

Interim Evaluation of the National Illegal Money Lending Projects

Final report – the evidence base

Technical Appendix

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1.0 Introduction

This is the technical appendix relating to the interim evaluation of the National Illegal Money Lending Project, commissioned by BIS as funders and undertaken by Policis in 2010.

The references throughout this technical appendix are to the main “Evidence Report”. A brief Summary Report is available as is a “Supplementary Report” containing various appendices and annexes providing further detail on evidence discussed in the main report.

2.0 Project aims

We here provide a summary of the aims of the two phases of the evaluation which consisted of a process and outcome evaluation:

2.1 Phase One: Summary Aims of the process evaluation

- To identify the relative effectiveness of different delivery models and approaches
- To identify best practice:
 - Principles or specific lessons which can be generalised across delivery contexts for the future
 - Specific to certain contexts and delivery challenges
- Aspects of practice, process and execution that:
 - Are most effective in facilitating the achievement of the core objectives
 - That are effective in achieving the relatively more challenging objectives as well as those that are more tractable
 - That make best use of resource and funding in achieving the objectives
 - That have the greatest impact for victims and communities
 - Contribute to wider social policy objectives

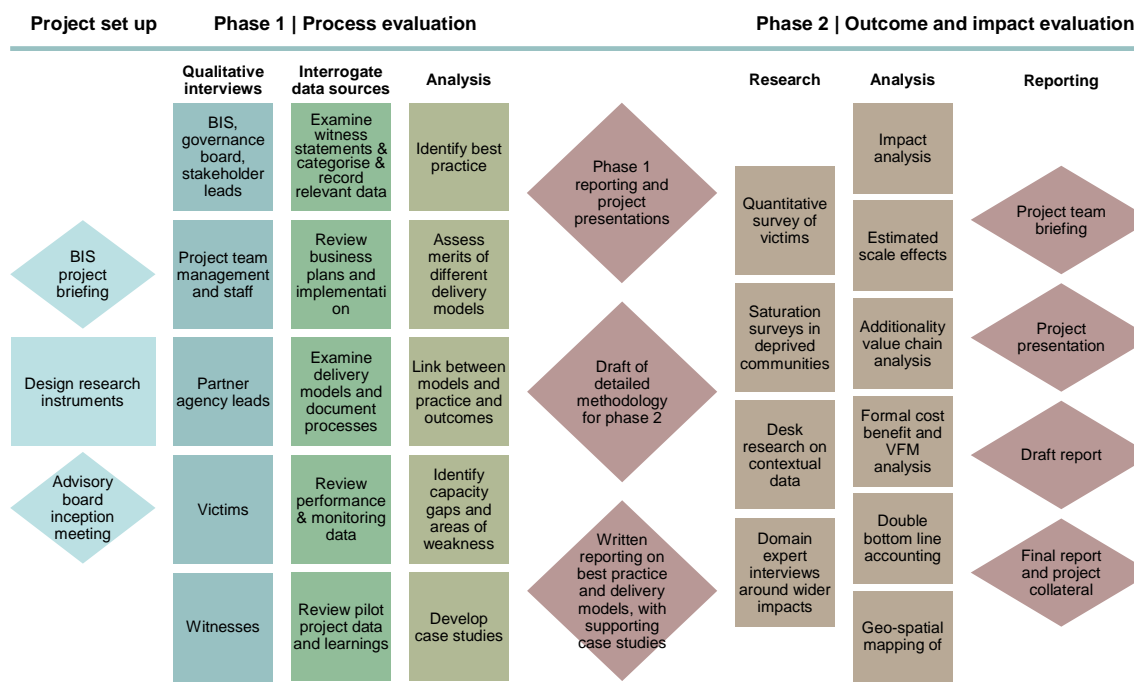
2.2 Phase Two: Summary aims of the outcome and impact evaluation

- To evaluate the net impact that the Illegal Money Lending Projects have had in the community, with specific reference to value for money achieved
- To assess progress towards achievement of the project' specified objectives (see detail in following sections)
- To assess the direct costs and benefits arising from the intervention and the removal of loan-sharks from communities
- To evaluate the extent to which the projects have delivered wider social and economic benefits for communities
- To identified any unintended effects arising and to point up any risks and issues arising

3.0 Project methods

The project included both a process and outcome evaluation, resting on a multi-stage, multi-dimensional project structure with a number of parallel work-streams which together build to a detailed picture of both the supply and demand side perspectives on the project. We here describe the key methodological components, with details of each component provided in following sections. These are represented diagrammatically in Figure 1 below.

Figure 1. National Illegal Money Lending Projects Evaluation Project structure



3.1 Scaling illegal money lending and assessment of the detriment to victims and communities

The estimates of the national incidence of illegal money lending and the estimates of net detriment to victims and communities were estimated with reference to:

- A nationally representative survey of 1,875 low income households (the bottom 50% of household incomes) comprising a 1,500 nationally representative survey with boosted samples of excluded consumers and those experiencing financial difficulties. The research was undertaken face to face and in home by GFK NOP in December 2009 and January 2010.
- A telephone survey with a random representative sample of 500 high cost home credit users undertaken in December 2009 by Teamsearch Market Research.

These two surveys and the victim and community surveys described in the following paragraphs shared a number of common questions relating to demographics, credit use, spend on credit, indebtedness, household budgets, financial stress and quality of life (see questionnaires in the technical appendix for details).

3.2 Process evaluation methods and underpinning research

Understanding the effectiveness of the various delivery models and how these models and various aspects of process and practice relate to performance and outcomes requires both a qualitative perspective from the teams and those they have supported, examination of processes and approaches and analysis of performance and monitoring data. The qualitative work streams comprised:

- Research with the project teams and those responsible for their management (36 interviews), to generate an in-depth understanding of the dynamics of different models and approaches, the nature of the different challenges that have arisen and how these have been overcome.
- Research with partner agencies (52 interviews), such as the police, debt advice and affordable credit providers. The research with these partners provides insight into both the process and practice aspects of the evaluation and feed into the outcomes and impact analysis.
- Detailed examination of the process and practices of individual project teams, and of the documentation that supports a range of activities, such as staff training, responses to reporting, investigative practices, referrals to third party agencies and use of monitoring data.

These qualitative work-streams were underpinned by statistical analysis of the available monitoring and performance data from the project teams to inform both the process and outcome and impact evaluation.

- Qualitative research with victims and witnesses (60 interviews) to understand the experience of dealing with the teams and their partner agencies and the impact of the intervention on victims' finances, the sustainability of any move away from illegal money lending, quality of life and wider life-chances.

3.3 Outcome evaluation methods and underpinning research

Understanding outcomes for victims and the multiplying effects for communities and wider social policy goals requires the perspective of victims, witnesses and residents of the communities in which illegal lenders operate.

- The rich insights arising from the qualitative work with victims and witnesses was supplemented by a systematic examination of a representative sample of witness statements (250) to act as a counter to any bias that might arise from the profile of those willing to come forward for qualitative interview.
- Quantitative research with victims, with the various surveys each containing common questions to support some integrated analysis:
 - A telephone survey with victims (36) from a sample of victims identified by the teams.
 - Face to face survey with victims (68) as a sub-set of the saturation surveys in deprived communities (see below).
 - Analysis of quantitative data on victims (58) arising from the nationally representative survey of low income households earlier described.
- Community surveys; Saturation surveys of 1,200 residents of deprived communities, selected as intervention areas (750 interviews) where lenders had been arrested by the teams and in similarly deprived comparison areas (450 interviews) in which intelligence suggested that illegal lending was likely to be present but in which there had been no enforcement action. Surveys were

undertaken in April 2010 in parts of Manchester, Liverpool, Glasgow, Bristol, Hartlepool, Nottingham, Leicester, Derby, Sunderland (insert rest of survey areas. Within the community survey 250 interviews were conducted in two communities (in Scotland and Liverpool) previously surveyed in 2006.

- Analysis of the performance monitoring data supplied by the teams. The performance monitoring statistics supplied by the teams include a range of indicators related to intelligence, enforcement (arrests, proceedings instituted, sentences), the value of illegal lenders' loan books, value of assets seized and proceeds of crime, and victim support (referrals to sources of financial support, numbers requiring other support, etc). The performance monitoring statistics have provided a quantitative framework for the assessment of progress against objectives (Chapter 4 of the main evidence report) and the estimation of benefits from the IML project (Chapter 5 of the main evidence report). The indicators supplied by BIS for this evaluation relate to the period from inception through to March 2010.
- Cost:benefit and formal additionality analysis. The benefits of the IML initiative need to be considered in relation to three main groups: victims; local communities; wider society. Benefits to victims comprise two main components: the savings to victims, from no longer having to pay loan sharks; and, the intangible effects on victims' quality of life from removing the fear and intimidation that characterises relations with loan sharks. When the law on illegal money lending is enforced, society stands to gain insofar as it is possible to recover the proceeds of their crimes from those loan sharks against whom enforcement action has been taken. The performance monitoring statistics supplied by the teams provided the starting point for estimating gross benefits accruing to victims and society which are attributable to the initiative. The methodology for the estimation of benefits is presented in Appendix D. Additionality adjustments are required to convert from gross to net benefit estimates, to provide a basis for assessing the effectiveness, efficiency and value-for-money of the initiative. The results are presented in Chapter 5 of the main evidence report.
- A review of the key findings, performance data and lessons from the pilot evaluations to enable comparison with the 2006/7 Pilot Evaluations.

3.4 The evaluation framework

The evaluation framework and the associated success factors are described in detail in Technical Appendix A following.

Technical Appendix A: Evaluation Framework

1.0 Introduction

The structure of the project and the various components of it are provided in Figure 1 provided earlier. The over-arching logic model for the evaluation is provided in Figure 2, together with a high level summary of the evaluation framework and its associated performance indicators, provided as Table 1. The evaluation framework provided was intended to inform both the Phase 1 process evaluation and the Phase 2 outcome evaluation.

2.0 The Evaluation Logic Model and the evaluation framework indicators

We here provide in diagrammatic form in Figures 2 and 2a the logic model for the evaluation overall, which should be read in conjunction with the high level elements of the evaluation framework, contained in Table 1 following. A full page version of Figure 2 is provided as Appendix 4.

Figure 2. Evaluation Logic Model

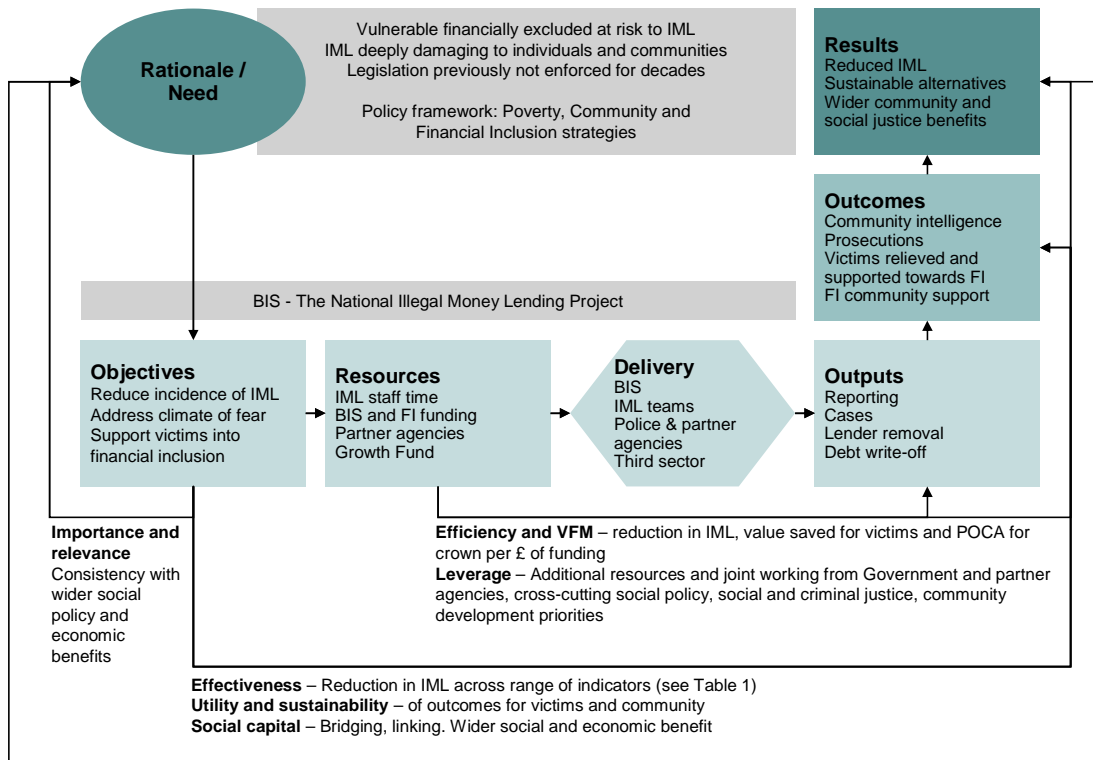
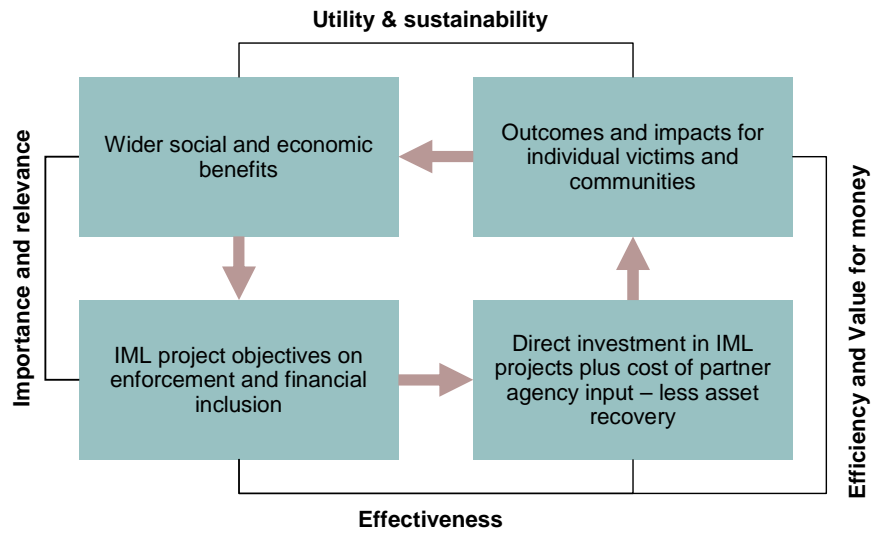


Figure 2a. Structure of the IML project evaluation framework



3.0 Table 1. National Illegal Money Lending Project Evaluation Framework Indicators

Inputs	Processes	Outputs	Outcomes	Results
<p>Primary:</p> <ul style="list-style-type: none"> IML project team time and resource BIS and Financial Inclusion Funding <p>Secondary:</p> <ul style="list-style-type: none"> Partner agencies time and resource Growth Fund 	<p>IML project team execution:</p> <ul style="list-style-type: none"> Project governance Management Training Delivery and delivery models Monitoring systems <p>Enforcement of illegal lending legislation:</p> <ul style="list-style-type: none"> Raising awareness of IML and wider impacts Partnership with other agencies (e.g. police, DWP, HMRC etc) <p>Financial inclusion:</p> <ul style="list-style-type: none"> Partnership with third sector lenders Debt advice and service signposting 	<p>Community:</p> <ul style="list-style-type: none"> Awareness of authorities new stance on IML Reporting to hot-line <p>Lenders:</p> <ul style="list-style-type: none"> Cases under investigation Removed from community <p>Victims and victim support:</p> <ul style="list-style-type: none"> Come forward to give evidence Illegal debts written off Support on access to affordable credit and financial advice <p>Financial Inclusion community:</p> <ul style="list-style-type: none"> Greater awareness of IML issues among third sector lenders and debt advice <p>Media:</p> <ul style="list-style-type: none"> Coverage of issues Signal to lenders <p>Public awareness</p>	<p>Community:</p> <ul style="list-style-type: none"> Greater confidence in authorities willingness and ability to tackle IML Increasing community-driven intelligence on IML <p>Lenders:</p> <ul style="list-style-type: none"> Successful prosecutions Significant punishment and confiscation of assets Deterrence <p>Victims:</p> <ul style="list-style-type: none"> Increased willingness both to report and give evidence Relief from fear and pressure Effective use of alternative lending sources Increased financial stability <p>Financial Inclusion Community:</p> <ul style="list-style-type: none"> Active support for victims Processes for transition to affordable credit and rebuilding finances 	<p>Community:</p> <ul style="list-style-type: none"> Lenders not untouchable Reduction in ASB and crime Amelioration of deprivation of environment Enhanced quality of community life <p>Lenders:</p> <ul style="list-style-type: none"> Lenders removed from community Risks of IML increased and appeal reduced Sustained reduction in incidence of IML <p>Victims:</p> <ul style="list-style-type: none"> Quality of life significantly enhanced Personal and family safety supported Transitioned to legal sources of credit Finances stabilised <p>Partner agencies</p> <ul style="list-style-type: none"> Police and LA partners ongoing focus on IML Linked to other criminal enforcement and intelligence activity Increased membership and use of third sector lenders / debt advice from growing awareness of these services in communities at risk of IML

Inputs	Processes	Outputs	Outcomes	Results
<p>Primary:</p> <ul style="list-style-type: none"> • IML project team time and resource • BIS and Financial Inclusion Funding <p>Secondary:</p> <ul style="list-style-type: none"> • Partner agencies time and resource • Growth Fund 	<p>IML project team execution:</p> <ul style="list-style-type: none"> • Project governance • Management • Training • Delivery and delivery models • Monitoring systems <p>Enforcement of illegal lending legislation:</p> <ul style="list-style-type: none"> • Raising awareness of IML and wider impacts • Partnership with other agencies (e.g. police, DWP, HMRC etc) <p>Financial inclusion:</p> <ul style="list-style-type: none"> • Partnership with third sector lenders • Debt advice and service signposting 	<p>Community:</p> <ul style="list-style-type: none"> • Awareness of authorities new stance on IML • Reporting to hot-line <p>Lenders:</p> <ul style="list-style-type: none"> • Cases under investigation • Removed from community <p>Victims and victim support:</p> <ul style="list-style-type: none"> • Come forward to give evidence • Illegal debts written off • Support on access to affordable credit and financial advice <p>Financial Inclusion community:</p> <ul style="list-style-type: none"> • Greater awareness of IML issues among third sector lenders and debt advice <p>Media:</p> <ul style="list-style-type: none"> • Coverage of issues • Signal to lenders <p>Public awareness</p>	<p>Community:</p> <ul style="list-style-type: none"> • Greater confidence in authorities willingness and ability to tackle IML • Increasing community-driven intelligence on IML <p>Lenders:</p> <ul style="list-style-type: none"> • Successful prosecutions • Significant punishment and confiscation of assets • Deterrence <p>Victims:</p> <ul style="list-style-type: none"> • Increased willingness both to report and give evidence • Relief from fear and pressure • Effective use of alternative lending sources • Increased financial stability <p>Financial Inclusion Community:</p> <ul style="list-style-type: none"> • Active support for victims • Processes for transition to affordable credit and rebuilding finances 	<p>Community:</p> <ul style="list-style-type: none"> • Lenders not untouchable • Reduction in ASB and crime • Amelioration of deprivation of environment • Enhanced quality of community life <p>Lenders:</p> <ul style="list-style-type: none"> • Lenders removed from community • Risks of IML increased and appeal reduced • Sustained reduction in incidence of IML <p>Victims:</p> <ul style="list-style-type: none"> • Quality of life significantly enhanced • Personal and family safety supported • Transitioned to legal sources of credit • Finances stabilised <p>Partner agencies</p> <ul style="list-style-type: none"> • Police and LA partners ongoing focus on IML • Linked to other criminal enforcement and intelligence activity • Increased membership and use of third sector lenders / debt advice from growing awareness of these services in communities at risk of IML

Table 2. Detailed specification of Evaluation framework for the various objectives

Success Factors and indicators that these have been met	Data sources
Objective One: To have an impact on illegal lending, seeing more prosecutions for illegal money lending and eventually reducing the incidence of illegal money lending	
<p>Success factors</p> <ul style="list-style-type: none"> • Case-loads • Prosecution pipeline • Prosecution outcomes • Sustained lender removal • Effective deterrence 	
Indicators that success factors being met:	
<p>Case loads:</p> <ul style="list-style-type: none"> • Numbers of active cases • Quality and substance of cases • Relative seriousness of cases: <ul style="list-style-type: none"> • Impact on victims • Scale of operation • Rate of increase in activity • Increasing substance and quality in case-load • Increasing efficiency in pursuing and managing case-loads 	<p>Performance statistics Interviews with project teams</p>
<p>Prosecution pipeline:</p> <ul style="list-style-type: none"> • Numbers of cases under preparation and at differing stages • Relative seriousness of cases: <ul style="list-style-type: none"> • Impact on victims • Scale of operation • Connect to other criminal activity • Substance of cases: <ul style="list-style-type: none"> • Quality of evidence • Increases in prosecution pipeline volume • Increases in efficiency in preparing cases for prosecution: <ul style="list-style-type: none"> • Quality of evidence • Resource and costs of bringing cases to court relative to seriousness of case • Speed from arrest to court 	<p>Performance statistics Interviews with project teams Interviews with partner agencies</p>

<p>Prosecution outcomes</p> <ul style="list-style-type: none"> • Conviction numbers and rate relative to cases brought • Sentences achieved • POCA seizures • Time, resource and costs incurred relative to numbers of convictions and sentences achieved • Rate of increase in convictions achieved • Rate of increase in efficiency (costs and resource relative to outcomes) 	<p>Performance statistics</p>
<p>Sustained lender removal / Lender deterrence</p> <ul style="list-style-type: none"> • Operations not continued by associates or by other means • Vacuum not apparently filled by alternative IML suppliers • Time period over which removal of lender appears to have resulted in absence of / reduction in IML 	<p>Victim interviews Survey evidence with victims and communities Interviews with project teams and partner agencies</p>
<p>Objective Two: To increase awareness of the problems of illegal money lending among partner agencies and third sector providers of affordable credit</p>	
<p>Success factors</p> <ul style="list-style-type: none"> • Awareness building initiatives undertaken • Understanding of issues among partner agencies • Perceived connect with partner agencies' core agenda 	
<p>Indicators that success factors being met:</p>	
<p>Awareness building initiatives :</p> <ul style="list-style-type: none"> • Media and press: <ul style="list-style-type: none"> • Communications (press contacts, relationships established) • Coverage (incidence and reach) • Paid for advertising (scale, frequency, reach) • Written communications to partner agencies • Visits / events / presentations to partner agencies 	<p>Media search Performance Statistics Project team documentation Partner agency documentation</p>
<p>Understanding of issues among partner agencies</p> <ul style="list-style-type: none"> • Partner agencies have clear grasp of key issues associated with IML victims and communities in which lenders operate 	<p>Partner agency interviews and documentation arising</p>

