

Corporate Policy and Strategy Committee

10am, Tuesday, 11 June 2013

Crackdown on Legal Loan Sharks – Feasibility Study

Item number	7.5(b)
Report number	
Wards	Citywide

Links

Coalition pledges	n/a
Council outcomes	CO10 & CO15
Single Outcome Agreement	n/a

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Executive summary

Crackdown on Legal Loan Sharks – Feasibility Study

Summary

The report on Crackdown on Legal Loan Sharks - Feasibility Study has been referred to Corporate Policy and Strategy Committee following consideration at the Petitions Committee on 3 June 2013, Item 5.3.

This additional report provides recommendations on the issues raised in the referred report for Committee consideration.

Recommendations

1. It is recommended that the Corporate Policy and Strategy Committee notes this report and;
 - a) recognises that this Council can make a contribution to curbing the excesses of the payday loan industry.
 - b) that options for a financial literacy campaign be developed.
 - c) that existing promotion and support for Credit Unions is continued.
 - d) agrees that access to payday loan websites is blocked on Council computer systems.
 - e) agrees that Edinburgh Trading Standards Service continues to support The Office of Fair Trading (OFT) enforcement actions following the compliance review of the payday loan sector.
 - f) agrees the establishment of an Officer Working Group to take forward agreed actions including further research on the following items as per recommendations of Petitions Committee and report back to Committee on progress.
 - i) the historic input the Council has had in setting up credit unions
 - ii) details of previous literacy campaigns
 - iii) the UK wide licence system and what further work is being undertaken to regulate this area.

Measures of success

Less use of payday loans is made by vulnerable residents.

Financial impact

Costs of a Financial Literacy Campaign will require to be developed and reported to Corporate Policy and Strategy Committee. There is no current budget provision for this work.

Equalities impact

The Council's proposed targeted financial literacy campaign and continued support of the OFT's enforcement exercise evidences the Council's due regard to minimising disadvantage as a result of economic deprivation. Additionally, those actions enhance the rights to standard of living and legal security respectively.

Sustainability impact

There is no environmental impact arising from the contents of this report.

Consultation and engagement

Not applicable.

Background reading / external references

[Office of Fair Trading Payday Lending Compliance Review Final Report](#)
[Petition received 24 December 2012, Crackdown on Legal Loan Sharks](#)

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