

# Advice NI Illegal Lending ‘The Story Continues’

## Report Overview

### Date completed:

May 2021

### What we did and who we spoke to:

In 2019, the Consumer Council commissioned Advice NI to explore the human side of illegal money lending activity in Northern Ireland (NI). This report, [Illegal Lending – The Human Story](#)<sup>1</sup>, highlighted the impact illegal lending had on people who used the Independent Advice Network’s money and debt services.

In 2020, when Covid-19 pandemic was spreading rapidly across the globe, the Consumer Council commissioned Advice NI to carry out a follow up report to assess if Covid-19 has had an impact on illegal lending. Advice NI were also asked to consider how Covid-19 has affected their debt services and what impact it has had on their clients.

### What we asked:

During February 2021, the frontline debt advisers were invited to participate in one-hour focus groups to discuss their experience of delivering debt advice during Covid-19. Five focus groups were carried out via Zoom. In keeping with the previous report, it was decided not to speak directly to clients due to the sensitivities surrounding the topic. Advisers were asked to provide written anonymised case studies, which were discussed during the focus groups. After analysing the focus group data Advice NI collated and outlined a number of pertinent themes.

### What we were told:

A summary of the findings from debt advisers:

- Illegal lending remains a serious, hidden issue in NI and that unlike other parts of the UK the threat of violence here is very real if someone is not able to repay the debt.
- Covid-19 has created a great deal of uncertainty for the future and, as we emerge from government lockdown measures, possible increases in redundancies and unemployment may potentially escalate rates of illegal lending.
- Those who admitted to owing money to illegal lenders suffered from poor health or their situation had made them vulnerable. If those in need could access measures that allows them to become debt free, such as an improved insolvency system, this will reduce the need to seek further sources of credit, such as illegal lending.
- Affordable credit remains one of the biggest issues surrounding illegal lending. Measures need to be put into place to ensure people have access to lending that is accessible with low or no interest or charges attached for people in NI.
- Education remains a vital function in bringing awareness to people on the pitfalls of all types of credit including illegal lending.

1. <https://www.consumercouncil.org.uk/policy-research/publications/illegal-lending-human-story>