<p>Perceived connect with partner agencies' core agenda</p> <ul style="list-style-type: none"> Partner agencies see IML as relevant to their own core remit 	<p>Partner agency interviews and documentation arising</p>
<p>Objective Three: To create a climate in which victims can come forward – confident that prosecutions will be undertaken and convictions obtained, without fear of reprisals</p>	
<p>Success factors:</p> <ul style="list-style-type: none"> Reporting Witness statements Willingness to give evidence Victims free from intimidation Effective victim protection where necessary Enhanced confidence in authorities 	
<p>Indicators that success factor have been met</p>	
<p>Reporting</p> <ul style="list-style-type: none"> Numbers of victims coming forward: <ul style="list-style-type: none"> Overall Per case Increasing numbers of victims coming forward Seriousness of cases victims are reporting: <ul style="list-style-type: none"> Impact on victim Scale of operation 	<p>Performance statistics Project team interviews Victim interviews Witness statements</p>
<p>Witness statements</p> <ul style="list-style-type: none"> Numbers of statements Quality and fullness, detail For both serious as well as less serious cases Effectiveness in supporting prosecutions 	<p>Performance statistics Project team interviews Victim interviews Witness statements</p>
<p>Willingness to give evidence</p> <ul style="list-style-type: none"> Number of cases in which witnesses willing to give evidence Proportion of cases where witness evidence required in which witnesses willing to give evidence Incidence of witness evidence for more serious cases Quality and effectiveness of evidence Outcomes of witness evidence 	<p>Performance statistics Project team interviews Victim interviews Witness statements</p>

<p>Victims free from intimidation</p> <ul style="list-style-type: none"> • Number of cases where victims have reported intimidation (higher number or ratio = adverse indicator) • Evidence from victim interviews that not subject to intimidation or confident in speaking to authorities 	<p>Project team interviews Victim interviews Victim survey evidence</p>
<p>Effective victim protection</p> <ul style="list-style-type: none"> • Where required victims have been provided with degree of protection consistent with their safety and security 	<p>Project team interviews Performance statistics</p>
<p>Enhanced confidence in authorities</p> <ul style="list-style-type: none"> • Perceived improvements in authorities' willingness to take IML seriously • Perceived increase in authorities' effectiveness in pursuing and convicting lenders 	<p>Victim interviews Victim and community surveys (and comparisons with 2006 data)</p>
<p>Objective Four: To change the perception among those lending that illegal money lending is rarely prosecuted</p>	
<p>Success factors:</p> <ul style="list-style-type: none"> • Publicity on IML team activities • Community awareness of lender removals / ASBOs etc • Reporting of lender prosecutions • Reporting of sentences handed down for IML • Reporting of lender assets seized under POCA 	
<p>Indicators that success factors have been met:</p>	
<p>All success factors:</p> <ul style="list-style-type: none"> • Numbers of press / media mentions • Depth and prominence of coverage • Perceived increase in authorities' ability to prevent / reduce IML 	<p>Media search Victim interviews Victim and community surveys (and comparisons with 2006 data)</p>
<p>Objective Five: To develop formal relationships and processes for referring victims / enquiries to local debt advisers and sources of legal affordable credit / other services and to record these referrals</p>	
<p>Success factors</p> <ul style="list-style-type: none"> • Formal partnerships in place • Referral processes set up • Referral processes utilised • Referrals recorded • Progress of referrals monitored • Ongoing support and communication where required 	
<p>Indicators that success factors have been met</p>	

<p>Formal partnerships in place</p> <ul style="list-style-type: none"> • Numbers of documented partnerships established • Evidence of activities and communication to support relationship building • Evidence of joint activity, sharing of knowledge, training etc 	<p>Project team documentation Partner agency documentation Performance statistics Project team and partner interviews</p>
<p>Referral processes set up</p> <ul style="list-style-type: none"> • Agreed referral process set up and documented with protocols and documentation to support 	<p>Project team documentation Partner agency documentation Performance statistics Project team and partner interviews</p>
<p>Referral process utilised</p> <ul style="list-style-type: none"> • Numbers of referrals offered • Numbers of referrals made • Increasing number of referrals • Greater levels of joint working with partner agencies 	<p>Project team documentation Partner agency documentation Performance statistics Project team and partner interviews</p>
<p>Referrals recorded and progress monitored</p> <ul style="list-style-type: none"> • Record of referrals made • Regular and timely monitoring of progress • Recorded response to / action arising from difficulties encountered • Positive outcomes for victims – effective transition to alternative sources of legal credit or effective debt advice support to stabilise and manage finances (from witness and partner agency interviews and documentation) 	<p>Project team documentation Partner agency documentation Performance statistics Project team and partner interviews Victim interviews Surveys with victims</p>
<p>Support provided where appropriate</p> <ul style="list-style-type: none"> • Ongoing activities to cement or promote FI (from witness and partner agency interviews) • Evidence of sustained transition to affordable credit / effective management of finances or problem debt (from witness and partner agency interviews) 	<p>Performance statistics Victim interviews Surveys with victims</p>
<p>Objective Six: To develop an understanding of victims' needs in the medium to long term and the interventions required for a sustainable move away from use of illegal money lenders</p>	

<p>Success factors</p> <ul style="list-style-type: none"> • Understanding of the outcomes of the financial inclusion aspects of the IML teams' work • Understanding of the dynamics of more or less successful outcomes • Understanding of barriers to success and how these might be addressed • Understanding of moves which have proved successful and which might be replicated as best practice 	
<p>Indicators that success factors have been met</p>	
<p>Understanding of the outcomes of the financial inclusion aspects of the IML teams' work</p> <ul style="list-style-type: none"> • Documentation on outcomes of referrals to FI partners • Evidence of ongoing monitoring over time of victims' progress in moving away from IML (and alternatives, if any, adopted) 	<p>Project team and partner agency interviews Documentation on monitoring and joint working Victim interviews Victim surveys</p>
<p>Understanding of the dynamics of more or less successful outcomes / barriers to success / potential best practice</p> <ul style="list-style-type: none"> • Recorded analysis or observations on reasons for more or less successful outcomes • Evidence of shared knowledge or communications between IML teams and partner agencies on individual cases / learnings from series of referrals 	<p>Project team and partner agency interviews Documentation on monitoring and joint working Victim interviews Victim surveys</p>
<p>3.1 Wider financial inclusion objectives and joint working on cross-cutting social policy objectives</p>	
<p>Success factors</p> <ul style="list-style-type: none"> • Relationship building • Sharing knowledge • Joint activities 	
<p>Indicators that success factors have been met:</p>	
<p>Relationship building</p> <ul style="list-style-type: none"> • Numbers of contacts with broader financial inclusion and social policy community, third sector and voluntary organisations, local authorities' FI, social policy and economic development initiatives • Depth and scope of such relationships 	<p>Performance statistics Project team and partner agency interviews Correspondence and documentation supporting Evidence on partnership activity</p>
<p>Sharing knowledge</p> <ul style="list-style-type: none"> • Provision of educational and promotional materials • Education and training sessions on IML issues 	<p>Performance statistics Project team and partner agency interviews Correspondence and documentation supporting Evidence on partnership activity</p>

<p>Joint activities</p> <ul style="list-style-type: none"> Partnership working or activities centred on shared social policy goals 	<p>Performance statistics</p> <p>Project team and partner agency interviews</p> <p>Correspondence and documentation supporting</p> <p>Evidence on partnership activity</p>
<p>3.2 Evidence of wider social and economic benefits for individuals and communities</p>	
<p>Success factors</p> <ul style="list-style-type: none"> Enhanced quality of life for victims Enhanced quality of life for communities Reductions in anti social behaviour Reductions in crime, particularly acquisitive crime and drug dealing 	
<p>Indicators that success factors have been met</p>	
<p>Enhanced quality of life for victims</p> <ul style="list-style-type: none"> Debt relief Freedom from intimidation Improved standard of living Safety and security Enhanced employability Reduced deprivation of communities in which lenders operate 	<p>Victim interviews</p> <p>Surveys with victims and communities</p> <p>Interviews with partner agencies and other stakeholders</p>
<p>Enhanced quality of life for communities</p> <ul style="list-style-type: none"> Enhanced liveability of environment Enhanced safety and security of neighbourhood Reductions in anti social behaviour Reductions in recorded crime Positive impact on perceived 	<p>Victim interviews</p> <p>Surveys with victims and communities</p> <p>Interviews with partner agencies and other stakeholders</p> <p>Local ASB and crime statistics</p> <p>Range of employment and other local social statistics</p>

Technical Appendix B: Qualitative consumer research

Technical Appendix B.1: Interview plan

BIS

**National Illegal Money Lending Projects Evaluation
Draft interview plan for victims and partner agencies**

BIS National Illegal Money Lending Projects Draft specification of victim interviews

Overall

A summary interview matrix can be found on the following page, with a detailed specification for each region and the rationale for it to be found in the tables following. A summary of the delivery models by region follows the interview specifications.

In putting together the specification we have aimed for a variety of victim types able to give insight into range of victim experience and the issues and challenges arising for the project teams. The specification is designed to illuminate the experience of victims of a range of illegal lender types operating in a mix of communities and with differing modus operandi. The specification is designed both to understand the needs of different types of victims and how the interactions with the IML team and removal of the lender has impacted individuals and communities. It is also designed to understand the impact of the various financial inclusion initiatives associated with the projects and how far these have been successful in stabilising finances or transitioning individuals to alternative forms of credit. We've also sought to understand, however, the experience of those who have been unwilling to give evidence and those who have chosen not to accept referrals to credit unions and debt advice.

Although there are common threads across all of the projects, each region appears to face different challenges and to some extent to have encountered different victim types. The specification for each project thus reflects the particular issues facing each region and the nature of the victims and lenders that have been encountered, with the intention that together they will build to a comprehensive picture. In working with the project teams to recruit victims for interview, we would aim to recruit a spread across the piece of those at relatively early stage of engagement with team and FI process and those at later stages and post conviction.

This is a fuller specification (60 interviews) than originally proposed (42 interviews). This is for a number of reasons. Firstly, the original specification was predicated on the premise that we would seek to understand more or less effective approaches to financial inclusion and referrals to debt advice and third sector lenders. However, it appears that in the event one of the big issues is that a high proportion of victims do not appear to want to take up the support offered to them and that among those who are referred to alternative sources of credit, a significant proportion cannot be offered affordable credit solutions because their profile does not fit that of local credit unions. We have therefore specified an additional 12 interviews to explore these key phenomena (8 with those who do not want referrals or support and 4 who have been referred to credit unions but who could not be helped). Secondly, the range of issues and victim types to be covered in the large, diverse and important regions of London and the CENTSA Super- Region, based in Birmingham - but which covers a large swathe of Central and Southern England in addition to the North West - is so wide that it is difficult to cover them fully within the original numbers of interviews envisaged per project. We have therefore proposed a larger number of interviews for each of these projects (12 and 16 interviews proposed for London and Birmingham respectively). Similarly the SW region is so diverse that it requires a slightly larger sample to cover mix of victim types and issues faced in urban/ rural communities (8 interviews proposed).

Summary victim interviews

BIS National Illegal Money Lending Projects

CONFIDENTIAL - PROTECT

Summary all areas victim interview matrix

Victim types and issue coverage (clearly some cross-over between categories):

	Total	London	Birmingham	Scotland	East Midlands	North East	South West	Wales
1. Victims unwilling to be referred to victim support and financial exclusion	8	4	2			2		
2. Victims referred to debt advice / credit unions where outcomes successful	10	2	4		2	2		
3. Victims referred to debt advice / credit unions where outcomes less successful	6	2	2		1	1		
4. Victims where limited or no third sector capacity as alternative to IML	3				1	1		1
5. Victims where intensive support offered / wider set of interventions	4		2					2
6. Victims where lifestyle chaotic / homeless / travellers etc	4			2			2	
7. Victims where IML within minority ethnic community	6	2			2		2	
7a Of which business lending / larger loans	2	1			1			
7b Of which smaller loans / more vulnerable / less financially connected individuals	2	1			1			
8. Victims in rural communities	4						2	2
9. Witnesses unwilling to go to court or give evidence	8		2	4			2	
10. Witnesses who have been prepared to give evidence in court	3		2					1
11. Victims where there has been high degree of threat / cross over with SOC / requirement for witness protection	4	2	2					
Total victims to be interviewed	60	12	16	6	6	6	8	6

London

Rationale for specification:

London experience appears to be different to rest of national teams, more cross-over with serious organised crime and more lending within ethnic minority communities. More business lending and more affluent borrowers, more men. Effective and well integrated FI team but many victims not taking up referrals apparently because feel credit unions inappropriate source of credit (seeking larger loans etc). Most victims borrowing from ethnic minority lenders are already in serial debt and facing serious financial difficulties and have exhausted legitimate choices but others don't know where else to go outside community sources. FI model rests on time limited 4 appointments only for each case and operating out of separate established FI centre of excellence in Toynbee Hall.

Interviews

Lender is operating in minority ethnic community. Appear to be two types of victim, those with pre-existing serial multiple debts / financial difficulties and those banked but not sufficiently plugged in to / knowledgeable about alternative forms of credit. Ideally would speak to 1 of each type.	2
Victim in case where involvement with SOC or where high degree of threat (aim for early and later stage of engagement with IML team / prosecution pipeline)	2
Victim was referred to debt advice / credit unions and the outcome was positive	2
Victim was referred to debt advice / credit unions and the outcome was less successful	2
Victims were not interested in being referred to FI team or alternative sources of credit (aim for range of victim types including those taking smaller and larger loans)	4
Total victim interviews London	12

Birmingham

Rationale for specification:

IML team focused on larger cases, business and criminal lending alongside personal lending, wider social mix of borrowers. Very active FI function with distinctive high support model and large regionalised team based in each of 5 regions. Holistic approach to support - focused more widely than debt advice / alternative forms of credit - aim for "life-changing". Sign posting and hand-holding into relationships with third party agencies rather than active case work. Structured post hoc monitoring of outcomes. FIPOs also do witness support and some pro-active intelligence work alongside prevention which appears important element of model

Interviews

Victims who have been subject to witness protection or where high degree of threat / cross over with SOC	2
Victims with intensive support, within three months of start and post 6 months of support, at least 2 to have been introduced to credit union and 2 to debt advice.	4
Victims where principal interventions not around alternative forms of credit / debt advice but wider set of interventions	2
Victims where referrals to credit unions and debt advice have not been successful	2
Victims who have not been interested in Financial Inclusion / Victim Support referrals	2
Victims / witnesses who were willing to give evidence, 1 prior to court and conviction, 1 after conviction	2
2 x victims / witnesses where not willing to give evidence	2
Total victim interviews Birmingham	16

Scotland

Rationale for specification:

IML entrenched in deprived social housing estates. Biggest issue for team in Scotland that informants and victims not willing to be identified or give evidence - which critically compromising effectiveness of team - creating difficulties in accessing actionable intelligence and - because witnesses are reluctant to testify in court and burden of proof high - difficulties in prosecuting cases. Claim is that down to culture of "not grassing" (survey evidence last time suggested this less important than sense authorities unable/ unwilling to act against lender or prevent reprisals). Low levels of referrals to FIPO and credit unions / debt advice and FI activity appears to be overwhelming focused on awareness raising and little practical victim support. Credit union referrals do not appear to be particularly successful. Team claims that little client demand for FI support but possibly in part reflects recent focus of activity on relatively benign end of IML spectrum, lapsed licences, or, alternatively, most visible long established lenders with stable modus operandi servicing most visible victim-set on estates - those with chaotic lifestyles, mainly older alcoholic men. Little actionable intelligence from community despite apparent greater awareness of IML unit (as indicated by flow of calls, lender response to IML unit activity). Quality of intelligence appears to have declined since 2006 - profile of lenders encountering has changed and no longer see cross-over with criminal activity that arose when 2005/6 Daily Record campaign main stimuli to intelligence arising from estates. Targeted estate in Glasgow likely to be one of our revisit areas for measuring change in phase 2. Key issue is why team cannot elicit intelligence and witness evidence and profile of lenders tackling has changed.

Interviews

Victims where background is chaotic life-style, ideally to include at least one of those who were required to testify in court and / or who did not turn up in court	2
Victims who were unwilling to give evidence against lender, from different cases, ideally with lender having differing modus operandi and cases which were / were not able to progress to court.	4
Total victim interviews Scotland	6

East Midlands

Rationale for specification:

IML that team dealing with concentrated in deprived communities and lenders encountered so far often small scale, not particularly well off, criminal life-style. Victims often also have low level criminal lifestyle. Also IML within minority ethnic communities, some of which large scale and quasi business lending. Mix of urban and rural communities, cities prioritised. Model is Partnership Information Manager - signposting and awareness building in partner agencies and limited direct victim support. Investigators keep up relationships with victims. Feel have not penetrated organised crime lending by criminal families in major city covered (Nottingham). Main issues are that third sector provision and capacity patchy across region and not always set up to serve high risk borrowers.

Interviews

Victim where borrowing within ethnic minority community, ideally larger and smaller sums, more or less well off	2
Victim where feel effective referrals made to credit unions and debt advice and victim supported successfully into more stable lifestyle / financial inclusion	2
Victim where not able to make appropriate referrals or where referrals had to be to CUs / debt advice with limited capacity to serve high risk borrowers	1
Victim referred to credit union where relationship unsuccessful or not able to help	1
Total victim interviews East Midlands	6

North East

Rationale for specification:

IML dealing with concentrated in deprived social housing estates in Hartlepool, Middlesbrough, often several LS operating in small areas. Long established culture of small scale lending in areas of credit exclusion and sometimes alongside high cost legitimate lending. Has taken long time to build momentum and get team established. Effective FIPO team appear to be relatively successful in engaging victims and relatively rapid transition to partner agencies, also generating some leads from partner agencies. But still early days and small numbers. Also working in witness support role. Third sector coverage patchy and profile of borrowers not always appropriate for CUs.

Interviews:

Victim where feel effective referrals made to credit unions and debt advice and victim supported successfully into more stable lifestyle / financial inclusion	2
Victim where not able to make appropriate referrals or where referrals had to be to CUs / debt advice with limited capacity to serve high risk borrowers	1
Victim referred to credit union where relationship unsuccessful or not able to help	1
Victims not interested in FI referrals, ideally one hard to help and one who did not feel need for FI support	2

Total victim interviews for North East

6

South West

Rationale for specification:

Area very large and disparate in terms of make up - major urban conurbations but also large rural and highly seasonal tourist areas, pockets of intense deprivation. IML appears to be mix of criminal families in deprived communities - homeless, ethnic minority communities - including immigrant gang workers and travellers, but also entrenched, long-established lending to farmers and others in rural areas. Some business lending in seaside towns. Key case where probably a lot to learn from where criminal family has been lending on - and dominated low level criminal activity on - deprived estate over 50 year period. Model included both (catalogue and shoplifting sourced) goods on credit and cash loans. Team focus is on surveillance and technical evidence gathering so less emphasis on victims as witnesses, with two FIPOs acting in relative isolation from each other and team with slightly different MOs and client groups, one more focused on awareness building and one with greater degree of victim contact. Crisis interventions in a number of cases. CUs have been reluctant to take on some victims referred.

Interviews:

Victims - unwilling to give evidence in case where criminal family has long established lending operation in deprived estate.	2
Victim in rural community, farmers or similar	2
Ethnic minority victims (one traveller, one from Thai, Philippino community or similar)	2
Hard to help victims (inc homeless and those not able to refer to credit unions)	2

Total victim interviews for South West

8

Wales

Rationale for specification:

Team sited in South Wales where IML appears to be concentrated in deprived valleys and ex-mining communities, entrenched, culture of LS use, often alongside high cost home credit lending. IML also active in closed, Welsh speaking N Wales communities. Range of case and lender types, including relatively benign and violent. Also intensive witness support prior to cases. Client Liaison officers offering both crisis intervention and long term and intensive support to some clients alongside signposting but as caseload builds becoming less viable. CU capacity and coverage patchy and victims not always viable CU borrowers.

Interviews:

Victims in Welsh-speaking rural North Wales communities (can provide Welsh speaking interviewers if preferred)	2
Victims where intensive / wider support provided over long period	2
Victim where not able to make appropriate referrals or where referrals had to be to CUs / debt advice with limited capacity to serve high risk borrowers	1
Witness where intensive support provided prior to trial	1
Total victim interviews for Wales	6
Total interviews all projects	60

BIS National Illegal Money Lending Projects – Draft specification of partner agencies interviews

A summary interview matrix can be found on the following page, with a detailed specification for each region and the rationale for it to be found in the tables following. A summary of the delivery models by region follows the interview specification

Overall:

We have sought to capture within the matrix the key partnerships critical to effective delivery on both the enforcement and victim support / financial inclusion elements of the project. Police partnerships, both in terms of access to intelligence and operational support are a critical component of success.

For the larger regions, particularly Scotland, the Super Region, CENTSA, covering large swathe of central England, South East and North West, there appears to be differences in the closeness of relationships and degree of support that the projects are receiving from different forces within the region, which may be playing some part in pattern of distribution of cases and intelligence arising. In London, on the other hand, the nature of the market has required relationships to be established with a range of specialist police units, such as Economic Crime Unit and Serious Organised Crime Agency. The specification for the police interviews tries to capture both more or less close and supportive relationships and, in London, the range key agencies with which the London team liaise.

Capacity on debt advice and affordable credit varies both across and within regions. For each region we have sought to obtain a perspective from more or less successful partnerships with credit unions and debt advice agencies.

Legal services has in the event turned out to be a major issue and one of the major factors in progressing the effective prosecution of cases and thus the ability to bring relief to victims and send a clear message to communities that IML will be tackled by authorities. We have therefore included legal services partners in the specification.

