
- Could interviewee from Compass's banner read – End Legal Loan Sharking Campaigner
- Facts with citations can be found at: <http://www.endlegalloansharks.org.uk/facts>

9 COUNCIL MOTION

Full Council motion reads

This council would like to note the harm caused by high street money lenders. While accepting that people will always need to borrow money council believes that there are more socially responsible lenders than legal loan sharks. While recognising these are difficult economic times, this council will do all within its power to support Credit Unions.

Council would like to support the following motion:

- This council calls on the government to introduce a cap on the total cost of credit that may be charged.
- This council calls on the government to give local authorities the power to veto licences for high street money lenders.
- This council calls on the government to introduce a levy on all money lenders to help fund the credit union network throughout the UK

10 EVENT CHECKLIST

- Invites sent round all political parties?
- Invites sent to all stakeholders and local groups e.g. church groups, youth groups, pensioner groups, and trade unions etc.
- Speakers invited, e.g. councillors, credit union representatives, MP's, MEP's and local residents' with stories to tell (the human interest that the media loves)
- Running list of speakers drawn up
- Media invited
- Props have been sourced/made e.g. Monopoly money, inflatable sharks, placards.
- Final knock up of local residents reminding them of event an hour or 2 before it begins
- Mega phone/speaker system & platform for speakers