This is again a fuller specification than we had originally envisaged. We originally proposed a suite of 40 partner interviews, but we are suggesting increasing this to a total of 52 interviews, i.e. an additional 12 interviews. We had originally envisaged undertaking interviews with only 1 senior police officer in each region. Interviews with the project teams has made clear that in London it will be vital to understand the perspectives of a number of specialist police agencies, collaboration with whom has been key to the London's team's ability to progress cases. The London team has also undertaken a significant body of work with national agencies such as the FSA (We have therefore suggested an additional 4 interviews in London, 3 with specialist agencies and 1 with the FSA). In the interview process in other regions, it has become clear that within the larger or more diverse regions, there will likely be considerable differences in the perspective of different forces so that it would be useful to interview more than 1 senior police officer in some cases - examples are Scotland, to facilitate understanding of the differences in intelligence arising from Glasgow and Edinburgh or Wales, to obtain a view from both the rural Welsh-speaking North and the more urban South. We have suggested 2 additional interviews for the Birmingham project team also to capture the views of police forces across the very

large and diverse region covered by this project team, and an additional 3 police interviews elsewhere . We did not originally plan to interview legal services partners but we have also suggested 4 interviews with legal services partners, in Birmingham which appears to be an effective and developed model, and in 3 other regions where legal services problems appear to have led to delay or inefficiency.

Summary partner interviews

BIS National Illegal Money Lending Projects

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Summary all areas partner interview matrix

1. Senior police officers in regions with responsibility for IML and with for decision making on operational support for IML teams, allocation of police resource to teams.

2. Specialist police units (SOCA, Economic Crime etc)

3. Credit unions providing effective support to IML victims, effective partnership working with IML teams

4. Credit unions where partnership working with IML teams, alternative provision to IML victims less successful

5. Debt Advice agencies providing effective support to IML victims, effective partnership working with IML teams

6. Debt advice agencies where partnership working with IML teams, alternative provision to IML victims less successful

7. Other third sector, community partnership organisations which have proved effective in supporting IML teams and victims

8. Regulators involved in developing financial capability / money guidance etc

9. Lead on legal services provision

Total	London	Birmingham	Scotland	East Midlands	North East	South West	Wales
12	1	3	2	1	1	2	2
4	3	1					
8	1	2	1	1	1	1	1
8	1	2	1	1	1	1	1
7	1	2		1	1	1	1
7	1	2		1	1	1	1
1		1					
1	1						
4		1	1	1	1		
52	9	14	5	6	6	6	6

London

Rationale: Profile of IML in London differs from other regions, with greater degree of cross-over with serious criminal activity. London team has had to build relationships with a range of specialist Police units, including serious organised crime, trafficking, kidnap unit, terrorism but also to progress issues / relationships with regulators (particularly FSA) and other agencies, various embassies etc effectively at national level. Toynbee Hall host their FI capability where FIPO team based, TH has specialist units for debt advice etc to which FIPOs refer victims. Appear to have effective client management and monitoring process for victims which engage with victim support and FI initiatives, debt advice has played major role for some victims, mixed picture on credit union capacity and support - though relatively small proportion of victims appear to take up victim support and FI options.

Senior officer responsible within Metropolitan Police which access for day to day support, plus senior officers with which have worked at SOCA, Kidnap Unit, Financial Crime Unit

4

Toynbee Hall, Head of services, Head of debt advice unit,

2

Credit unions with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims

2

FSA

1

Total partner interviews London

9

Birmingham

Rationale for specification:

Super region model with outputs dwarfing all other regions. Covering very large area with 5 regions which appear to have differing levels of activity and to be subject of greater / lesser team focus. North West clearly strongest focus of activity and closest relationships with Cheshire and Merseyside police forces (Liverpool likely to be our revisit site for the pre and post policy on/ off surveys in stage 2). May be less on radar outside these areas or alternatively less activity. Large FI team with intensive high-support, signposting plus hand-holding model, working with variety of agencies including social housing. Appear to have some transformational outcomes and effective transition to financial inclusion and more stable life-styles. Third sector capacity patchy. Less clear that as effective in South and outside core activity areas. Birmingham legal services partners have also built up body of legal services expertise to support progression of cases, lack of which one of major issues for other teams.

Interviews

Senior police officers responsible in Merseyside and either Cheshire or Birmingham force and then either Kent or Sussex. Also police Intelligence specialist which team regard as particularly effective relationship.

4

Credit unions - which team would regard as having been effective and active partner, one in NW, one B'ham, one in South of region.

2

Credit unions which team would regard as having been less effective in supporting victims when referred, 1 North West, 1 elsewhere where high level of IML activity.

2

Debt Advice - which team would regard as having been effective and active partner, one in NW, one elsewhere where high level of IML activity.

2

Debt advice which team would regard as having been less effective in supporting victims when referred, 1 North West, 1 elsewhere where high level of

2

IML activity.	
Social housing authority where has been effective partnership working with specific support for victims provided or developed.	1
Lead within legal services partners.	1
Total partner interviews Birmingham	14

Scotland

Rationale for specification:

Activity appears to be highly focused on Glasgow, some ancillary activity in Dundee but no intelligence from or activity in Edinburgh. Relationship with Glasgow Police appears more engaged than elsewhere. Users of LS now encountering do not always see themselves as victims (in contrast to 2006 and recent 2008 research undertaken for BIS), often reject debt advice and lifestyles of some victims makes hard to help with debt advice or unsuitable for CU referral. High proportion of referrals that have been made do not appear to have been successful. Legal system in Scotland poses series of challenges that do not arise elsewhere; higher burden of proof, critically dependent on in-person witness evidence. Difficult to put across full impact of IML cases and some cases fail because witnesses intimidated or unreliable.

Interviews

Most senior police officers with responsibility for IML in Glasgow and Edinburgh (to understand how far relative engagement of local police forces a factor in lack of intelligence in Edinburgh)	2
Large high profile Glasgow CDFI i.e. Scotcash where multiple referrals have been made with mixed success	1
Local credit union where referrals have not been successful	1
Lead within legal services partners	1
Total partner interviews Scotland	5

East Midlands

Rationale for specification:

Team had uphill struggle despite embedded police officer to establish credibility with police but appear to have done so and established effective collaborative relationships both operationally and on intelligence, albeit some frustrations and tensions arising over intelligence on more serious cases where cross over with SOC and criminal families. Debt advice and credit union capacity patchy particularly outside cities. Lack of legal expertise an issue and creating delays in progressing prosecution pipeline.

Interviews

Senior police officer in one of local forces	1
Debt advice with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims	2
Credit unions with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims	2
Lead within legal services partners	1
Total partner interviews East Midlands	6

North East

Rationale for specification:

Team more than usually dependent on police co-operation for intelligence and operational support because of lack of embedded police officer. Debt and credit union capacity can be patchy but pro-active and innovative in seeking to plug some gaps with range of partner relationships. Legal services have been major issue in delaying progression of prosecutions.

Interviews

Senior police office in one of local forces	1
Debt advice with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims	2
Credit unions with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims	2
Lead within legal services partners	1
Total partner interviews North East	6

South West

Rationale for specification:

Team rely heavily on covert operations and surveillance for bringing cases to court. Close working with police particularly key as do not have embedded police officer. FIPO appears to have had particular difficulties in seeking to find support and alternative sources of credit for particularly vulnerable or excluded individuals who are not a good fit with CU risk profile. Crisis interventions a feature of FI activity with this group (Salvation Army cited as key partner). Lack of established legal expertise has been issue but experience accumulating in local firms and appears less structural problem than with EM and NE teams.

Interviews

Senior police office in Bristol and one other largely rural constituency	2
Debt advice with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims	2
Credit unions with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims	2
Total partner interviews in South West	6

Wales

Rationale for specification:

Team originally faced some tensions arising from base in South Wales and position as pan Wales team. Particular issues also arising from differences in two communities, including language, differences between urban, valleys and largely rural North. Patchy third sector capacity to help high risk borrowers.

Interviews

Senior police office in police forces based South and North Wales	2
Debt advice with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims, 1 North and 1 South Wales	2
Credit unions with which have worked, selected examples that have been more or less active / successful in terms of outcomes for victims, 1 North and 1 South Wales	2
Total partner interviews in Wales	6
Total interviews all projects	52

Technical Appendix B.2: Qualitative discussion guides

B.2.1: IML project teams interview topic guide

Warm up

- Background, career history and skills of interviewee / team as a whole
- Motivations and expectations of individual / team at outset

Set up and planning, management and governance arrangements

- Early stage planning and business plan development
- Structure of team and respective roles
- Key features of delivery model, how structured and funded
- Management and governance arrangements
- Monitoring and measurement

Staff and infrastructure development

- Staff recruitment
- Training
- Infrastructure

Perceptions of local IML activity and IML models

- Dynamics and drivers, key features of “local” market
- Profile of lenders, lending models and modus operandi
- Profile of victims
- Scale and dimensions
- Cross-over with other areas of criminal activity
- Specific local challenges
- Wider impacts

Implementation and process

Early priorities and challenges

- Key priorities in early stages and how addressed.
- Major challenges anticipated and encountered in fact

How process and practice developed across various aspects of activities

- Intelligence gathering
- Working with partner agencies
- Working with victims and witnesses
- Prosecution pipe-line

Key learnings (emphasis in discussion in terms of process)

- More or less difficult aspects
- More or less effective and successful approaches
- Challenges arising and how overcome
- Key lessons learned
- Things that would do differently
- Shared intelligence and experience – best practice adopted or shared with other teams

Illustration through case example (probe for process throughout)

- Examples of case would regard as outstandingly successful
- Example of case would regard as less than successful that illustrates weaknesses of approach
- Examples illustrating typical / diversity of challenges faced

Partnership working

- How relationship with partners prioritised, established and developed, issues arising, more or less effective approaches
- Police, prosecution services
- Range of enforcement agencies
- Regulators
- Financial inclusion community, debt advice, credit unions and other agencies
- Local authority and community

Process with partners

- Establishing shared interests and goals
- Referrals and partnership working
- Documentation
- Ongoing monitoring and support
- Outcomes and shared experience, learnings
- More or less effective approaches

Working with victims and witnesses

- Major challenges and issues in working with victims
- Key protocols and processes and how these applied at each stage
- More or less effective approaches
- Lessons learned and things would do differently
- Progress on creating awareness and willingness to report and provide witness statements
- Progress on confidence in redress and enforcement

Financial inclusion

- Perceived cross over with IML and financial exclusion issues
- Nature of financial exclusion in local context
- Key FI challenges and how have sought to address these
- FI activities and relative effectiveness of these
- More or less successful approaches
- Victim perceptions of FI initiatives
- Perceived outcomes and how these relate to issues and processes

Overall learnings

- Key advances and learnings
- Areas of weakness, omissions, skills and capacity gaps, barriers to success
- Critical success factors
- Perceived impacts of project on IML, victims and communities
- Challenges for the future

B.2.2: IML partner agencies interview topic guide

Warm up

- Broad focus of organisation, client profiles, staffing, structure

Prior understanding of IML

- Understanding and experience of IML prior to the establishment of the IML project teams
- Perceptions of incidence and impact of IML in local area prior to establishment of team

Early experience of IML projects

- Initial interactions with IML project
- Understanding of IML project teams remit.
- How IML projects positioned and communicated:
 - Initial interactions and responses
 - What saw as connect / fit with core agency activities
 - Perceived objectives and goals of partnership working
 - What saw as key issues and challenges at this stage

Partnership working process and practice

- What partnership arrangements envisaged and put in place
- How partnership arrangements supported
- Training / staff education measures adopted (if any) in relation to IML and how these were developed, refreshed
- Processes and protocols to support referrals and client handling
- Monitoring arrangements to track progress of IML victims
- Ongoing support and interactions with IML project team following referrals:
 - Provisions for case review and for subsequent actions

Issues and challenges

- Issues, challenges and concerns that have arisen in relation to:
 - Joint working with IML project teams
 - IML victims
 - Third parties
- How these have been tackled:

- Approaches which have proved more or less successful
- Outcomes arising for IML victims and for partner agencies

Illustration through case example (probe for process throughout)

- Examples of case would regard as outstandingly successful
- Example of case would regard as less than successful that illustrates any weaknesses of approach
- Examples illustrating typical IML client and / or diversity of challenges faced

Credit Unions

- Membership increases arising from referrals and publicity
- Profile of victims referred or those coming to credit union as a result of publicity – any differences from membership as a whole
- Key challenges arising:
 - Support
 - Capacity, skills and resourcing
 - Delinquency and bad debt
- Successes (and process underpinning success)
- Less successful cases and perceived reasons for difficulties, things would do differently
- Key lessons learned

Debt advice

- Perceived connect between problem debt and IML
- Key issues and challenges presenting with IML victims
- How differ from clients as a whole – and what required to address
- Successes (and process underpinning success)
- Less successful cases and perceived reasons for difficulties, things would do differently
- Key lessons learned

Police and enforcement agencies

- Perceived cross over between IML and wider criminal activity
- Specific challenges and issues arising in working with IML teams:
 - Capacity and resource issues, cultural fit etc
 - Intelligence and observation
 - Partnership working and joint operations
 - Arrest and removal of lenders
 - Proceeds of crime and financial intelligence

- More or less successful approaches
- Successes (and process underpinning success)
- Less successful cases and perceived reasons for difficulties, things would do differently - Key lessons learned
- Broader impacts on ASB and crime

Regional and local authorities

- Key challenges and issues in local context
- Issues arising for funding, management and governance of IML teams
- More or less successful approaches (emphasis on process and practice)
- Broad social impacts:
 - ASB and crime
 - Community and social exclusion / financial exclusion
- Broad economic impacts:
 - Quality of life / liveability of area
 - Potential for regeneration / development/ employability

Overall learnings

- Critical success factors
- Areas of weakness, omissions, skills and capacity gaps, barriers to success
- Challenges for the future

B.2.3: IML victims interview topic guide

Warm up

- Personal background and circumstances (family, housing, immigration status etc)
- Employment / business circumstance, sources and security of income

Access to credit

- Use of / history of use financial services and legitimate sources of credit (to establish degree of exclusion)
- Financial management approaches (to establish degree of capability and sophistication)

Perceptions of IML

- Extent and role of illegal lending in community
- Profile of borrowers
- Modus operandi of lenders

Route into use of IML and history of transaction

- Background to, and triggers for, use of illegal lender
- Reasons for using IML and application of funds
- Sums borrowed and understanding of terms and length of time payment made, subsequent loans, frequency
- Payment history and experiences, lender's charging approach
- Lender modus operandi and interactions with lender
- Experience of payment difficulties and consequences thereof
- Impact of repayment on household budgets

Perceptions of potential sources of help and redress

- Perceived attitudes and role of authorities prior to contact with IML team
- Understanding of potential sources of help and advice
- Expectations of help and redress from authorities
- How awareness of IML project team arose
- Attitudes towards potential involvement with the IML team, expectations, issues and concerns

Triggers for engagement with IML project team

- Triggers for action and engagement with team
- Expectations of form help would take and what could be achieved

- Fears and concerns

Experience of interactions with IML project team

- Initial contacts – how made and why, likes and dislikes
- Fit with expectations and needs
- How far created confidence / addressed fears
- How far dealt with practical concerns and more or less pressing problems
- Which aspects of process and interactions with team liked / disliked
- Which aspects of interactions with team / what team delivered were more or less effective in addressing problems and difficulties
- Areas of concern and issues arising and how far these effectively tackled

Witness and evidence

- Feelings around provision of witness statements and giving evidence
- Key issues and concerns
- What aspects of team process or approach around provision of evidence instilled confidence, reinforced willingness / addressed reluctance
- Whether any aspects of process or approach created concerns, reinforced reluctance
- What more could be done / could be done differently to address fears / reluctance to testify
- Perceptions of support and preparation for giving evidence in court – likes and dislikes and how process could be made more comfortable for victims

Support and protection

- Expectations and needs in relation to subsequent support and service
- Support received and likes and dislikes in delivery of support
- Aspects of support and protection process that more or less effective or which would have liked done differently

Financial inclusion and other support services

- Recall of FI initiatives and offers of referrals to debt advice, credit unions
- Reasons for take up/ rejection of referral
- Concerns and barriers to take up of referred services
- Experience and influence of project team support in the referral process
- Experience of use of advice / affordable credit:
 - How far met with needs
 - Difficulties and challenges encountered
- Extent of ongoing support from project team and / or partner or alternative agencies

- Impact of debt advice / affordable credit on ability to manage finances
- Experience and impact of referrals to wider support services (drug treatment, mental health, financial capability)
- How far have FI initiatives have acted as prophylactic against / alternative to use of IML

Overall

- Key challenges for IML teams in supporting victims
- Most important / successful aspects of interactions with IML team
- Things would want to see done differently
- Broad perceptions of impact of IML project team on:
 - Victim and personal situation
 - Community and community attitudes to illegal lenders

B.2.4: Extensions to partner agency discussion guide

B.2.4.1: Police

Senior regional police officers with responsibility for IML and for provision of operational support to teams

Understanding and perceptions of IML in local region

Historic awareness of IML in local region / how / whether perceptions have changed over time / how far IML perceived to be a problem in region / whether has distinctive local profile / whether seen as having links to wider criminal activity.

Working relationships with IML team

Early awareness of IML team and remit / how saw / now see as fitting with police operations / own area of responsibility / probe for perceived importance and priority accorded / degree to which see as IML team as having community of interest with police / Probe for extent to which IML team seriously on radar and as having impact – also for perceptions of team as enforcement professionals (interviews with project teams suggest that police do not necessarily take trading standards officers / issues seriously).

How were working relationships / protocols for working with IML teams established / what saw as needs of team and requirements in terms of resource / any issues arising in terms of resource / capacity / funding / cultural fit etc.

How have working relationships developed over time / issues or concerns that have arisen / synergies with other police work and operations (interviews with project teams suggest that police use IML as means to open up cases where do not necessarily have sufficient evidence to proceed on related criminal activity – drugs / guns etc – so probe on this front).

Intelligence

Have there been issues around intelligence / how has joint working on intelligence been developed / what procedures and protocols have been put in place / how effective have these been in generating intelligence for IML teams / two way intelligence that of use to police for other operations / degree of cross over that has arisen on other police investigations / issue arising around IML requirements on joint operations / covert observation.

Seconded police officers

How have felt about seconding police officers to IML team / issues arising / issues around funding / how have embedded police officers been selected / how have performed / perceived contributions to IML team / wider police operations / synergies arising / balance in terms of cost / resource deployed for IML operations to remove lender where have embedded police officer in place.

Joint operations with IML team

How have joint operations with IML team worked / underlying processes and protocols / how resource deployed accounted for / scale of resources deployed to IML teams and costs associated / how far has impacted on capacity / whether any capacity / resource constraints / funding implications.

Perceived advantages / disadvantages of working with IML team on lender removal and arrest / interrogation etc / how feel about working with Trading Standards officers in this respect / any issues or concerns that have arisen on joint operations / benefits to police on cross over with other criminal activity / drugs etc.

How well placed IML team within Trading Standards / views on whether would be better placed within police or Home Office context and reasons for these views / whether any conflicts arising with police activity (and probe for nature)/ if IML were to become a police-based team, what would be impact on victim support and FI side and what is risk that IML would become deprioritised.

Financial investigations and Proceeds of Crime

How far police have input to / interest in POCA investigations relating to IML team / how see this aspect of IML team work relating to wider police activity on asset recovery on related crime / issues arising on splits of POCA.

Critical success factors for IML and joint working with Police

Key lessons learned / critical success factors / how best to leverage links with community policing / SOC / other areas of criminal activity and police work.

Impact of IML projects

What do they see as overall impact of IML project teams within region / on communities / community policing / incidence of crime and ASB in estates / deprivation and deterioration of neighbourhoods / links with and impact on Safer Communities strategies / how see cross over with and impact on criminal activity outside estates / particularly SOC / drugs / violent crime / money laundering etc.

B.2.4.2: Victims

For those who have been reluctant to take up financial inclusion or credit union referrals or where referrals less successful:

Note: According to the teams, the background for certain victim types can be multiple legal debt and serious financial difficulties. The teams also report that for certain victim types one of the barriers to use of alternative sources of credit in the form of credit unions is that borrowers are seeking loans larger than credit unions are prepared to advance. In earlier sections of main guide probe fully for:

Debt and debt advice / historical borrowing - scale and nature of legal debt, number of debts and nature of creditors, size of loans / value of loans when taken out, reasons for borrowing, getting into difficulty.

Current position with creditors, degree of pressure from creditors, financial difficulties arising and how have dealt with these, coping strategies adopted (if any) / sources of help and advice / why / why not seek help / from what sources (if any.)

Support from the teams on debt advice / financial difficulties

How comfortable with discussing debt / financial difficulties with teams initially / how did team respond / what practical support and advice offered / how useful / relevant support / whether referrals made to 3rd party agencies / how much work actually did directly with the teams in tackling any problems / perceptions of effectiveness of support / outcomes arising / how far team monitored outcomes and provided ongoing support / what were most important things that team did / what interventions made the most difference.

Perceptions of debt advice and reasons for not taking up referrals

How felt about potential referral to debt advice / what saw as role of debt advisers and debt advice / how useful / relevant to own situation.

What were main reasons that did not want to take up referral to debt advice / Of these reasons, what were more or less important.

Whether there was an alternative course of support or help which would have been more useful or relevant / was there anything that could have made debt advice more appealing or relevant / any practical difficulties / barriers that could have been addressed.

Impact of debt advice

What were interactions with debt advice / how felt about experience and support provided / outcomes and difference to financial well-being arising from support from debt advice / further support from teams / whether made a difference to likelihood of going back to IML.

Referrals to credit union

Whether team discussed alternative sources of credit / recall of what was said and of what said about credit unions in particular / how far previously aware of credit unions / perceptions of credit unions (if any) prior to referral by team/ whether would have considered approaching / why/ why not.

For those resistant to referral

Why did not want to be referred to credit union / what were most important reasons / probe for issues around confidence, numeracy, literacy, language, paperwork etc where appropriate / probe also for issues around convenience and accessibility / lending models where requirement to save particularly / probe for issues around scale of lending available from credit unions / what could make prospect of credit union membership / borrowing from / saving with credit union more attractive.

Outcomes – whether have borrowed elsewhere / sources and costs / whether have resorted to IML again / if so, drivers and outcomes.

For those for whom referral was not successful:

What was experience of credit union / likes / dislikes / reasons why referral to credit union did not work out / which of these more or less important / probe for reasons to do with CUs unwillingness to lend / those arising from practical barriers / individual's inability to satisfy lending criteria etc/ extent of support from IML teams and difference that this made.

For those who borrowed from credit unions but encountered payment problems / trigger for problems / interval between borrowing and payment difficulties / how responded to problems / communications with / from credit union / outcomes.

Whether have since used other borrowing sources – including IML, triggers and outcomes.

Those where no credit union coverage or appropriate credit union:

Probe for impact of not being able to gain access to credit union and how victims behaved when next had need to borrow.

Victims where have been supported with wider set of interventions beyond FI:

Note: Teams operate range of different support models from time and resource limited (from 4 apts and close to intensive long term support across multiple dimensions – for summary see coverage on page 14 of interview plan).

Probe for degree and range of support receiving in each case. Where support across range of dimensions (housing, employment etc) as well as FI probe for outcomes in each case, how the various strands of support were linked and integrated/ how far agencies appeared to work together and cumulative impact on well being/ opportunities / stability / resilience to IML.

For victims borrowing from lenders operating in minority ethnic communities

Note: Teams suggest that victims borrowing from lenders operating within ethnic minority communities tend to fall into one of two categories – either not fully plugged into formal financial system, unaware of options or have simply exhausted legitimate sources of credit, fair degree of quasi business lending. Lenders can be fairly prominent and well respected community figures and operations run full spectrum from informal, small scale and relatively benign to international organised crime. At appropriate stages in main discussion guide earlier, probe fully for lender and victim types and how might fit into this typology.

Extent to which using financial services and systems / awareness of legal credit options and extent to which perceived as accessible. Alternatively where multiple debts / business difficulties probe background and legal financial arrangements and how fits with use of IML.

Broad perceptions of lending within community / awareness / acceptability / role and standing of lenders / perceived target market/ scale of operations / modus operandi / enforcement.

How introduced to lender / perceived connections / lending model / nature of loan and payment conditions / how collections made and enforced etc.

Where victims chaotic life-styles (alcoholics / drug use) or specific adverse circumstances (homeless, travellers etc):

Probe for particular issues and barriers to a move away from IML posed by nature of life-style, circumstances, / extent to which support was offered across range of dimension / how far IML teams resulted in referrals to specialist agencies / any interventions arising which appear to have wider impact for those with complex multiple problems.

Probe also for how lenders adapt their modus operandi for such borrowers, including lending models and enforcement

B.2.4.3: Credit unions

Background on credit unions

CU lending model (capacity based lending versus save to borrow model) , size and lending volumes, average loan values, membership profile, target market, coverage / modus operandi (siting, opening hours, facilities offered, staffing and proportion of paid to volunteer staff), ethos etc.

Strategy / intentions on growth / whether in receipt of Growth Fund / if have taken on Growth Fund why / if have not taken on Growth Fund why not / thinking on target market for future / whether see financially excluded as part of that / perceived issues arising in serving financially excluded / experience of Growth Fund (where applicable) and conclusions have drawn from it in relation to serving financially excluded borrowers / those with financial difficulties.

Awareness and understanding of IML historically and via working with project teams

Whether have had any awareness of IML in local catchment area / perceptions of local IML market / lenders / perceived impact on victims / any degree of cross over with own member base.

How became aware of activity of IML team / what understood to be their remit / how did interaction with team change or enhance understanding of IML and it's impact on victims and communities / how far felt that of relevance to work and remit of credit unions / financial inclusion more widely.

Joint working with the IML team

What kind of joint working arrangement ,if any, have been set up with the IML team / how formal / informal have these been / how far underpinned by agreed process and protocols for referrals / agreements for joint working with victims / monitoring of outcomes.

What were early expectations of needs of victims / how were these explained by the IML team prior to going live with victim referrals.

Experience of referrals and working with IML victims

What has been experience of referrals from IML team / how much information have received in advance from team / whether have fast-tracked referrals or made any particular support arrangements / how far IML team involved in supporting victim in making initial visit to credit unions.

What has been profile of victims referred / what has been circumstances / how much awareness understanding of credit unions have individuals had and how well have IML team explained role and nature of credit unions / what has been fit with broader membership profile / GF borrowers profile (where applicable) / how has credit union management and staff viewed individuals referred / have they been seen as appropriate borrowers for credit unions / why / why not / have any special arrangements / lending criteria been applied to these prospective borrowers / how many of those borrowers referred have gone on to borrow money from credit union or to establish savings with credit union / what kind of loan amounts has the CU advanced to these borrowers in the first instance.

Experience of IML victims as borrowers

What has been experience of IML victims as borrowers / how much support have they required relative to other members / how well have they handled loans / whether repayment difficulties have arisen / how have these been handled / what has been outcomes of difficulties / have borrowers got back on track / what is extent of serious delinquency or default on loans to IML victims / how have these cases been handled / has there been any interaction with the IML project teams when difficulties have arisen / what has been background to difficulties, if known/ what proportion of borrowers have gone on to borrow second or subsequent loans / how have these performed / have borrowers gone on to establish savings additionally / what impact has this had for victims and their broader move into financial inclusion / have these borrowers had any more or less support form CU or IML project team staff.

Overall impact of CUs membership on victims of IML

Where have rejected IML victims as borrowers or been unable to help more widely

What proportion of IML victims are turning away / on what grounds have declines been made / are any on-referrals made to other agencies in these cases / how liaise with IML team when cannot help / Is there anything that could be done to make these borrowers more viable as credit union borrowers / what have been main concerns about these borrowers / which have been more or less important.

Where borrowers have not engaged with CU

What has been main issues for borrowers who have not chosen to progress relationship with CU / Key perceived barriers (probe also here for issues with victims appearing to want larger loans that CUs offer).

Critical success factors for IML and joint working with CUs

Key lessons learned / critical success factors / how best to leverage links with IML team and other areas of financial inclusion work / FI community.

Impact of IML team on CU and community, financial inclusion

What has been impact of IML teams on CU and CU membership / knock on effects of IML teams FI activity / media and press coverage of IML cases / whether producing increases in CU membership / how much of that increase would appear to arise from actual / potential users of IML / whether perceive IML team having reduced reach / impact of IML on estates or stimulated appetite for credit unions within community.

B.2.4.4: Debt Advice

Note: Background to use of IML is often, for some types of victims, legitimate credit exclusion arising from financial difficulties and problems with multiple legal debts.

Background on debt advice provider

Advice and service delivery model, profile of clients, how far financially excluded figure in client base, funding, case loads, funding.

Awareness and understanding of IML historically and via working with project teams

Whether have had any awareness of IML in local catchment area / perceptions of local IML market / lenders / perceived impact on victims / any degree of cross over with own client base / problems with which clients present.

How became aware of activity of IML team / what understood to be their remit / how did interaction with team change or enhance understanding of IML and it's impact on victims and communities / how far felt that of relevance to work and remit of debt advice / financial inclusion more widely.

Joint working with the IML team

What kind of joint working arrangement ,if any, have been set up with the IML team / how formal / informal have these been / how far underpinned by agreed process and protocols for referrals / agreements for joint working with victims / monitoring of outcomes.

What were early expectations of needs of victims / how were these explained by the IML team prior to going live with victim referrals.

Experience of referrals and working with IML victims

What has been experience of referrals from IML team / how much information have received in advance from team / whether have fast-tracked referrals or made any particular support arrangements / how far IML team involved in supporting victim in making initial visit to debt advice.

What has been profile of victims referred / what has been circumstances / nature of their debts / creditors and how has IML fitted into pattern of financial difficulties / wider debt / how much awareness understanding of debt advice and how well have IML team explained role and nature of debt advice and how can help / how well have teams supported victims into engaging with debt advice / how has it been working

with victims of IML / any particular issues that have arisen / differences / similarities with these victims and other clients.

Outcomes of debt advice

What have been the interventions they have made with IML clients / how have these differed from those making with other clients (probe more extreme, later stage, different creditor types) / what outcomes have they been able to achieve for clients and what impact have these had.

Whether have discussed role of IML within broader pattern of difficulties / have victims needed further support to move away from IML or to understand that do not need to repay IML / has there been need for further support from IML project teams.

Less successful cases or those where clients have not engaged

What have been issues where effort to support IML victims have been less successful or where victims are reluctant to engage with debt advice.

What has been difference between these cases and more successful cases / is there anything that the IML team might have done differently that would have influenced more or less successful outcomes / what can be done in cases where victims hard to help / issues that arise where language or cultural barriers.

Views on different delivery models

Some projects offering high support, long term help across wide range of dimensions. Others are time-limited and highly focused. Views on merits of different delivery models and how far different approaches will create different outcomes as far as debt advice concerned.

Critical success factors for IML and joint working with debt advice

Key lessons learned / critical success factors / how best to leverage links with IML team and other areas of financial inclusion work / FI community.

Impact of IML team on debt and impact of debt on victims and community, financial inclusion more widely

What has been impact of IML teams on debt problems of victims / knock on effects of IML teams FI activity / whether perceive IML team having reduced reach / impact of IML.

Technical Appendix C: Quantitative consumer research

Technical Appendix C.1: Community Survey questionnaires

Post Code		DATE	
Q1 Age group:		Q5 Location	
Under 25yrs	1	Gorbals	1
25 to 44yrs	2	Easterhouse	2
45 to 64yrs	3	Penilee	3
65 + yrs	4 CLOSE	Bellshill	4
		Govan	5
		Speke	6
Q2 Children Living At Home?		Runcorn	7
Yes	1	Winsford	8
No	2	Dingle	9
		Swansea	10
Q3 Gender		Merthyr	11
Male	1	Bangor	12
Female	2	Bristol BS7	13
		Bristol BS10	14
Q4 Working Status in H/H		Hartlepool	15
No-one working	1	Durham	16
Someone working P/T or occasionally	2	Sunderland	17
At least one person working F/T	3	Leicester	18
		Derby	19
Q6a Marital Status		Nottingham	20
Single / Live alone	1	Manchester Gorton	21
Married / Living with partner	2	Manchester Denton	22
		Laindon(Essex)	23
Q6b Ethnicity		Plymouth	24
White	1		
Black / Asian	2		
Other	3		
<hr/>			
1 Declaration I declare that the interview was carried out according to the instructions given and in accordance with the Market Research Society Of Conduct. The respondent was not known to me prior to the interview.			
Interviewer signature _____		Name (printed) _____	

Good my name is from Policis (show ID). We're conducting a survey about problems that residents may be experiencing here & what could be done to make things better. We don't need to know your name & all responses are completely anonymous and confidential. The survey is being done all around the country, not just here & we'd be really interested in your opinions. Please can you spare me 15 minutes to answer some questions?

Q7 SHOWCARD Q7

Would you say that any of these are a feature of life around here? You just need to read out the letters. **MULTICODE. PROMPT Any others?**

- Anti social behaviour / vandalism A 1
- Drug use & drug dealing B 2
- Problems linked to alcohol abuse C 3
- Money lenders (By this I mean unlicensed money lenders or loan sharks and not home credit lenders like Provident or Shopacheck) D 4
- Theft or burglary E 5
- Violent crime including mugging F 6
- Weapons G 7
- None of these 8

One of the issues that we're looking at today is local people's attitudes to money, debt & borrowing.....

Q8 SHOWCARD Q8

Which of these best describe your feelings about borrowing money?

- I never need to borrow money A 1
- I need to borrow occasionally B 2
- I quite often need to borrow C 3
- DK/CS 4

Q9 Have you used any of the following types of credit in the last year? **SHOWCARD Q9/10**

Q10 And what about in the last 5 years?

	Q9 Within last year	Q10 Within last 5 years
A Storecard such as Argos	1	1
B Home Credit Loan or shopping voucher	2	2
C Personal cash loan from bank (not a home credit loan)	3	3
D HP finance in a store	4	4
E Credit card,	5	5
F Overdraft facility	6	6
G Pawnbrokers or Cash Converters	7	7
H Borrowed money from a private lender (not family or friends) on which you had to pay a bit more / lot more back than you borrowed	8	8
I BrightHouse	9	9
J Pay day loan	10	10
K Mail Order catalogue / club book	11	11
L Credit Union loan	12	12
M Social Fund loan	13	13
N None of these	14	14

Q12a People in other communities have told us that loan sharks or unlicensed money lenders are active in their area. By money lenders I mean unlicensed lenders, not home credit lenders like Provident or Shopacheck. Do you think that there are loan sharks / money lenders operating around here?

- Yes 1 **ASK Q12b**
- No 2 **ASK Q12c**
- DK/CS 3 **ASK Q12c**

Q12b On a scale of 1 to 5, with 5 being very positive and 1 being very negative, what kind of impact do you feel money lenders have on the quality of life around here?

- 1 (*very negative impact*) 1
- 2 2
- 3 3
- 4 4
- 5 (*very positive impact*) 5
- No real impact 6
- DK/CS 7

NOW ASK Q12c

ASK ALL

Q12c And thinking back, have there been money lenders / loan sharks operating around here in the past?

- | | |
|-----------------------------|---|
| No | 1 |
| Yes within the last 2 years | 2 |
| Yes longer than 2 years ago | 3 |

NOW GO TO Q13**Q13a SHOWCARD Q13a**

Which of these best describes how you see unlicensed money lenders / loan sharks? **SINGLE CODE**

- | | | |
|---|---|---|
| Loan sharks provide a community service to those who need credit and can't borrow anywhere else | A | 1 |
| Loan sharks exploit people who need money and they damage the community | B | 2 |

Q15 SHOWCARD Q15

Would you say that money lenders and money lending are associated with any of the following issues round here? **MULTICODE**

- | | | |
|----------------------------------|---|---|
| Anti social behaviour | A | 1 |
| Drug use & drug dealing | B | 2 |
| Theft from cars or homes | C | 3 |
| Violent crime including mugging | D | 4 |
| Weapons (such as knives or guns) | E | 5 |
| None of these | | 6 |
| DK/CS | | 7 |

Q16 SHOWCARD 16

How do you know about money lenders? **MULTICODE**

- | | | |
|--|---|---|
| From what people say about the lenders around here | A | 1 |
| From the experience of someone I know | B | 2 |
| From my own personal experience | C | 3 |
| From what I have read in the papers and seen on TV | D | 4 |
| From what I have seen in community centres/voluntary organisation/doctors/school etc | E | 5 |
| From posters, advertising & leaflets about loan sharks | F | 6 |
| DK/CS | | 7 |

SAY We're not interested in individuals or names or anything like that, we just want to get a feel of whether people consider there is a problem with loan sharks and how big a problem it is.

Q17 Roughly how many money lenders /loan sharks do you think there are operating round here?

- | | | |
|-----------------------|---|----|
| 1 | A | 1 |
| 2 | B | 2 |
| 3 | C | 3 |
| 4 | D | 4 |
| 5 | E | 5 |
| 6 – 10 | F | 6 |
| 11 – 15 | G | 7 |
| More than 15 | H | 8 |
| Can't think of anyone | | 9 |
| DK/CS | | 10 |

Q18 On a scale of 1 to 5, with 1 being not at all active & 5 being very active, how active would you say the money lenders are around here?

- | | |
|-----------------------|---|
| 1 (not at all active) | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 (very active) | 5 |
| DK/CS | 6 |

Q19a SHOWCARD Q19a

And on a scale of 1 to 5, over the last couple of years would you say that money lending / loan shark activity is more or less than it used to be, with 1 being a lot less active & 5 being a lot more active & 3 being about the same. ?

		1 (<i>lot less active</i>)	1 ASK 19c
(1&2)			
		2	2 ASK 19c
(1&2)			
		(<i>about the same</i>) 3	3 ASK 19b
(1&2)			
		4	4 ASK 19b
(1&2)			
		5 (<i>lot more active</i>)	5 ASK 19b
(1&2)			

Q19b1 SHOWCARD Q19b

Why do you say that? (*give a rating of 3, 4 or 5*) **MULTICODE**

It's more difficult now to borrow from home credit & other lenders	A	2
More people have got into money lending now	B	3
Lenders know they can operate pretty much as they like	C	4
The authorities aren't willing / able to do anything about it	D	5
	DK/CS	6

Q19b2 SHOWCARD Q19b

And which would be your main reason for saying that? **SINGLE CODE ONLY**

It's more difficult now to borrow from home credit & other lenders	A	2
More people have got into money lending now	B	3
Lenders know they can operate pretty much as they like	C	4
The authorities aren't willing / able to do anything about it	D	5
	DK/CS	6

Q19c1 SHOWCARD Q19c

Why do you say that? (*Give a rating of 1 or 2*) **MULTICODE**

People have a better understanding of the difficulties they can get into with a money lender	A	1
People are more reluctant to get involved with loan sharks	B	2
People are more willing to report them now	C	3
Because the authorities are cracking down	D	4
Money lenders are more worried about getting caught	E	5
	DK/CS	6

Q19c2 SHOWCARD Q19c

And which would be your main reason for saying that? **SINGLE CODE ONLY**

People have a better understanding of the difficulties they can get into with a money lender	A	1
People are more reluctant to get involved with loan sharks	B	2
People are more willing to report them now	C	3
Because the authorities are cracking down	D	4
Money lenders are more worried about getting caught	E	5
	DK/CS	6

Q20 ASK ALL

Do you know of people round here, not necessarily among your own friends or social group, who have ever borrowed from an unlicensed money lender / loan shark?

Yes	1
No	2
DK/CS	3

ASK ALL EVEN IF CODED NO OR DK ABOVE, STRESS CONFIDENTIALITY & NEEDING TO JUST GET A FEEL FOR WHAT PEOPLE THINK

Q21a SHOWCARD Q21a

Very roughly, how many people can you think of around here who have borrowed from an unlicensed money lender / loan shark? **SINGLE CODE ONLY**

- None 1 **GO TO Q22**
- Hardly any 2 **ASK Q21b**
- Just a few 3 **ASK Q21b**
- Quite a lot 4 **ASK Q21b**
- A lot 5 **ASK Q21b**

Q21b SHOWCARD Q21b

And so how many would you say that was in actual numbers? **SINGLE CODE ONLY**

- Less than 5 A 1
- 5 – 10 B 2
- 11- 15 C 3
- 16 – 20 D 4
- More than 20 E 5
- Can't think of anyone 6
- DK/CS 7

Q22 Has anyone in your own circle of friends or family **ever** borrowed from an unlicensed money lender / loan shark?

- Yes 1
- No 2
- DK / CS 3

Q23 And have you personally or anyone in your own household **ever** borrowed from an unlicensed money lender / loan shark?

- Yes 1
- No 2
- DK / CS 3

Q13b SHOWCARD Q13b

On a scale of 1 to 5, with 5 being something that you strongly agree with and 1 being something that you do not agree with at all, how much do you agree or disagree with these statements?

READ OUT each statement & single code. ONLY code DK if respondent really struggles to give a ranking. TICK START & ROTATE

Money lenders charge a reasonable amount for the service they provide	1	2	3	4	5	DK
Money lenders charge extortionate interest because they know people are desperate	1	2	3	4	5	DK
When you borrow from a money lender, you know how much your loan is going to cost	1	2	3	4	5	DK
Loans from a moneylender always end up costing more than you expect	1	2	3	4	5	DK
Money lenders are OK with you as long as you pay them regularly	1	2	3	4	5	DK
Money lenders intimidate their customers & there is always a fear of violence in the back of your mind	1	2	3	4	5	DK
You can keep track of how much you owe the money lender fairly easily	1	2	3	4	5	DK
You never know how much you still owe a money lender	1	2	3	4	5	DK

Q14 SHOWCARD Q14

People have told us about these sorts of problems associated with money lenders / loan sharks in their community. Are you aware of any of these being associated with money lenders / loan sharks around here? **MULTICODE & PROBE ANY OTHERS**

- Benefit books & cash cards being taken as security A 1
- Threats & intimidation when people get behind with payment B 2
- Physical violence when people get behind with payment C 3
- Goods (such as TV's) being taken when people are unable to pay D 4
- Sex demanded instead of payment E 5

Other **WRITE IN** _____ 6

None of these/ DK/CS 7

Q24a How willing do you think people around here would be to report money lenders if they were sure that it would be completely confidential? Again use a scale of 1 to 5 with 1 being not at all willing to report them and 5 being very willing to report them?

- | | |
|---|---|
| 1 (<i>not at all willing to report</i>) | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 (<i>very willing to report</i>) | 5 |
| DK/CS | 6 |

Q24b And thinking now about yourself, how willing would you be personally to report money lenders if you were sure that it would be completely confidential? Again use a scale of 1 to 5 with 1 being not at all willing to report them and 5 being very willing to report them?

- | | |
|---|---|
| 1 (<i>not at all willing to report</i>) | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 (<i>very willing to report</i>) | 5 |
| DK/CS | 6 |

Q24c And do you feel that people have become any more willing to report them over the last 2 years? Again use a scale of 1 to 5 with 1 being a lot less willing to report them and 5 being a lot more willing to report them?

- | | |
|---|---|
| 1 (<i>lot less willing to report</i>) | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 (<i>lot more willing to report</i>) | 5 |
| DK/CS | 6 |

Q25 SHOWCARD Q25

Which of these statements is CLOSEST to your own feelings about reporting loan sharks / money lenders in this community?

- | | | | |
|------------------|---|---|---|
| MULTICODE | I'd report them if they hurt my family | A | 1 |
| | I'd only report them if I (or someone else) was at the end of my tether | B | 2 |
| | I'd only report them if I thought the lender's behaviour was over the top | C | 3 |
| | I'd report them if I thought the authorities would do something about it | D | 4 |
| | I'd report them if I knew other people were reporting them too | E | 5 |
| | I'd report them if I could be sure that no-one would find out | F | 6 |
| | I'd report them if there was some money in it for me | G | 7 |
| | I'd report them if I thought I was going to get some of my money back | H | 8 |
| | Would never report them (unprompted) | | 9 |

Q26 SHOWCARD Q26

Which of these reasons might describe why you would not report a money lender? **MULTICODE**

- | | | | |
|--|--|---|----|
| | It's too dangerous | A | 1 |
| | No point because no one will do anything | B | 2 |
| | It just isn't right to grass on anyone | C | 3 |
| | I need to be able to borrow money if I want to | D | 4 |
| | My family / friends borrow from the money lenders | E | 5 |
| | I am not confident that the authorities could protect me | F | 6 |
| | I'd be worried that people round here would find out | G | 7 |
| | There's nothing in it for me | H | 8 |
| | I'd be worried that I may have to give evidence against them | I | 9 |
| | They provide a service | J | 10 |

Other **WRITE IN** _____ 11
 None of these/ DK/CS 12

Q27 SHOWCARD Q27

If you did have any trouble with a money lender, which of these organisations, if any, do you think you could go to for help?

Debt advice such as Citizen's Advice	A	1
Social services or social worker	B	2
Doctor	C	3
Local Council	D	4
Local authority's Illegal Money Lending Team	E	5
Credit Union	F	6
Community organisation	G	7
Social landlord	H	8
Police	I	9
No one can help	J	10
None of these /DK/CS		11

Q28a SHOWCARD Q28a

Can you tell me which of these, if any, you have heard about?

A government programme to identify & prosecute illegal lenders / loan sharks	A	1
The national loan shark helpline	B	2
Local authority's Illegal Money Lending team	C	3
None	D	4

IF ANY OF THESE ARE CODED ASK Q28B & c. ALL OTHERS GO TO Q29

Q28b SHOWCARD Q28b

How did you hear of that? **MULTICODE & PROBE Any others?**

From people talking round here	A	1
Leaflets / advertising	B	2
Newspaper/radio/TV reports about the arrest of a money lender	C	3
Through a community organisation / fun day	D	4
The Illegal lending team made contact with me	E	5

Q28c SHOWCARD Q28c

How much difference do you think these efforts to tackle Illegal Lending have made to the problems associated with money lending & loan sharks round here? **SINGLE CODE**

No difference	1
Some/a little difference	2
A big difference	3
DK/CS	4

NOW GO TO Q29

ASK ALL

Q29 Are you aware of any money lenders being arrested either here or elsewhere?

MULTICODE for 1 & 2

Q30a

Q30a

Yes, here	1	GO TO
Yes elsewhere	2	GO TO
No	3	GO TO Q31

Q30a Do you know what happened to the lender after they were convicted?

MULTICODE. DO NOT PROMPT.

Q30b&c

Q30b&c

Q30b&c

Q30b&c

Q30b&c

Fined	1	ASK
Community sentence	2	ASK
Went to prison for a short time	3	ASK
Went to prison for a long time	4	ASK
Confiscated their possessions	5	ASK

- Nothing happened to them 6 **ASK**
- Q30b&c Other **WRITE IN** _____ 7 **ASK**
- Q30b&c None of these/ DK/CS 8 **GO TO Q31**

Q30b SHOWCARD Q30b

Which of these statements best describes how you feel about the punishment/sentence that the lender received?

- They got off lightly considering what they had done A 1
 It was about right considering what they had done B 2
 It was over the top considering what they had done C 3

Q30c SHOWCARD Q30c

To your knowledge, did other money lenders start lending or keep on lending in place of the one that got arrested?

- Arresting the lender put a stop to money lending around here 1
 That lender stopped but someone carried on collecting their payments 2
 That lender stopped but others are still active around here 3
 DK/CS 3

ASK ALL

Q31 I am going to read out some statements about the impact that the Trading Standards Illegal Lending Team have had on money lending & loan sharks in the community. On a scale of 1 to 5, with 5 being something that you strongly agree with and 1 being something that you do not agree with at all, how much do you agree or disagree with these statements?

There is less money lending/loan sharking	1	2	3	4	5	DK
As soon as the authorities take out one loan shark, another one always takes their place	1	2	3	4	5	DK
Money lenders are just more careful	1	2	3	4	5	DK
The lenders know that they are no longer untouchable	1	2	3	4	5	DK
People know they can go to the Illegal Lending Team for help	1	2	3	4	5	DK
The authorities are now more willing to act	1	2	3	4	5	DK
The authorities will protect you if you give evidence	1	2	3	4	5	DK
Tackling loan sharks in this community has had a positive effect on the quality of life here	1	2	3	4	5	DK
There is no difference / no impact	1	2	3	4	5	DK

Q32 SHOWCARD 32

Which, if any, of these do you feel would make a difference in tackling illegal lenders in this community? **FOR THOSE PREVIOUSLY SAYING THEY HAVE NO AWARENESS OF ANY ILLEGAL LENDERS SAY ~ Assuming that this was happening round here.**

- Financial education in schools A 1
 Access to a Credit Union offering instant loans B 2
 Debt advice centres C 3
 More social fund loans D 4
 More legal lenders operating E 5
 Anonymous Helpline to report loan sharks F 6
 The police dealing more effectively with loan sharks G 7
 The courts handing out stiffer sentences to loan sharks H 8
 Banks operating locally I 9
 More home credit J 10

Other **WRITE IN** _____ 11
None of these /DK/CS 12

**And finally just to check that we have spoken to a representative selection of residents.
Please remember that your answers are entirely anonymous & confidential.**

Q33 SHOWCARD Q33

Which of the following benefits, if any, do you get?

- | | | |
|-----------------------------------|---|---|
| Disability Living Allowance (DLA) | A | 1 |
| Working Tax Credit | B | 2 |
| Housing Benefit | C | 3 |
| Incapacity Benefit | D | 4 |
| Income support | E | 5 |
| Job Seekers Allowance | F | 6 |
| None of these | | 7 |
| Refused | | 8 |

Q34 SHOWCARD Q34

Please could you tell me into which of the following ranges your household income falls?
ie Pre-tax income including income from pensions & benefits

- | | | |
|--------------------------|---|----|
| Less than £127 per week | A | 1 |
| £127 - £213 per week | B | 2 |
| £214 - £288 per week | C | 3 |
| £289 - £369 per week | D | 4 |
| £370 - £467 per week | E | 5 |
| £468 - £588 per week | F | 6 |
| £589 - £721 per week | G | 7 |
| £722 - £888 per week | H | 8 |
| £889 - £1137 per week | I | 9 |
| More than £1137 per week | J | 10 |
| Refused | | 11 |
| DK/CS | | 12 |

Q35 SHOWCARD Q35

Do any of these apply to you or to anyone in your household? **MULTICODE**

- | | | |
|--|---|---|
| Mobility impairment or other physical disability | A | 1 |
| Major health condition such as diabetes or heart disease | B | 2 |
| Learning disability | C | 3 |
| Mental health problems | D | 4 |
| Problems with drug or alcohol abuse | E | 5 |
| Criminal record | F | 6 |
| None | | 7 |
| Refused/DK/ CS | | 8 |

Q36 SHOWCARD Q36

And finally which is the highest level of qualification you have obtained?

- | | | |
|-------------------------------|---|---|
| Degree or degree equivalent | A | 1 |
| Undergraduate | B | 2 |
| A levels & Vocational level 3 | C | 3 |
| GCSE / O level | D | 4 |
| Trade Apprenticeships /NVQ | E | 5 |
| Other qualifications | F | 6 |
| None | G | 7 |
| Refused | | 8 |

**PROVIDE THANK YOU LEAFLET
THANK & CLOSE**

Technical Appendix C.2: Extra questions for victims in community survey

EQ1 If you are aware of more than one person that borrows from an illegal money lender, then please answer for the person that you know best. Are you/they still borrowing from or paying off a money lender?

Yes	1
No	2
DK/CS	3

EQ2 SHOWCARD EQ2

How you/the person you know who borrowed from a money lender first got involved with the lender?

Knew them anyway .A	1
Introduced by someone B	2
Lender well known within the community C	3
Answered an advert ..D	4
DK/CS	5

EQ3 Thinking back to the last loan you/the person you know took from a money lender, how much was the loan for?

Less than £50	1
£50 – £100	2
£100 – £199	3
£200 – £299	4
£300 – £500	5
£501 – £1,000	6
£1,001 – £2,500	7
£2,501 – £5,000	8
£5,001 – £7,500	9
£7,501 – £10,000	10
More than £10,000, WRITE IN _____.	11
DK/CS	12

EQ4 Still thinking of that last loan, how much had to be paid each week or month to the lender?

CODE WEEKLY OR MONTHLY WHICHEVER RESPONDENT REFERS TO ~ NOT BOTH!

Write in exact amount & code range _____.	Weekly	Monthly
A Less than £10	1	1
B £10 - £19	2	2
C £20 - £29	3	3
D £30 - £39	4	4
E £40 - £49	5	5
F £50 - £74	6	6
G £75 - £99	7	7
H £100 - £149	8	8
I £150 - £199	9	9
J £200 - £249	10	10
K £250 - £500	11	11
L More than £500	12	12
M DK/CS	13	13
N Not applicable at weekly / monthly	14	14

EQ5 SHOWCARD EQ5How long were payments made or have payments been made on this last loan? **SINGLE CODE**

3 months or less	1
3 – 6 months	2
6 months – 1 year	3
1 – 2 years	4
2 – 5 years	5
Longer than 5 years	6
DK/CS/CR	7

EQ6 SHOWCARD EQ6 Which, if any, of these things did the money borrowed get spent on? **MULTICODE**

Cash emergency such as a repair or urgent bill	1
Making ends meet when ran out of cash	2
Day to day living expenses	3
Special purchase such as a washing machine or furniture	4
Christmas or a special occasion	5
Clothes or shoes for borrower & family	6
Going out or a special treat	7
Drugs or alcohol	8
DK/CR	9
None of these/Other	10

EQ7 SHOWCARD EQ7 How would you describe the way that the money lender behaved & the relationship with the lender? **SINGLE CODE**

Friendly	1
Business-like	2
Threatens violence	3
Violent	4
Through a community or voluntary organisation / social worker / fun day	5
Other (write in)	6
DK/CS	7

EQ8 Were you contacted by the Stop Loan Sharks team?

Yes	1 ASK EQ9
No	2 GO TO

EQ10**EQ9 SHOWCARD EQ9** Which of these actions did you take as a result? **MULTICODE**

Stopped paying lender	1
Explored alternative source of credit (e.g. credit union)	2
Contacted debt advice/other support agencies	3
Made statement to aid in prosecution	4
Took no action	5

EQ10 In your experience, does the arrest of a lender put a stop to illegal money lending in the community?

Yes	1
No	2

EQ11 On a scale of 1 to 5, where 1 is no difference and 5 a big difference, how much of a difference have the Stop Loan Sharks team have made to your life?

1 (no difference at all)	1
2	2
3	3
4	4
5 (a very big difference)	5
NA/DK/CS	6

Technical Appendix C.3: List of community survey areas

Community Survey Schedule	No of interviews	IML arrests and convictions	Surveyed 2006	IML suspected but not enforcement	Intervention	Comparison	Team	Location
1. Liverpool	100		100				100 CENTSA	Speke Runcorn, Dingle, Winsford
2. Liverpool	150	150			150		CENTSA	
3. Glasgow	150		150	150		150	Scotland	Easterhouse/ Gorbals/ Parkshead/ Shettleston
4. Glasgow	150	150			150		Scotland	Govan/ Penlee/ Cardonald
5. Wales	100	100			100		Wales	Merthyr Tydfil and Swansea
6. Wales	50	50			50		Wales	Bangor
7. Bristol	150	150			150		SW	Lockleaze and Horton estate. B7 and B10.
8. Hartlepool	50	50			50		NE	TS25 3
9. Leicester	50	50			50		EM	Leicester LE3
10. Derby	50	50			50		EM	Chaddesdon
11. Nottingham	100			100		100	EM	NG3
12. Sunderland	50			50		50	NE	NE 37
13. Manchester	100	100			100		CENTSA	Gorton, Ashton and Denton
Total	1250	850	250	300	850	400		

Technical Appendix C.4: Victim survey questionnaires and extra Qs for victims

CATI project file

Serial number . |__|__|__|__|__|

ASK: False	
TTTTOP. ----- CATI QDF for version 2002.2 onwards	
ASK: False	
TTTSAM. ----- other entries from sample file here	
LETTER. Received letter?	
	Yes 1
	No 2
ID. ID	__ __ __ __ __ __ __ __ __
FNAME. First name from sample -----	
SNAME. Surname from sample -----	
NAME. Name from sample -----	
ADD1. address from sample -----	
ADD2. address from sample -----	
ADD3. address from sample -----	
PCODE. Post code -----	
TELNUM. Telnum -----	
TELNUM1. Telnum -----	
TELNUM2. Telnum -----	
TELNUM3. Telnum -----	
TELNUM4. Telnum -----	
TELNUM5. Telnum -----	

TELNUM6. Telnum -----			
TELNUM7. Telnum -----			
INCENTIVE. Incentive from sample -----			
SHEET. Sheet number from sample	1 2	1 2	
ASK: False			
TTSAME. ----- end of sample entries			
START. Good [vtods] my name is from TeamSearch research. We are conducting a survey about credit and debt and the experiences that people have had. [vletter] We appreciate that your time is valuable and we are happy to pay you to take part in the survey. We're offering £ 15 and the survey will take about ten to fifteen minutes of your time depending on your answers. Would that be OK?			
INTERVIEWER: Press F12 and "continue later" to make an appointment	Yes No - refuse to take part	1 2	<in- elig- ible>
TEXT. We are currently undertaking research with people who may have some knowledge of money lenders. It's completely anonymous and confidential survey and nothing you say will be associated with you as an individual or with any other person. We are just interested in understanding people's experiences to inform public policy.			
MRS. The research is being undertaken strictly under the professional code of conduct of the Market Research Society and the Social Research Association, which means that all the survey responses will be completely anonymous and treated in absolute confidence. You can stop any time you don't feel comfortable and of course you don't have to answer any questions you don't want to. As I said we are offering £15 for your time for taking part. It should take 10 - 15 minutes. Does that sound alright?	Yes No	1 2	<in- elig- ible>

PREFER. Would you be happy to do the survey over the phone? Alternatively, if you would prefer, we could arrange for you to fill in the survey yourself in a safe, private and convenient environment. If you'd prefer to do that, we would be happy to cover your transport costs or provide a taxi.		
Yes (prefer phone)	1	
No (prefer alternative)	2	
<hr/>		
ASK: If prefer alternative		
QA1. Thank you. We'll be in touch shortly. Would you like us to confirm your appointment by text or by letter?		
Confirmation by text	1	
Confirmation by letter to home or another address (specify)	2	
No written confirmation required	3	
<hr/>		
ASK: Confirmation by letter to home or another address (specify)		
QA1LETTERA. Could I please take down the first line of the address that we should send the letter to? -----		
<hr/>		
ASK: Confirmation by letter to home or another address (specify)		
QA1LETTERB. Could I please take down the second line of the address that we should send the letter to? -----		
<hr/>		
ASK: Confirmation by letter to home or another address (specify)		
QA1LETTERC. Could I please take down the third line of the address that we should send the letter to? -----		
<hr/>		
ASK: Confirmation by letter to home or another address (specify)		
QA1LETTERD. Could I please take down the fourth line of the address that we should send the letter to? -----		
<hr/>		
ASK: Confirmation by letter to home or another address (specify)		
QA1LETTERPCODE. Could I please take down the postcode? -----		
<hr/>		
ASK: Confirmation by text		
QA1TXT. Could I please take down a number that we can text you on?		
INTERVIEWER: CHECK CAREFULLY -----		

ASK: If prefer alternative		
QA1A. And would you prefer to make your own way there and have your travel expenses reimbursed or get picked up in a taxi?		
Make own way and be reimbursed costs	1	
Taxi pick up (specify address)	2	
ASK: Taxi pickup		
QA1ATAXIA. Could I please take down the first line of the address where the taxi should pick you up? -----		
ASK: Taxi pickup		
QA1ATAXIB. Could I please take down the second line of the address where the taxi should pick you up? -----		
ASK: Taxi pickup		
QA1ATAXIC. Could I please take down the third line of the address where the taxi should pick you up? -----		
ASK: Taxi pickup		
QA1ATAXID. Could I please take down the fourth line of the address where the taxi should pick you up? -----		
ASK: Taxi pickup		
QA1ATAXIPCODE. Could I please take down the postcode? -----		
ASK: If prefer alternative		
VQA2NAME. And could I please take down your name? -----		
ASK: If prefer alternative		
QA2. So just to confirm, you'd like [QA1], [VQA2TXT]?		
Yes	1	<close>
No - incorrect - GO BACK AND AMEND	2	
No NOT WILLING TO TAKE PART	3	<ineligible>
Q1TEXT. First of all, if it's OK with you, I'd just like to ask you a few questions about yourself.		
INTERVIEWER: PRESS ENTER TO CONTINUE		

Q1. Can I please ask your age?			
	Under 25	1	
	25 to 44	2	
	45 to 64	3	
	65 +	4	<in-eligible>

Q2. Do you have children living at home?			
	Yes	1	
	No	2	

Q3. And can I ask if there are any people working in the household?			
	No-one working	1	
	Someone working part time or occasionally	2	
	At least one person working full time	3	
	DK/Ref	4	

Q4. Are you...			
INTERVIEWER: READ OUT			
	Single/ living alone	1	
	Married/ living with a partner	2	

ASK: False

TTTBEG. ----- other questions
which may affect the quotas here

INTRO2. Thanks very much for that. Now I'd like to ask you a few questions about borrowing and your finances. Once again I just want to reassure you that this is completely anonymous and confidential.

INTERVIEWER: PRESS {ENTER} TO CONTINUE

Q5. Do you personally have...?			
	Bank Account	1	
	Post office card account	2	
	Neither of these/ None	3	

Q6A. Have you used any of the following types of credit in the last year?		
INTERVIEWER: READ OUT		
Storecard such as Argos		01
Home Credit Loan or shopping voucher		02
Personal cash loan from bank (not a home credit loan)		03
HP finance in a store		04
Credit card		05
Overdraft facility		06
Pawnbrokers or Cash Converters		07
Borrowed money from a money lender (not family or friends) on which you had to pay interest		08
BrightHouse		09
Pay day loan		10
Mail Order catalogue / club book		11
Credit union loan		12
Social Fund loan		13
None of these		14

Q6B. And what about in the last 5 years?		
INTERVIEWER: READ OUT		
Storecard such as Argos		01
Home Credit Loan or shopping voucher		02
Personal cash loan from bank (not a home credit loan)		03
HP finance in a store		04
Credit card		05
Overdraft facility		06
Pawnbrokers or Cash Converters		07
Borrowed money from a money lender (not family or friends) on which you had to pay interest		08
BrightHouse		09
Pay day loan		10
Mail Order catalogue / club book		11
Credit union loan		12
Social Fund loan		13
None of these		14

Q7. Have you ever been turned down for credit or a loan?		
Yes		1
No		2
Don't know/ Can't remember		3

ASK: If have been refused credit or a loan		
Q8. And how recently have you been refused credit?		
Within last 12 months		1
Within last two years		2
More than two years ago		3
DK/Ref		4

ASK: If have been refused credit or a loan

Q9. Which of these types of lender have ever turned you down for credit or a loan?

INTERVIEWER: READ OUT

Bank	01
Credit card company	02
Mail order company	03
Home credit company	04
Social fund	05
Finance company (not home credit company like Provident or Shopacheck)	06
HP finance	07
Car finance company	08
Credit union	09
Other (specify)	98
Don't know/ Can't remember	99

ASK: Other (specify)

Q90TH. Other

Q10. Many people have difficulties with keeping up with things these days. Which of the following have happened to you?

INTERVIEWER: READ OUT

Bad credit rating with agencies	01
County court judgement	02
Maxed out a credit card	03
Made minimum payments on a credit card for an extended period	04
Got 3 months or more behind on loans or credit cards	05
Defaulted on loans or credit cards	06
Made an agreement with creditors through a debt advice service	07
IVA / bankruptcy	08
None of these	09
Don't know	10
Refused	11

Q11. Which of these best describes your feelings about managing your outgoings and commitments?

INTERVIEWER: READ OUT

I can manage outgoings and commitments comfortably	1
I can manage but sometimes finances feel a little tight	2
I am not falling behind but I am finding it a real struggle keeping up	3
I'm falling behind but think I'll be able to catch up	4
I'm falling behind and can't see a way to catch up	5
DK/Ref (do not read out)	6

Q12. Lots of people are having difficulties managing these days. Which of these have you experienced difficulties with affording in the last twelve months?

INTERVIEWER: READ OUT, CODE ALL THAT APPLY

- | | |
|---|----|
| Utilities | 01 |
| Food for the family | 02 |
| Shoes or clothing | 03 |
| Petrol or transport | 04 |
| Rent or mortgage payments | 05 |
| Replacing or repairing equipment | 06 |
| Essential major purchases such as washing machines or furniture | 07 |
| Repaying credit or loan agreements | 08 |
| Medical or dental treatment | 09 |
| Christmas or birthday presents | 10 |
| Entertainment, days out or holidays | 11 |
| None | 12 |
| DK/Ref (do not read out) | 13 |

Q13. Lots of people have turned to money lenders or loan sharks when they really needed cash. Other people have told us that money lenders - some people would call them loan sharks - are active in their area. Do you think that there are money lenders / loans sharks operating in your area ? Again, by money lenders I mean unlicensed lenders not home credit lenders like Provident or Shopachek.

- | | |
|------------|---|
| Yes | 1 |
| No | 2 |
| Don't know | 3 |

Q14. And thinking back, have there been money lenders / loan sharks operating on this estate in the past?

INTERVIEWER: IF REQUIRED SAY: We're not interested in individuals or names or anything like that. We just want to get a feel of whether people consider there is a problem with loan sharks & how big a problem it is.

- | | |
|-----------------------------|---|
| No | 1 |
| Yes within the last 2 years | 2 |
| Yes longer than 2 years ago | 3 |
| DK/Ref | 4 |

ASK: NOT If unaware of illegal lenders in area

Q15. Roughly, how many unlicensed lenders do you think that there are currently operating in the area you live?

- | | |
|-------------|---|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 | 5 |
| More than 5 | 6 |
| DK | 7 |

ASK: NOT If unaware of illegal lenders in area		
Q16. Very roughly, how many people can you think of in the area where you live who have borrowed from an unlicensed money lender / loan shark?		
INTERVIEWER: ALLOW TIME TO THINK & SINGLE CODE ONLY		
	Less than 5	1
	5 to 10	2
	11 to 15	3
	16 to 20	4
	More than 20	5
	DK	6

ASK: NOT If unaware of illegal lenders in area		
Q16A. And on a scale of 1 to 5, with 1 being not at all active & 5 being very active, how active would you say the money lenders are around here?		
	1 - Not at all active	1
		2
		3
		4
	5 - Very active	5
	DK/CS	6

ASK: NOT If unaware of illegal lenders in area		
Q17. And thinking back over the last couple of years in the area you live would you say that money lenders / loan sharks:		
INTERVIEWER: READ OUT		
	Are more active than they used to be	1
	Are about as active as they've always been	2
	Have been less active than they used to be	3
	DK/Ref (do not read out)	4

ASK: If believe illegal lenders are more active or just as active as ever		
Q17A. Why do you say that?		
	People are just desperate for money	1
	It's more difficult now to borrow from home credit & other lenders	2
	More people have got into money lending now	3
	Lenders know they can operate pretty much as they like	4
	The authorities aren't willing / able to do anything about it	5
	DK/CS	6

ASK: If believe illegal lenders have been less active than they used to be

Q17B. Why do you say that?

People have a better understanding of the difficulties they can get into with a money lender	1
People are more reluctant to get involved with loan sharks	2
People are more willing to report them now	3
Because the authorities are cracking down	4
Money lenders are more worried about getting caught	5
DK/CS	6

Q18. Which of these best describes how you see unlicensed money lenders / loan sharks?

Loan sharks provide a community service to those who need credit and can't borrow anywhere else	1
Loan sharks provide credit for those who can't borrow elsewhere but this can mean that the borrower is exploited	2
Loan sharks exploit people who need money and they damage the community	3
DK/Ref (do not read out)	4

Q19ATEXT. On a scale of 1 to 5, with 5 being something that you strongly agree with and 1 being something that you do not agree with at all, how much do you agree or disagree with these statements?

INTERVIEWER: PRESS {ENTER} TO CONTINUE

Q19A. Money lenders charge a reasonable amount for the service they provide

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
	2
	3
	4
5 - Strongly agree	5
DK/CS	6

Q19B. Money lenders charge extortionate interest because they know people are desperate

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
	2
	3
	4
5 - Strongly agree	5
DK/CS	6

Q19C. When you borrow from a money lender, you know how much your loan is going to cost

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
2	2
3	3
4	4
5 - Strongly agree	5
DK/CS	6

Q19D. Loans from a moneylender always end up costing more than you expect

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
2	2
3	3
4	4
5 - Strongly agree	5
DK/CS	6

Q19E. Money lenders are OK with you as long as you pay them regularly

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
2	2
3	3
4	4
5 - Strongly agree	5
DK/CS	6

Q19F. Money lenders intimidate their customers & there is always a fear of violence in the back of your mind

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
2	2
3	3
4	4
5 - Strongly agree	5
DK/CS	6

Q19G. You can keep track of how much you owe the money lender fairly easily

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
2	2
3	3
4	4
5 - Strongly agree	5
DK/CS	6

Q19H. You never know how much you still owe a money lender

INTERVIEWER: READ OUT each statement & single code. ONLY code
DK if respondent really struggles to give a ranking

1 - Do not agree	1
2	2
3	3
4	4
5 - Strongly agree	5
DK/CS	6

Q20. Can I just ask how you know about money lenders?

INTERVIEWER: READ OUT

From the experience of someone I know	1
From my personal experience	2
From what people say about the lenders in this area	3
From what I have read/ heard in the papers and television	4
From what I have seen in community centres / voluntary organisations / doctors / at school etc	5
From posters, advertising and leaflets about loan sharks	6
DK/Ref (do not read out)	7

Q21. Has anyone in your own circle of friends or family borrowed from a money lender / loan shark?

Yes	1
No	2
DK	3

Q22TEXT. A lot of people have either borrowed from a money lender or know someone who has and we are talking to different people up and down the country about this entirely anonymously. We're not interested in individuals or names or particular cases or anything like that. We are just trying to understand people's experiences. If it's alright with you, I'd just like to ask you a couple of questions about your own experience or what you understand of the experience of someone you know.

INTERVIEWER: PRESS {ENTER} TO CONTINUE

Q22. Can I just check that you have used a money lender in the past?

INTERVIEWER: IF NO PROBE "HAS SOMEONE YOU KNOW USED AN ILLEGAL MONEY LENDER IN THE PAST" ONLY CODE NO OR DK IF ABSOLUTELY NECESSARY!!

Yes (self)	1
Yes (someone else)	2
No (only code if absolutely necessary)	3
DK (only code if absolutely necessary)	4

ASK: If have personally borrowed from illegal lender or know someone who has		
Q23. And are [vq22] still borrowing from or paying off a money lender?		
	Yes	1
	No	2
	DK/Ref	3

ASK: If have personally borrowed from illegal lender or know someone who has		
Q24. May I ask how you / the person you know who borrowed from a money lender/ loan shark first got involved with lender?		
	Knew them anyway	1
	Introduced by someone	2
	Lender well known within the community	3
	Answered an advert	4
	DK	5

ASK: If have personally borrowed from illegal lender or know someone who has		
Q25. And did the money lender live?		
	In the same community	1
	Somewhere else	2
	DK	3

ASK: If have personally borrowed from illegal lender or know someone who has		
Q26. Thinking back to the last loan you/the person you know took from a money lender, how much was the loan for?		
	Less than £50	01
	£50 to £100	02
	£100 to £199	03
	£200 to £299	04
	£300 to £500	05
	£500 to £1,000	06
	£1,000 to £2,500	07
	£2,500 to £3,000	08
	£3,000 to £5,000	09
	£5,000 to £7,500	10
	£7,500 to £10,000	11
	More than £10,000 (specify)	12
	DK/Ref	13

ASK: More than £10,000 (specify)	
Q26OTH. £10,000 plus (specify)	_ _ _ _ _ _ _ _

ASK: If have personally borrowed from illegal lender or know someone who has		
Q27A. Did you pay back the lender weekly or monthly?		
INTERVIEWER: IF "BOTH" ASK "DID YOU MAKE MORE PAYMENTS WEEKLY OR MONTHLY?"		
	Weekly	1
	Monthly	2

ASK: If paid lender back monthly

Q27B. How much were you paying per month?

ASK: If paid lender back monthly		
Q27BCODE. CODE AMOUNT		
	Less than £10	01
	£10 to £19	02
	£20 to £29	03
	£30 to £39	04
	£40 to £49	05
	£50 to £74	06
	£75 to £99	07
	£100 to £149	08
	£150 to £199	09
	£200 to £249	10
	£250 to £500	11
	More than £500	12
	DK	13
	Not applicable	14

ASK: If paid lender back weekly

Q27C. How much were you paying per week?

ASK: If paid lender back weekly		
Q27CCODE. CODE AMOUNT		
	Less than £10	01
	£10 to £19	02
	£20 to £29	03
	£30 to £39	04
	£40 to £49	05
	£50 to £74	06
	£75 to £99	07
	£100 to £149	08
	£150 to £199	09
	£200 to £249	10
	£250 to £500	11
	More than £500	12
	DK	13
	Not applicable	14

ASK: If have personally borrowed from illegal lender or know someone who has		
Q28. How long were payments made or have payments been made on this last loan?		
INTERVIEWER: READ OUT		
3 months or less		1
3 to 6 months		2
6 months to 1 year		3
1 to 2 years		4
2 to 5 years		5
Longer than 5 years		6
DK/CS/CR		7

ASK: If have personally borrowed from illegal lender or know someone who has		
Q29. And were any payments to the lender missed?		
Yes		1
No		2
DK/CS		3

ASK: If missed any payments		
Q30. Were any missed payments charged extra?		
Yes		1
No		2
DK/CS		3

ASK: If missed payments were charged		
Q31. How much was charged each time a payment was missed?		
INTERVIEWER: WRITE IN AND CODE AT NEXT QUESTION		

ASK: If missed payments were charged		
Q31A. CODE AMOUNT		
Nothing		1
Less than £10		2
£10 to £19		3
£20 to £29		4
£30 to £49		5
£50 to £100		6
More than £100		7
DK/CR		8

ASK: If missed any payments		
Q32. Roughly how many payments do you think were missed?		
1		1
2		2
3		3
4		4
5		5
More than 5		6

ASK: If missed any payments		
Q33. And how would you describe the lender's response to your/ the person you know's payment difficulties?		
Sympathetic and flexible	1	
Unsympathetic and inflexible	2	
Aggressive in collecting the debt	3	

ASK: If have personally borrowed from illegal lender or know someone who has		
Q34. And how much will have to be paid back / was paid back in the end?		
What was borrowed + a little bit more	1	
Half as much again as was borrowed	2	
Twice as much as was borrowed	3	
More than twice as much as was borrowed	4	
Amount borrowed & no more	5	
DK/CS/CR	6	

ASK: If have personally borrowed from illegal lender or know someone who has		
Q35. Which, if any, of these things did the money borrowed get spent on?		
INTERVIEWER: READ OUT		
Cash emergency such as a repair or urgent bill	01	
Making ends meet when ran out of cash	02	
Day to day living expenses	03	
Special purchase such as a washing machine or furniture	04	
Christmas or a special occasion	05	
Clothes or shoes for borrower & family	06	
Going out or a special treat	07	
Drugs or alcohol	08	
None of these	97	
Other (specify)	98	
DK/CR	99	

ASK: Other (specify)		
Q350TH. Other		

ASK: If have personally borrowed from illegal lender or know someone who has		
Q36. And how would you describe the way that the money lender behaved and the relationship with the lender?		
Friendly	1	
Business-like	2	
Intimidating	3	
Exploitative	4	
Aggressive	5	
Violent	6	
Sexually abusive	7	
DK/Refused	8	

ASK: If have personally borrowed from illegal lender or know
someone who has

Q37ATEXT. Other people have told us about various problems
associated with money lenders / loans sharks. Have
you personally or someone else you know suffered from
any of these problems in dealing with money lenders /
loan sharks?

INTERVIEWER: PRESS {ENTER} TO CONTINUE

ASK: If have personally borrowed from illegal lender or know
someone who has

Q37A. Benefit books and cash cards being taken as security

Personally	1
Someone else	2
Neither	3

ASK: If have personally borrowed from illegal lender or know
someone who has

Q37B. Threats and intimidation when people get behind

Personally	1
Someone else	2
Neither	3

ASK: If have personally borrowed from illegal lender or know
someone who has

Q37C. Physical violence when people get behind

Personally	1
Someone else	2
Neither	3

ASK: If have personally borrowed from illegal lender or know
someone who has

Q37D. Goods (such as TVs) being taken when people get behind

Personally	1
Someone else	2
Neither	3

ASK: If have personally borrowed from illegal lender or know
someone who has

Q37E. Sex demanded in lieu of payment

Personally	1
Someone else	2
Neither	3

ASK: If have personally borrowed from illegal lender or know someone who has		
Q38. And would you agree with any of these statements about the impact on household finances of borrowing from the money lender / loan shark?		
INTERVIEWER: READ OUT		
Paying the money lender has to come first		1
It's difficult to afford essentials		2
It'd difficult to keep up with bills and rent		3
There is never have enough money		4
It creates a spiral of debt you can't get out of		5
None/DK (DO NOT READ OUT)		6

Q39. And overall would you describe the impact of using a money lender on the quality of life for borrowers as...		
INTERVIEWER: PROBE TO FIT SCALE		
1 Very negative impact		1
2		2
3		3
4		4
5 - Very positive impact		5
No real impact		6
DK/CS		7

Q40. And overall would you describe the impact of using a money lender on the quality of life for the local community as...		
INTERVIEWER: PROBE TO FIT SCALE		
1 Very negative impact		1
2		2
3		3
4		4
5 - Very positive impact		5
No real impact		6
DK/CS		7

Q41. And would you say that money lenders and money lending are associated with any of the following issues in your area?		
Anti social behaviour		1
Theft from cars or homes in the area		2
Violent crime		3
Weapons		4
None		5

Q42. And have you heard of the Trading Standards illegal money lending / loan shark team?		
Yes		1
No		2

ASK: If heard of illegal money lending/ loan shark team		
Q43. How did you first hear of them?		
Direct contact from the team	01	
From people talking on the estate	02	
Leaflets or advertising	03	
Media coverage of the arrest of a lender	04	
Through a community or voluntary organisation / social worker / fun day	05	
Other (specify)	98	

ASK: Other (specify)

Q43OTH. Other

Q44. And are you aware of any money lenders / loan sharks being arrested or told to stop lending by the authorities on this estate or in other communities around here?		
	Yes	1
	No	2

ASK: If aware of loan sharks being arrested

Q45. And you aware of what happened to the lender after they were convicted?		
INTERVIEWER: DO NOT READ OUT		
	Fine	01
	Community sentence	02
	Went to prison for a short time	03
	Went to prison for a long time	04
	Assets confiscated	05
	Not gone to court yet	97
	Other (specify)	98
	Don't know	99

ASK: Other (specify)

Q45OTH. Other

ASK: If aware of loan sharks being arrested		
Q46. Which of these statements best describes how you feel about the punishment/sentence that the lender received?		
They go off lightly considering what they had done	1	
It was about right considering what they had done	2	
It was over the top considering what they had done	3	
	None	4

ASK: If aware of loan sharks being arrested		
Q47. And how did you feel about the arrest of the lender?		
Relieved that I would no longer have to pay the lend	1	
Relieved that I would no longer be under pressure from the lender	2	
Disappointed because I wouldn't be able to get further credit when I needed it	3	
None of these	4	
DK	5	

ASK: If aware of loan sharks being arrested		
Q48. And how much did you/the person you know owe the lender at that point?		
Less than £50	01	
£50 to £100	02	
£100 to £199	03	
£200 to £299	04	
£300 to £500	05	
£500 to £1,000	06	
£1,000 to £2,500	07	
£2,500 to £5,000	08	
£5,000 to £7,500	09	
£7,500 to £10,000	10	
More than £10,000 (specify)	11	
DK/Ref	12	

ASK: More than £10,000 (specify)		
Q48OTH. More than £10,000		

ASK: If aware of loan sharks being arrested		
Q49. And how would you describe the impact of the removal of the lender on your/the person you know's quality of life?		
1 Very negative impact	1	
2	2	
3	3	
4	4	
5 Very positive impact	5	
No real impact	6	
DK/CS	7	

ASK: If heard of illegal money lending/ loan shark team		
Q50. And did the Trading Standards illegal money lending team get in touch?		
Yes	1	
No	2	

ASK: If illegal lending team got in touch		
Q51. And was this by phone, letter or a visit to your home?		
Phone	1	
Letter	2	
Visit to home	3	
DK/Ref (do not read out)	4	

ASK: If illegal lending team got in touch

Q52A. And can you recall the main things that they said?

INTERVIEWER: DO NOT READ OUT, CODE FIRST RESPONSE THEN PROMPT AT NEXT QUESTION

No need to pay lender	1
Credit unions as alternative source of credit	2
Offer of debt advice and other support	3
Request for information / witness statement	4
Offer to return goods / security held by the lender	5
None	6

ASK: If illegal lending team got in touch

RESPONSES: Only those NOT selected at Q52A

Q52B. Did they say...?

INTERVIEWER: READ OUT

No need to pay lender	1
Credit unions as alternative source of credit	2
Offer of debt advice and other support	3
Request for information / witness statement	4
Offer to return goods / security held by the lender	5
None	6

ASK: If illegal lending team got in touch

Q53A. And which of these statements could describe how you reacted to this communication?

Didn't take any notice	1
Was relieved by the letter/call	2
Worried about letter/call	3
DK/Ref (do not read out)	4

ASK: If illegal lending team got in touch

Q53B. And which of these statements could describe how you reacted to this communication?

Didn't respond to contact	1
Contacted the team but only to get my stuff back	2
Contacted the team and provided information / witness statement	3
DK/Ref (do not read out)	4

ASK: If illegal lending team got in touch

Q53C. And which of these statements could describe how you reacted to this communication?

Continued to pay the lender	1
Paid the lender for a while longer	2
Stopped paying the lender	3
DK/Ref (do not read out)	4

ASK: If illegal lending team got in touch		
Q53D. And which of these statements could describe how you reacted to this communication?		
Ignored offer of debt advice / credit union support	1	
Thought about debt advice / credit union support but didn't do anything about it	2	
Took up debt advice / credit union support	3	
DK/Ref (do not read out)	4	
<hr/>		
Q54. Assuming it was completely anonymous and confidential; which of these statements is CLOSEST to your own feelings about reporting loan sharks/money lenders in this community?		
I'd never report them	1	
I might report them, depending on circumstances	2	
I would be happy to report them	3	
DK/Ref	4	
<hr/>		
ASK: If would not report illegal lenders		
Q54A. Which of these reasons might describe why you would not report a money lender?		
It's too dangerous	01	
No point because no one will do anything	02	
It just isn't right to grass on anyone	03	
I need to be able to borrow money if I want to	04	
My family / friends borrow from the money lenders	05	
I am not confident that the authorities could protect me	06	
I'd be worried that people round here would find out	07	
There's nothing in it for me	08	
I'd be worried that I may have to give evidence against them	09	
DK/Ref (do not read out)	10	

ASK: If might or would report illegal lenders	
Q54B. Which of these reasons might describe why you might report a money lender?	
If I (or someone else) was at the end of my tether	01
If I thought the lender's behaviour was over the top	02
If I thought the authorities would do something about it	03
If I knew other people were reporting them too	04
If I could be sure that no-one would find out	05
If there was some money in it for me	06
If I thought I was going to get some of my money back	07
Other (specify)	98
None of these/ DK/CS	99

ASK: Other (specify)

Q54BOTH. Other

Q55. In your view, does the arrest of the lender put a stop to money lending in the community?	
Yes	1
No	2
DK/Ref	3

ASK: If do not believe the arrest of an illegal lender would stop money lending	
Q56. Which of these best describes what happens then when a lender is removed?	
The lender either carries on or someone else does it for him/ her	1
Other lenders soon come in and lend to his / her customers	2
There are always more lenders active in this area	3
DK	4

Q57. And how much difference do you think the Trading Standards illegal money lending team (or any other action by the authorities) have made to the problems associated with money lending and loan sharks in your area?	
No difference	1
Some difference	2
A big difference	3
DK/Ref	4

Q58. Here are some statements about the impact that the Trading Standards Illegal Lending Team have had on money lending & loan sharks in the community. Which of these statements, if any, do you agree with?	
There is less money lending/loan sharking	01
As soon as the authorities take out one loan shark, another one always takes their place	02
Money lenders are just more careful	03
The lenders know that they are no longer untouchable	04
People know they can go to the Illegal Lending Team for help	05
The authorities are now more willing to act	06
The authorities will protect you if you give evidence	07
Tackling loan sharks in this community has had a positive effect on the quality of life here	08
There is no difference / no impact	09
None	10
DK/CS	11

Q59. Which, if any, of the following do you feel would make a difference in tackling illegal lenders in your area?	
INTERVIEWER: IF UNAWARE OF ILLEGAL LENDERS SAY "ASSUMING THAT THIS WAS HAPPENING IN YOUR ARE"	
Credit Union offering instant loans	1
Debt advice	2
More social fund loans	3
More legal lenders	4
Anonymous Helpline	5
Police dealing more aggressively with loan sharks	6
More local Banks	7
More local Home credit lenders	8
None of these/DK/CS	9

Q60. And finally, just to check that we have spoken to a representative selection of residents, could I ask you a couple more questions about yourself. Which of the following benefits, if any, do you get?	
Disability living allowance	1
Working tax credit	2
Housing benefit	3
Incapacity benefit	4
Income support	5
Job seekers allowance	6
None of these	7
Refused	8

Q61. Please could you tell me into which of the following ranges your household income falls? Just read out the letter that applies IE. Pre-tax income including income from pensions & benefits:		
Less than £127 per week	01	
£127 to £213 per week	02	
£214 to £288 per week	03	
£289 to £369 per week	04	
£370 to £467 per week	05	
£468 to £588 per week	06	
£589 to £721 per week	07	
£722 to £888 per week	08	
£889 to £1137 per week	09	
More than £1137 per week	10	
Refused	11	
DK/CS	12	

Q62. Does any of the following apply to you / anyone living in your household?		
Mobility impairment or other physical disability	1	
Major health condition such as diabetes or heart disease	2	
Learning disability	3	
Mental health problems	4	
Problems with drug or alcohol abuse	5	
Criminal Record	6	
None of these	7	

INCENTINTRO. Those are all the questions I need to ask.
Thank you very much indeed for all your help.

ASK: Successful interview

RESPNAME. Record respondents full name

ASK: Successful interview

END1. Those are all the questions that I need to ask you, all that remains is to Thank you for your time. Enjoy the rest of your day. |

CLOSE2. Have you completed everything?

INTERVIEWER: PLEASE ENSURE ALL OPEN ENDED QUESTIONS HAVE BEEN FULLY ENTERED & THAT THEY MAKE SENSE BEFORE SAVING THE QUESTIONNAIRE. MAKE SURE YOU HAVE NOT TYPED IN CAPITAL LETTERS

Technical Appendix C.5: Relevant questions from nationally representative survey of households in the bottom 50% of household income

Survey was undertaken in December 2009 and January 2010 by GFK NOP with a nationally representative sample of 1875 consumers in the lowest 50% of household income.

The next set of questions are about credit and borrowing. Again I would like to assure you that your answers are anonymous and are completely confidential

Q1. Q.x Can I just check your age?

- a. 01: Less than 18
- b. 02: 18–25
- c. 03: 26–45
- d. 04: 46–65
- e. 65+

Q2. RECORD GENDER

- a. Male
- b. Female

Q3. Q.1 And which of the following best describes your household?

- a. 01: No-one working in paid employment
- b. 02: One person working part-time or occasionally
- c. 03: Two or more persons working part-time or occasionally
- d. 04: One person working full-time, with no-one else working
- e. 05: One person working full-time, with at least one other person working part-time or occasionally
- f. 06: Two or more persons working full-time
- g. 07: Other (specify)
- h. Don't know
- i. Refused

Q4. Q.2 And are either you or your partner a full time student?

- a. 01: Yes

b. 02: No

Q5. Q.3 Please could you tell me into which of the following ranges your household income falls? By household income we mean the combined pre tax income of yourself and your partner, if you have one. Please include income obtained from pensions and benefits.

- a. 01: Less than £550 per month
- b. 02: £550–£924 per month
- c. 03: £925–£1,249 per month
- d. 04: £1,250–£1,599 per month
- e. 05: £1,600–£2,025 per month
- f. 06: More than £2,025 per month
- g. Don't know
- h. Refused

Q6. Q.5 Which, if any, of the following state benefits or tax credits do you or someone in your household personally receive?

- a. 01: Disability Living Allowance (DLA)
- b. 02: Disabled Person's Tax Credit
- c. 03: Working Family Tax Credit
- d. 04: Housing Benefit
- e. 05: Incapacity Benefit
- f. 06: Income support
- g. 07: Job Seekers Allowance
- h. 08: None of these
- i. Refused

Q7. Q.7 And which of the following applies to your housing arrangements?

- a. Renting private landlord
- b. Renting Housing Association
- c. Renting Local Authority
- d. Home owner with mortgage
- e. Home owner without mortgage
- f. Job provides accommodation
- g. Living with family / friends (i.e. not renting / owning personally)

Q8. Q.6 And do you have any of the following? Choose as many as apply:

- a. Landline at home
- b. Mobile phone on contract
- c. Mobile phone PAYG
- d. Access to internet at home
- e. Access to internet at work
- f. Access to internet other
- g. Broadband at home
- h. Broadband at work

Q9. Q.8 And which of the following applies to you?

- a. 01: Single, no children
- b. 02: Married or cohabiting with a partner, no children
- c. 03: Married or cohabiting with a partner, children at home
- d. 04: Single parent with children at home
- e. 05: Married or cohabiting with a partner, children left home
- f. 06: Single, children left home
- g. Refused

(ASK ALL WITH CHILDREN)

Q10. Which of the following best describes you?

- a. White Central European
- b. White
- c. Black/Caribbean
- d. Black/African
- e. Black/Other
- f. Pakistani
- g. Bangladeshi
- h. Chinese
- i. Mixed Race
- j. Indian
- k. Other
- l. Refused

Q11. Does any of the following apply to you / anyone living in your household?

(SHOWCARD – ASK RESPONDENT TO SIMPLY READ OUT LETTER THAT APPLIES)

- a. Mobility impairment or other physical disability
- b. Major health condition such as diabetes or heart disease
- c. Learning disability
- d. Mental health problems
- e. Problems with drug or alcohol abuse
- f. None of these

Q12. Many people find it difficult dealing with officials and forms and that sort of thing. Which, if any, of these statements could apply to how you feel?

(READ OUT)

- a. I have difficulties with filling out forms
- b. I'm not very good with numbers
- c. I find reading and writing difficult
- d. I feel intimidated going into offices or institutions I'm not familiar with
- e. I'm not very confident with officials or staff I don't know
- f. None of these

The next few questions will be about how you organise your money and sort out your bills. I can assure you that your replies will be completely confidential and anonymous. All the information we collect is added together and we only ever look at the results from everyone as a whole, rather than anyone's individual answers. The data collected from this survey will be used to inform policy makers so your participation in this study is extremely valuable.

Q13. And would you say that the amount of money that comes into the household is?

- a. A predictable amount and paid regularly at the same time
- b. A predictable amount but the timing of payment can vary
- c. An unpredictable amount but paid regularly at the same time
- d. Both amount of money and the timing of when money comes in varies
- e. Don't know
- f. Refused

Q14. Q.47 And how frequently do you or the person with the main income get paid?

- a. 01: Daily
- b. Weekly
- c. 02: Fortnightly
- d. 03: Monthly
- e. 04: As and when I / they work
- f. Don't know
- g. Refused

Q15. And how is the main household income paid?

- h. In Cash
- i. Into an account
- j. A mix of cash and into an account

The next set of questions is about your financial circumstances and attitudes to financial matters. I'd like to remind you that your answers are entirely anonymous and confidential. When we look at the research results no-one will look at the answers given by individuals, just at the answers for a whole group of people, like women compared to men,, or younger versus older people.

Q16. Which of these best describes your feelings about managing your outgoings and commitments?

- a. I can manage outgoings and commitments comfortably
- b. I can manage outgoings and commitments but sometimes finances feel a little tight
- c. I am not falling behind but I am finding it a real struggle keeping up with outgoings and commitments
- d. I'm falling behind on commitments but think I'll be able to catch up
- e. I'm falling behind with commitments and can't see a way to catch up

Q17. Lots of people are having difficulties managing these days. Which of these have you experienced difficulties with in the last twelve months? Choose as many as apply:

- a. Paying for electricity, gas or heating
- b. Providing food for the family
- c. Buying shoes or clothing
- d. Paying for petrol or transport

- e. Finding rent or mortgage payments
 - f. Replacing or repairing equipment
 - g. Finding money for essential major purchases such as washing machines or furniture
 - h. Repaying credit or loan agreements
 - i. Finding money for medical or dental treatment
 - j. Finding the funds for Christmas or birthday presents
 - k. Affording entertainment, days out or holidays
 - l. None of these
-

Q18. Q.15 These days it's not always easy to manage everything you have to pay for. Are you currently in arrears or do you still owe money on previous bills, household utilities, rent etc? Don't include money owed on credit cards, loans, credit agreements or mortgages.

- a. 01: Yes
 - b. 02: No
 - c. Don't know
 - d. Refused
-

Q19. How easy would you find it to raise £200–£300 in an emergency without borrowing?

- a. Impossible
 - b. Difficult
 - c. Easy
-

Q20. How easy would you find it to save £500 pounds for a special purpose?

- a. Impossible
 - b. Difficult
 - c. Easy
-

Q21. How easy do you think it would be for you to borrow £200–£500 from a mainstream bank or loan company? Don't include specialist lenders like home credit and payday lenders.

- a. Impossible
- b. Difficult
- c. Easy

Q22. Which of the following types of credit have you used in the last five years?

- a. Overdraft finance
- b. Storecard with credit facility
- c. Car loan arranged through a car dealer
- d. Log book loan secured on vehicle registration document
- e. Personal loan from a bank
- f. Personal loan from a consumer finance company
- g. HP finance
- h. Used a credit card to buy goods and services
- i. Raised cash on a credit card
- j. Borrowed cash against goods deposited with pawnbrokers
- k. Used sale and buy-back (such as Cash Converters)
- l. Home credit loan
- m. Shopping voucher from a home credit company
- n. Bought goods from catalogues for which I pay my agent weekly
- o. Bought goods from a rent to own retailer (such as BrightHouse)
- p. Pay day loan
- q. Social Fund loan
- r. Credit union loan
- s. Borrowed from friends and family
- t. Unlicensed lender (loan shark)
- u. None of these
- v. Don't know
- w. Refused

Q23. Which of the following types of credit have you used in the last twelve months?

- a. Overdraft finance
- b. Storecard with credit facility
- c. Car loan arranged through a car dealer
- d. Log book loan
- e. Personal loan from a bank
- f. Personal loan from a consumer finance company
- g. HP finance
- h. Used a credit card to buy goods and services
- i. Raised cash on a credit card

- j. Borrowed cash against valuables deposited with pawnbrokers
- k. Used sale and buy-back (such as Cash Converters)
- l. Home credit loan
- m. Shopping voucher from a home credit company
- n. Bought goods from catalogues for which I pay my agent weekly
- o. Bought goods from a rent to own retailer (such as BrightHouse)
- p. Pay day loan
- q. Social Fund loan
- r. Credit union loan
- s. Borrowed from friends and family
- t. Used an unlicensed lender (loan shark)
- u. None of these
- v. Don't know
- w. Refused

Q24. And which of these types of credit have you used most recently?

- a. Overdraft finance
- b. Storecard with credit facility
- c. Car loan arranged through a car dealer
- d. Personal loan from a bank
- e. Log book loan
- f. Personal loan from a consumer finance company
- g. HP finance
- h. Used a credit card to buy goods and services
- i. Raised cash on a credit card
- j. Borrowed cash against goods deposited with pawnbrokers
- k. Used sale and buy-back (such as Cash Converters)
- l. Home credit loan
- m. Shopping voucher from a home credit company
- n. Bought goods from catalogues for which I pay my agent weekly
- o. Bought goods from a rent to own retailer (such as BrightHouse)
- p. Pay day loan
- q. Social Fund loan
- r. Credit union loan
- s. Borrowed from friends and family
- t. An unlicensed lender (loan shark)
- u. None of these

- v. Don't know
- w. Refused

Q25. And do you ever have a need to borrow?

- a. Yes
- b. No

Q26. And have you ever had a credit application refused?

- a. Yes
- b. No

Q27. And how recently have you been refused credit? Choose as many as apply:

- a. Within last 12 months
- b. Within last two years
- c. More than two years ago

Q28. And have you been refused a loan or credit from any of these types of lender?

- a. Storecard with credit facility
- b. Car loan arranged through a car dealer
- c. Personal loan from a bank
- d. Personal loan from a consumer finance company
- e. HP finance
- f. Credit card provider
- g. Pawnbrokers
- h. Sale and buy-back (Cash Converters)
- i. Home credit company
- j. Mail order credit
- k. Overdraft finance
- l. Rent to own retailer (BrightHouse)
- m. Pay day loan (such as MoneyShop)
- n. Social Fund loan
- o. Credit union loan
- p. Friends and family

- q. Unlicensed lender (loan shark)
- r. None of these
- s. Don't know
- t. Refused

Q29. And have you ever considered applying for a credit union loan or to a community finance organisation?

- a. Yes
- b. No

Q30. Which of these could describe why you have not applied for a credit union loan? Choose as many as you think apply:

- a. 01 Not really aware of / don't know much about credit unions:
- b. 02: I wouldn't know how to get a credit union loan
- c. 03: I don't think I'd get a credit union loan
- d. I don't have money to save with a credit union
- e. There isn't a convenient credit union near me
- f. 04: I just prefer borrowing from my existing lenders
- g. I don't think credit unions lend to people like me
- h. I don't really like the idea of credit unions
- i. Credit unions won't lend as much as I want to borrow
- j. I'd be too nervous to walk into a credit union and ask for a loan

Q31. Which of these statements could describe how you personally have managed credit and spending over the last twelve months? Choose as many as apply:

- a. I've been trying to spend less than last year
- b. I've been spending more than last year
- c. I've been trying to pay off debt
- d. I've tried to avoid taking on any more credit
- e. I've wanted to borrow but haven't been able to get credit
- f. I haven't used any credit
- g. I've used about the same amount of credit as I did last year
- h. I've used less credit than I did last year
- i. I've borrowed more using an existing credit line on a credit card, loan or overdraft facility I already had
- j. I've taken on new credit

Q32. And financially do you feel:

- a. Better off than last year
- b. About the same as last year
- c. Worse off than last year

Q33. Thinking about the last time you were looking to borrow money, how much did you try to / actually borrow? (exclude money you might have borrowed from family or friends or for a home loan)

- a. Less than £50
- b. £50–£99
- c. £100–£199
- d. £200–£299
- e. £300–£499
- f. £500–£749
- g. £750–£999
- h. £1,000–£1,499
- i. £1,500–£2,499
- j. £2,500–£4,999
- k. £5,000 or more

Q34. And now thinking back to the last time you took out a loan from a mainstream lender which of these best describes what you used the money for? Please don't include mortgage borrowing, credit cards, home credit or payday loans, cash raised from pawn-brokers or borrowing from friends and family.

- a. Making ends meet when I ran out of cash
- b. A cash emergency such as an urgent bill or unexpected expense
- c. A purchase of something I really needed but I couldn't afford to pay for all at once
- d. To spread the cost of something I wanted such as entertainment, holidays or Christmas
- e. To consolidate other borrowing into a single more manageable loan
- f. Spending on something which would help me with work or studies, such as a computer or buying a car or car repairs
- g. To meet regular commitments such as mortgage, rent or utility payments
- h. Other reason

Q35. And thinking now of the last time you used your credit card to buy something, which of these best describes what you used the card to buy for? Don't include any time when you took cash out on your credit card.

- a. Making ends meet when I ran out of cash
- b. A cash emergency such as an urgent bill or unexpected expense
- c. A purchase of something I really needed but I couldn't afford to pay for all at once
- d. To spread the cost of something I wanted such as entertainment, holidays or Christmas
- e. To consolidate other borrowing into a single more manageable loan
- f. Spending on something which would help me with work or studies, such as a computer or buying a car or car repairs
- g. To meet regular commitments such as mortgage, rent or utility payments
- h. Other reason

Q36. And thinking now of the last time you took out a cash advance on your credit card, which of these best describes what you used the money for?

- a. Making ends meet when I ran out of cash
- b. A cash emergency such as an urgent bill or unexpected expense
- c. A purchase of something I really needed but I couldn't afford to pay for all at once
- d. To spread the cost of something I wanted such as entertainment, holidays or Christmas
- e. To consolidate other borrowing into a single more manageable loan
- f. Spending on something which would help me with work or studies, such as a computer or buying a car or car repairs
- g. To meet regular commitments such as mortgage, rent or utility payments
- h. Other reason

Q37. And thinking now of your credit card balance on your main credit card do you usually?

- a. Pay the balance off each month
- b. Make a partial payment of the outstanding balance
- c. Make the minimum payment

Q38. And how long have you been making minimum or partial payments for?

- a. Less than 6 months
- b. 6 months – 1 year

- c. More than 1 year to 18 months
- d. More than 18 months to 2 years
- e. More 2 years to 3 years
- f. Longer

Q39. And if the monthly minimum payment on your card went up would this:

- a. help you clear your balance more quickly
- b. be impossible to meet increased payments
- c. require you to make savings elsewhere to meet additional payments

Q40. And how much extra could you manage before it caused you problems?

- a. Nothing at all
- b. Less than £10
- c. £10-29
- d. £30-£49
- e. £50-£99
- f. £100 - £199
- g. £200 PLUS

Q41. And thinking of your credit card balance on the card on which you owe the most, is it?

- a. Well below your credit limit
- b. Fairly close to your limit
- c. At or over limit

Q42. And do you have another credit card on which you have credit available?

- a. Yes
- b. No

Q43. Q.12 Do you currently owe any money on credit agreements, credit cards and loans? Don't include money owed on mortgages or any borrowing from employers, friends and family.

- a. 01: Yes
- b. 02: No
- c. Don't know

- d. Refused

Q44. Thinking now of the total value of what you owe on personal loans, credit agreements, and credit cards how much would you say you owe in total? DO NOT INCLUDE MORTGAGE BORROWING.

- a. Nothing
- b. 01: Less than £250
- c. 02: £250–£499
- d. 03: £500–£999
- e. 04: £1,000–£2,499
- f. 05: £2,500–£4,999
- g. 06: £5,000–£9,999
- h. 07: £10,000 or more
- i. Don't know
- j. Refused

Q45. And thinking now of the total value of what you owe on credit cards, how much would you say you owe in total? Do not include anything owing which you will pay off in full at the end of the month.

- a. Nothing
- b. 01: Less than £250
- c. 02: £250–£499
- d. 03: £500–£999
- e. 04: £1,000–£2,499
- f. 05: £2,500–£4,999
- g. 06: £5,000–£9,999
- h. 07: £10,000–£14,999
- i. £15,000–£19,999
- j. £20,000 or more
- k. Don't know
- l. Refused

Q46. Q.14 And still thinking of all your personal borrowing, how much do you spend each month on making credit repayments? Include payments on loans, credit agreements, mail order catalogues/club books, home credit and credit cards but do not include repayments on mortgages, borrowing from employer, the Social Fund and friends and family.

- a. Not spending anything on debt repayments

- b. 01: Less than £10
- c. 02: £10–£19
- d. 03: £20–£29
- e. 04: £30–£49
- f. 05: £50–£74
- g. 06: £75–£99
- h. 07: £100–£149
- i. 08: £150–£199
- j. 09: £200–£249
- k. 10: £250–£499
- l. 11: £500 or more
- m. Don't know
- n. Refused

Q47. (P24) Firstly, have you ever fallen behind on payments on any of the following?

- | | |
|--|---|
| a. Rent | 1 |
| b. Electricity or gas bills | 2 |
| c. Phone bill (including mobile phone) | 3 |
| d. Child care or maintenance | 4 |
| e. Mortgage payments | 5 |
| f. Null | |

Q48. And have you missed or made late payments on any of the following?

- a. Personal loan or credit agreement
- b. Credit card
- c. Mortgage / home loan
- d. Null

Q49. And have you ever been more than three months or more behind on any of the following?

- a. Personal loan or credit agreement
- b. Credit card
- c. Mortgage / home loan
- d. Null

Q50. Thinking back to when you have had difficulty with keeping up credit payments, how many payments would you say you missed or made late in total in the course of a year?

- a. 1
- b. 2
- c. 3
- d. 4
- e. 5
- f. More than 5

Q51. Many people have difficulties with keeping up with things these days. Which of the following have ever happened to you?

- a. Bad credit rating with agencies
- b. County court judgement
- c. Paid bills on credit card
- d. Paid mortgage payments on credit card
- e. Maxed out a credit card
- f. Made minimum payments on a credit card for an extended period
- g. Threats of repossession or seizure of assets
- h. Visits from debt collectors / bailiffs
- i. Seizure of goods by bailiff
- j. Loss of home or eviction
- k. Had utilities cut off for non-payment of bills
- l. Made an agreement with creditors through a free debt advice service
- m. Made an agreement with creditors through a paid for debt management service
- n. Made an IVA with creditors
- o. Been made bankrupt
- p. Pressure or threats from Illegal lender (loan shark)
- q. None of these
- r. Don't know
- s. Refused

Q52. Q61 Which of the following effects have you or your family suffered as a result of problems or stress associated with debt? Choose as many as are applicable.

- a. 01: Physical health problems in adults

- b. 02: Physical health problems in children
- c. 03: Mental health problems in adults
- d. 04: Mental health problems in children
- e. 05: Tension and arguments with partners
- f. 06: Difficulties in relationships between parents and children
- g. 07: Breakdown of relationships with partners
- h. 08: Breakdown of relationships with family and friends
- i. 09: Problems with employment
- j. 10: Difficulties with fuel and heating
- k. 11: Difficulties in providing food for the family
- l. 12: Difficulties in buying adequate shoes or clothing
- m. 13: Difficulties with rent or housing
- n. 14: Other social problems
- o. 15: None of these

Q53. Q29b Which of the following types of organisation have you had repayment problems with. Choose as many as apply:

- a. Bank
- b. Credit Union
- c. Credit card company
- d. Mortgage lender
- e. Housing Association
- f. Retailer
- g. Consumer finance company
- h. Mail order / catalogue
- i. Pawnbrokers or Cash Converters
- j. Rent to own (Brighthouse type)
- k. Home credit company
- l. Pay day loan lender
- m. Local authority/council
- n. Utility supplier (gas / electric etc)
- o. Phone company
- p. Illegal lender (loan shark)
- q. Other
- r. None of these
- s. Don't know
- t. Refused

Q54. And which of these statements best describes the communications with the organisation you were having payment problems with most recently?

- a. I got in touch as soon as payment problems arose and arranged a new payment schedule which I was able to keep to
- b. I was contacted by the lender / organisation I owed money to and we agreed a payment schedule that I was able to keep to
- c. I was contacted by the lender / organisation when the problems started and agreed a revised repayment schedule but I couldn't really keep to it
- d. I kept in contact with the lender / organisation even though there wasn't anything I could do about the situation
- e. I did speak to the lender / organisation but didn't keep up the communication because I couldn't do anything about the situation
- f. I just ignored the communications because I couldn't face dealing with it
- g. Don't know
- h. Null

Q55. And which of the following statements is closest to your own attitude to repaying the organisation which you owed money to?

- a. I prioritised repayments on my debt and made sacrifices elsewhere
- b. My first priorities had to be essentials and day to day needs so repaying debt had to come second
- c. I didn't really worry too much about repaying the debt because I had other things to deal with at the time
- d. Don't know
- e. Null

Q56. Q.39 When you have missed payments or made late or incomplete payments, which of the following statements best describes the reason for your difficulties?

- a. 01: My income is too low to cover all my outgoings
- b. 02: Drop in income due to changed circumstances, job loss, reduced wages/overtime,
- c. Changes in benefit levels
- d. 03: Drop in income due to personal difficulties, sickness, relationship breakdown
- e. 04: An unexpected bill or expense
- f. 05: Borrowed too much, repayments too high
- g. 06: Household expenses increased due to change in circumstances
- h. Under pressure from a loan shark
- i. 07: Other (specify)

- j. Don't know
- k. Refused

Q57. Are you aware of any unofficial money lenders (loan sharks) operating in the area where you live?

- a. Yes
- b. No
- c. Don't know
- d. Refused

Q58. Q62 And are unofficial money lenders (loan sharks) to your knowledge used by family or friends or people within your own social circle?

- a. Yes
- b. No
- c. Don't know
- d. Refused

Q59. Q63 And do you or anyone in household use unofficial money lenders (loan sharks)?

- a. Yes
- b. No
- c. Don't know
- d. Refused

Q60. Have you ever consulted a debt or money advice service such as Citizens Advice or Payplan?

- a. Yes
- b. No

Which of the following effects have you or your family suffered as a result of problems or stress associated with debt? Choose as many as are applicable.

- a. 01: Physical health problems in adults
- b. 02: Physical health problems in children
- c. 03: Mental health problems in adults
- d. 04: Mental health problems in children
- e. 05: Tension and arguments with partners

- f. 06: Difficulties in relationships between parents and children
- g. 07: Breakdown of relationships with partners
- h. 08: Breakdown of relationships with family and friends
- i. 09: Problems with employment
- j. 10: Difficulties with fuel and heating
- k. 11: Difficulties in providing food for the family
- l. 12: Difficulties in buying adequate shoes or clothing
- m. 13: Difficulties with rent or housing
- n. 14: Other social problems
- o. 15: None of these

Technical Appendix C.6: Home credit user survey

The survey was undertaken with a random representative sample of 500 recent home credit users. It was undertaken in November 2009 by Teamsearch Market Research

Q1. Can I just check whether you have borrowed from a home credit company that collect repayments weekly from your home, either in the form of cash loans or shopping vouchers, within the last two years?

- a. Yes
 - b. No
- (CLOSE IF NO)**

Q2. Can I just check your age?

- a. 01: Less than 18
 - b. 02: 18–25
 - c. 03: 26–45
 - d. 04: 46–65
 - e. 65+
 - f. Refused
- (CLOSE IF OVER 65)**

Q3. RECORD GENDER

- a. Male
- b. Female

Q4. And which of the following applies to your housing arrangements?

- a. Renting private landlord
- b. Renting Housing Association
- c. Renting Local Authority
- d. Home owner with mortgage
- e. Home owner without mortgage
- f. Other

Q5. And which of the following applies to you?

- a. 01: Single, no children
- b. 02: Married or cohabiting with a partner, no children
- c. 03: Married or cohabiting with a partner, children at home
- d. 04: Single parent with children at home
- e. 05: Married or cohabiting with a partner, children left home
- f. 06: Single, children left home

g. Refused
(ASK ALL WITH CHILDREN)

Q6. And do you have children at home?

- a. Under 5
- b. 5 – 11
- c. 11 – 18

The next few questions will be about how you organise your money and sort out your bills. I can assure you that your replies will be completely confidential and anonymous. All the information we collect is added together and we only ever look at the results from everyone as a whole, rather than anyone's individual answers. The data collected from this survey will be used to inform policy makers so your participation in this study is extremely valuable. If it's alright with you, I'd just like to ask you some more general questions about your finances.

Q7. And how do you usually manage your money?

- a. Mainly in cash
- b. Mainly through my bank account

Q8. May I ask whether you have any cash savings? Stop me when I reach the right amount.

(INTERVIEWER: READ OUT)

- a. No cash savings
- b. Less than £100
- c. £101 to £200
- d. £201 to £300
- e. £301 to £500
- f. £501 to £1,000
- g. £1,001 to £2,500
- h. £2,501 and over
- i. DK/Ref (*do not read out*)

Q9. Which of these best describes your feelings about managing your outgoings and commitments?

(INTERVIEWER: READ OUT LIST)

- a. I can manage outgoings and commitments comfortably
- b. I can manage but sometimes finances feel a little tight
- c. I am finding it a struggle to keep up with outgoings and commitments
- d. I'm falling behind on commitments but think I'll be able to catch up
- e. I'm falling behind with commitments and can't see a way to catch up
- f. DK/Ref (*do not read out*)

Q10. Lots of people are having difficulties managing these days. Which of these have you experienced difficulties with in the last twelve months?

(INTERVIEWER: READ OUT, CODE ALL THAT APPLY)

- a. Paying for electricity, gas or heating
- b. Providing food for the family
- c. Buying shoes or clothing
- d. Paying for petrol or transport
- e. Finding rent or mortgage payments
- f. Replacing or repairing equipment
- g. Finding money for essential major purchases such as washing machines or furniture
- h. Repaying credit or loan agreements
- i. Finding money for medical or dental treatment
- j. Finding the funds for Christmas or birthday presents
- k. Affording entertainment, days out or holidays
- l. None
- m. DK/Ref (do not read out)

Q11. These days it's not always easy to manage everything you have to pay for. Are you currently in arrears or do you still owe money on previous bills, household utilities, rent etc? Don't include money owed on credit cards, loans, credit agreements or mortgages

- a. Yes
- b. No
- c. DK
- d. Refused

Q12. How easy would you find it to raise £200–£300 in an emergency without borrowing?

- a. Impossible
- b. Difficult
- c. Easy

Q13. How easy would you find it to save £500 pounds for a special purpose?

- a. Impossible
- b. Difficult
- c. Easy

Q14. You said earlier you have had a home credit loan or shopping voucher. And how much did you borrow on your most recent home credit loan or shopping voucher? If you have recently had a cash loan and a shopping voucher, please answer for the cash loan.

- a. 01: Under £100
- b. 02: £100 - £150
- c. 03: £150 - £200
- d. 04: £200 - £250

- e. 05: £250 - £350
 - f. 06: £350 - £450
 - g. 07: £450 - £550
 - h. 08: £550 - £650
 - i. 09: £650 - £750
 - j. 10: £750 - £1000
 - k. 11: More than £1000
 - l. (DK)
 - m. (R)
- (SHOW SCREEN)**

Q15. And over the course of a year, how many home credit loans do you usually have?

- a. 01: 1
- b. 02: 2
- c. 03: 3
- d. 04: 4
- e. 05: 5 or more
- f. (N)
- g. (DK)
- h. (R)

Q16. And how long have you been using home credit?

- a. First home credit loan
- b. Less than 1 year
- c. 1 – 2 years
- d. 2 – 5 years
- e. 5 – 10 years
- f. Longer than ten years

Q17. And thinking of all the home credit loans and \ or shopping vouchers you have had this year, which of the following purposes have you used any of the money you borrowed for ?

(INTERVIEWER: READ OUT)

- a. Making ends meet when I ran out of cash
- b. A cash emergency such as an urgent bill or unexpected expense
- c. A purchase of something I really needed but I couldn't afford to pay for all at once
- d. To spread the cost of something I wanted such as entertainment, holidays or Christmas
- e. Spending on something which would help me with work or studies, such as a computer or buying a car or car repairs
- f. To meet regular commitments such as mortgage, rent or utility payments

Q18. And may I ask how much you currently spend each week on repayments on home credit loans. If you are not paying back a home credit loan answer for the last time you had a home credit loan?

- a. Less than £5
- b. £5 – 10
- c. £10 – 20
- d. £20 – 30
- e. £30 – 40
- f. £40 – 50
- g. £50 – 75
- h. £75 – 100
- i. More than £100

Q19. And how much in total do you currently owe on your home credit loan

- a. Less than £25
- b. £25 – 50
- c. £50 – 100
- d. £100 – 150
- e. £150 – 200
- f. £200 – 250
- g. £250 300
- h. £300 - £400
- i. £400 – 500
- j. £500 – 750
- k. £750 – 1000
- l. More than £1000

(ASK ALL FOR WHOM NOT FIRST TIME LOAN AT Q16)

Q20. And can I check whether when you took out your most recent loan, had you finished paying any other loan you had with the same company ?

- a. 01: Finished paying other loan
- b. 02: Still paying other loan
- c. 03: (DK)
- d. (R)

(ASK Q.21 IF CODED 02 AT Q.20. ALL OTHERS GO TO Q.25)

Q21. And how close were you to finishing paying for the other loan when you took on your new loan?

- a. 01: Within two weeks of finishing paying
- b. 02: Within four weeks of finishing paying
- c. 03: Within eight weeks of finishing paying
- d. 04: About half way through the payment term
- e. 05: Less than half way through the payment term
- f. (DK)
- g. (R)

Q22. Did you decide to roll up the two loans together or did you decide to keep the most recent loan separate and make separate repayments on the same loans?

- a. 01: Rolled up new loan
- b. 02: Decided to keep new loan separate
- c. (DK)
- d. (R)

Q23. And where did the idea of rolling over the loan first come from, from you or someone else?¹

- a. Respondent
 - b. Someone else
- ASK IF SOMEONE ELSE AT Q20

Q24. And who was that - DO NOT PROMPT – SINGLE CODE

- a. Agent / collector
- b. Other person

Q25. When you took out your most recent loan, did you ask the agent for another loan or did the agent ask you if you wanted one?

- a. 01: I asked agent
- b. 02: Agent asked me
- c. (DK)
- d. (R)

Q26. And thinking of your most recent home credit loan, did you borrow

(INTERVIEWER: READ OUT)

- a. Less than you asked for
- b. What you asked for
- c. More than you asked for
- d. DK/Ref (do not read out)

Q27. Have you ever missed payments or made late or incomplete payments on the loans you have borrowed from companies that call at your door?

- a. 01: Yes
- b. 02: No
- c. (DK)
- d. (R)

Q28. Thinking of your most recent loan, how often would you say that you missed payments or made late or incomplete payments?

- a. 01: Most weeks

- b. 02: About once a month
- c. 04: Once every couple of months
- d. 05: Three or four times a year
- e. 06: Once or twice a year
- f. 07: Never
- g. (DK)
- h. (R)

Q29. When you have missed payments or made late or incomplete payments on home credit loans, which of the following statements best describes the reason for your difficulties? READ OUT AND CODE ALL THAT

APPLY

- a. 01: My income is too low to cover all my outgoings
- b. 02: Drop in income due to job loss, reduced wages or benefit
- c. 03: Drop in income due to personal difficulties
- d. 04: Unexpected bill or expense
- e. 05: 06: Household expenses increased
- f. 07: Other (specify)
- g. (DK)
- h. (R)

Q30. When you have had difficulties in making payments on your home credit loan, which of the following have you ever done to help you cope?

READ OUT AND CODE ALL THAT APPLY

- a. 01: Missed \ reduced payments on my home credit loan
- b. 02: Missed \ reduced payments on rent
- c. 03: Missed \ reduced payments on household bills, council tax etc
- d. 04: Cut down on food for myself
- e. 05: Cut down on food for the family
- f. 06: Cut down on heating \ electricity
- g. 07: 08: Cut down on extras
- h. 09: Got a loan from a different home credit lender
- i. 10: Got a loan from family or friends
- j. 11: Borrowed from a bank or other non home credit lender
- k. 12: Other (specify)
- l. (N)
- m. (DK)
- n. (R)

Q31. Which of these have you done most often when you've had difficulties in repaying your home credit loan? CODE ONLY ONE

- a. 01: Missed \ reduced payment on my home credit loan
- b. 02: Missed \ reduced payments on rent
- c. 03: Missed \ reduced payments on household bills
- d. 04: Cut down on food for myself
- e. 05: Cut down on food for the family
- f. 06: Cut down on my use of heating \ electricity
- g. 08: Cut down on extras
- h. 09: Got a loan from a different home credit lender

- i. 10: Got a loan from family or friends
 - j. 11: Borrowed from a bank or other non home credit lender
 - k. 12: Other (specify)
 - l. (N)
 - m. (DK)
 - n. (R)
 - ASK ALL
-

Q32. And would you describe the lender's response to your payment difficulty as?

(INTERVIEWER: READ OUT ALL BEFORE GETTING A RESPONSE)

- a. Sympathetic and flexible
 - b. Unsympathetic and inflexible
 - c. Aggressive in collecting debt
 - d. DK/Ref (do not read out)
-

Q33. Which of the following, if any, are reasons you use Home credit?

(INTERVIEWER: READ OUT, ROTATE ORDER, CODE ALL THE APPLY)

- a. Quick access to cash when you need it
 - b. Minimum hassle
 - c. Can borrow small sums
 - d. Agents understand my circumstances
 - e. You can miss payments if you need to
 - f. No extra charges if miss payments
 - g. Low weekly payments
 - h. Like home collection
 - i. Know where you are with how much credit costs
 - j. Can't borrow from other lenders
 - k. Less likely to get into trouble with home credit
-

Q34. Which of these statements about how you use home credit could you agree with? Choose as many as apply

(INTERVIEWER: READ OUT)

- a. I use home credit because I find it easy to manage
- b. I only borrow from home credit lenders because I can't borrow anywhere else
- c. I'd prefer to get a cheaper loan from somewhere else and pay by direct debit
- d. I like having the agent come round to collect my payments & give me my money
- e. I'd like to borrow more money than I can get on a home credit loan
- f. I'd prefer to take out a home credit loan than borrow on a credit card or from a bank
- g. If I wasn't able to borrow from a home credit lender I'd probably go to an unofficial money lender (loan shark) if I needed money

Q35. Which of these statements about borrowing from home credit lenders would you agree with? Choose as many as apply

- a. I only take out a home credit loan if I absolutely have to
- b. I take out home credit loans from time to time just as part of the way I manage my finances
- c. I borrow as little as possible from home credit lenders
- d. I usually borrow as much as my home credit lender is willing to lend
- e. Home credit lenders encourage you to borrow more than you can afford
- f. Home credit lenders are careful not to let you have more than you can manage
- g. DK/Ref (do not read out)

Q36. Thinking now about home credit and managing your money, which of the following statements would you agree with? Choose only one of each pair

(INTERVIEWER: READ OUT IN PAIRS, CODE ONE IN EACH PAIR)

- a. I'd manage my finances better if I didn't use home credit
- b. Home credit makes it easier to manager when money is tight
- c. Home credit loans make it easier to keep up with bills
- d. Taking out home credit loans makes it difficult to keep up with bills
- e. It's difficult to afford essentials when paying back a home credit loan
- f. It's easier to make sure the essentials are covered if you can borrow from home credit
- g. I can manage to pay my home credit fairly easily by budgeting carefully
- h. Paying back home loans means I never have enough money
- i. I'd have a better standard of living if I didn't use home credit
- j. I'd have a worse standard of living without home credit

Q37. Which of these three statements about home credit and financial difficulties would you agree with? Choose as many as apply

- a. Taking out a home credit loan means I can prevent running short of money becoming a crisis
- b. Borrowing from home credit just makes financial difficulties worse
- c. Using home credit just gets me into a spiral of debt I can't get out of
- d. Borrowing from home credit companies is less likely to get you into unmanageable debt than borrowing from credit cards

Q38. Please tell me whether you agree or disagree with each of the following statements

- a. Without home credit I couldn't cope with an emergency
- b. Without home credit it would be more difficult to manage expensive times of year
- c. Without home credit I wouldn't be able to afford big purchases like electronics or furniture
- d. Home credit takes the worry out of providing for the family at Christmas
- e. DK/Ref (do not read out)

Q39. If home loans were no longer available, which of the following, if any, could describe how you would change the way you manage your finances?

(INTERVIEWER: READ OUT, CODE ALL THAT APPLY)

- a. Have to manage without credit
- b. Have to rely more on friends and family
- c. Would use catalogue more
- d. Use overdraft facility / borrow from the bank more often
- e. Use my credit cards more
- f. Use pawn shops more
- g. Use sale and buy back (Cash Converters) more
- h. Go to an unlicensed money lender (loan shark) if I really needed money
- i. Wouldn't have anywhere to borrow money from
- j. None
- k. DK/Ref (do not read out)

Q40. On balance, bearing in mind the high cost of home credit as well as the convenience of quick access to credit, would you say that home credit has a negative or a positive impact on your finances and quality of life?

- a. Negative impact
- b. Positive impact
- c. DK/ Refused confidential

The next set of questions are about borrowing from people like banks and credit card companies. Again I would like to assure you that your answers are anonymous and are completely confidential.

Q41. How easy do you think it would be for you to borrow £200–£500 from a mainstream bank or loan company? Don't include specialist lenders like home credit and payday lenders.

- a. Impossible
- b. Difficult
- c. Easy

Q42. And if you needed to borrow £200 to £500 which of these would you be most likely to turn to? Don't include borrowing from family or friends

(INTERVIEWER: READ OUT: CODE ONE ONLY)

- a. Bank overdraft or loan
- b. Credit Card Company like Barclaycard or Capital One
- c. Home Credit Company
- d. Payday lender
- e. Credit union
- f. Unofficial lender (loan shark)
- g. None
- h. DK/Ref (*do not read out*)

Q43. Which of the following types of credit have you used in the last five years?

- a. Overdraft finance
- b. Storecard with credit facility
- c. Car loan arranged through a car dealer
- d. Log book loan secured on vehicle registration document
- e. Personal loan from a bank
- f. Personal loan from a consumer finance company
- g. HP finance
- h. Used a credit card to buy goods and services
- i. Raised cash on a credit card
- j. Borrowed cash against goods deposited with pawnbrokers
- k. Used sale and buy-back (such as Cash Converters)
- l. Home credit loan
- m. Shopping voucher from a home credit company
- n. Bought goods from catalogues for which I pay my agent weekly
- o. Bought goods from a rent to own retailer (such as BrightHouse)
- p. Pay day loan
- q. Social Fund loan
- r. Credit union loan
- s. Borrowed from friends and family
- t. Unlicensed lender (loan shark)
- u. None of these
- v. Don't know
- w. Refused

Q44. And which of these types of credit have you used most recently?

(DO NOT READ OUT – PROMPT FROM PREVIOUS LIST)

- a. Overdraft finance
- b. Storecard with credit facility
- c. Car loan arranged through a car dealer
- d. Personal loan from a bank
- e. Log book loan
- f. Personal loan from a consumer finance company
- g. HP finance
- h. Used a credit card to buy goods and services
- i. Raised cash on a credit card
- j. Borrowed cash against goods deposited with pawnbrokers
- k. Used sale and buy-back (such as Cash Converters)
- l. Home credit loan
- m. Shopping voucher from a home credit company
- n. Bought goods from catalogues for which I pay my agent weekly
- o. Bought goods from a rent to own retailer (such as BrightHouse)
- p. Pay day loan
- q. Social Fund loan
- r. Credit union loan
- s. Borrowed from friends and family
- t. An unlicensed lender (loan shark)
- u. None of these
- v. Don't know
- w. Refused

Q45. Many people have difficulties with keeping up with things these days. Which of the following have ever happened to you?

- a. Bad credit rating with agencies
- b. County court judgement
- c. Paid bills on credit card
- d. Paid mortgage payments on credit card
- e. Maxed out a credit card
- f. Made minimum payments on a credit card for an extended period
- g. Threats of repossession or seizure of assets
- h. Visits from debt collectors / bailiffs
- i. Seizure of goods by bailiff
- j. Loss of home or eviction
- k. Had utilities cut off for non-payment of bills
- l. Made an agreement with creditors through a free debt advice service
- m. Made an agreement with creditors through a paid for debt management service
- n. Made an IVA with creditors
- o. Been made bankrupt
- p. Pressure or threats from Illegal lender (loan shark)
- q. None of these
- r. Don't know
- s. Refused

Q46. Which of the following types of organisation have you had repayment problems with. Choose as many as apply:

- a. Bank
- b. Credit Union
- c. Credit card company
- d. Mortgage lender
- e. Housing Association
- f. Retailer
- g. Consumer finance company
- h. Mail order / catalogue
- i. Pawnbrokers or Cash Converters
- j. Rent to own (Brighthouse type)
- k. Home credit company
- l. Pay day loan lender
- m. Local authority/council
- n. Utility supplier (gas / electric etc)
- o. Phone company
- p. Illegal lender (loan shark)
- q. Other
- r. None of these
- s. Don't know
- t. Refused

Q47. Are you aware of any unofficial money lenders (loan sharks) operating in the area where you live?

- a. Yes
- b. No

- c. Don't know
- d. Refused

Q48. And are you aware of unofficial money lenders (loan sharks) being used by family and friends or people within your own social circle?

- a. Yes
- b. No
- c. Don't know
- d. Refused

Q49. And have you or anyone in household ever used unofficial money lenders (loan sharks)?

- a. Yes
- b. No
- c. Don't know
- d. Refused

Q50. And have you ever had a credit application refused?

- a. Yes
- b. No

Q51. And how recently have you been refused credit? Choose as many as apply:

- a. Within last 12 months
- b. Within last two years
- c. More than two years ago

Q52. And have you been refused a loan or credit from any of these types of lender?

- a. Storecard with credit facility
- b. Car loan arranged through a car dealer
- c. Personal loan from a bank
- d. Personal loan from a consumer finance company like Welcome or Ocean Finance
- e. HP finance
- f. Credit card provider
- g. Pawnbrokers
- h. Sale and buy-back (Cash Converters)
- i. Home credit company
- j. Mail order credit
- k. Overdraft finance
- l. Rent to own retailer (BrightHouse)
- m. Pay day loan (such as MoneyShop)
- n. Social Fund loan
- o. Credit union loan

- p. Friends and family
- q. Unlicensed lender (loan shark)
- r. None of these
- s. Don't know
- t. Refused

Q53. Thinking about the last time you were looking to borrow money from a bank or consumer finance company – not home credit - , how much did you try to / actually borrow? (exclude money you might have borrowed from family or friends or for a home loan)

- a. Less than £50
- b. £50–£100
- c. £100–£200
- d. £200–£300
- e. £300–£500
- f. £500–£750
- g. £750–£1,000
- h. £1,000–£1,500
- i. £1,500–£2,500
- j. £2,500–£5,000
- k. More than £5,000

Q54. Do you currently owe any money on credit agreements and loans from banks, consumer finance or credit card companies? Don't include money owed on mortgages, home credit or payday loans or any borrowing from employers, friends and family.

- a. 01: Yes
- b. 02: No
- c. Don't know
- d. Refused

Q55. Thinking now of the total value of what you owe on personal loans and credit agreements, how much would you say you owe in total? DO NOT INCLUDE SUMS OWED ON CREDIT CARDS OR MORTGAGE BORROWING OR ANYTHING OWED ON HOME CREDIT OR PAYDAY LOANS.

- a. Nothing
- b. 01: Less than £250
- c. 02: £250–£500
- d. 03: £500–£1,000
- e. 04: £1,000–£2,500
- f. 05: £2,500–£5,000
- g. 06: £5,000–£10,000
- h. 07: More than £10,000
- i. Don't know
- j. Refused

Q56. And thinking now of the total value of what you owe on credit cards, how much would you say you owe in total? Do not include anything owing which you will pay off in full at the end of the month.

- a. Nothing
- b. 01: Less than £250
- c. 02: £250–£500
- d. 03: £500–£1,000
- e. 04: £1,000–£2,500
- f. 05: £2,500–£5,000
- g. 06: £5,000–£10,000
- h. 07: £10,000–£15,000
- i. £15,000–£20,000
- j. More than £20,000
- k. Don't know
- l. Refused

Q57. And still thinking of all your personal borrowing, how much do you spend each month on making credit repayments? Include payments on loans, credit agreements, mail order catalogues/club books, home credit and credit cards but do not include repayments on mortgages, borrowing from employer, the Social Fund and friends and family.

- a. Not spending anything on debt repayments
- b. 01: Less than £10
- c. 02: £10–£20
- d. 03: £20–£30
- e. 04: £30–£50
- f. 05: £50–£75
- g. 06: £75–£100
- h. 07: £100–£150
- i. 08: £150–£200
- j. 09: £200–£250
- k. 10: £250–£500
- l. 11: More than £500
- m. Don't know
- n. Refused

Q58. And have you missed or made late payments on any of the following?

- a. Personal loan or credit agreement
- b. Credit card
- c. Mortgage / home loan

Q59. And have you ever been more than three months or more behind on any of the following?

- a. Personal loan or credit agreement
- b. Credit card
- c. Mortgage / home loan

Q60. Thinking back to when you have had difficulty with keeping up credit payments, how many payments would you say you missed or made late in total in the course of a year?

- a. 1
- b. 2
- c. 3
- d. 4
- e. 5
- f. More than 5

Finally I'd like to ask you some questions about now what you spend on various things. Please remember that this is anonymous and confidential and we will not look at the answers of any single individual, just the average for groups of people

Q61. And thinking now of the last time the children went back to school, how much would you say that you had to spend on clothes, shoes and other things they had to have for school?

- a. Nothing
- b. Less than £20
- c. £20–£50
- d. £50–£100
- e. £100–£200
- f. £200–£400
- g. More than £400

Q62. And how did you finance your spending on the children going back to school? Choose only one:

- a. Mainly through borrowing or buying through a catalogue
- b. Mainly through existing money I already had

Q63. And thinking now of how you financed this expenditure which of these types of credit or payment methods did you use?

- a. Bank overdraft
- b. Personal loan from a bank
- c. Paid with a credit card
- d. Credit union loan
- e. In store finance
- f. Bought through a catalogue and paid in instalments
- g. Home credit loan
- h. Other

Q64. Thinking now of the last time you made a big purchase such as a washing machine, furniture or consumer electronics how much did you spend at that time?

- a. Haven't made major purchase in last five years
- b. Less than £100
- c. 03: £100–£200
- d. 04: £200–£300
- e. 05: £300–£500
- f. 06: £500–£1,000
- g. 07: £1,000–£2,500
- h. More than £2,500
- i. Don't know
- j. Refused

Q65. And how did you finance this major purchase? Choose only one:

- a. Mainly through borrowing or buying through a catalogue
- b. Mainly through existing money I already had

Q66. And thinking now of how you financed this purchase such as a washing machine, furniture or consumer electronics, which of these types of credit or payment methods did you use?

- a. Bank overdraft
- b. Personal loan from a bank
- c. Paid with a credit card
- d. Credit union loan
- e. In store finance
- f. Bought through a catalogue and paid in instalments
- g. Home credit loan
- h. Brighthouse
- i. Other

Q67. And thinking now of last Christmas, how much money would you say that you spent on presents and the festivities overall?

- a. Nothing
- b. Less than £100
- c. 03: £100–£200
- d. 04: £200–£300
- e. 05: £300–£500
- f. 06: £500–£1,000
- g. 07: £1,000–£2,500
- h. More than £2,500
- i. Don't know
- j. Refused

Q68. And how did you finance Christmas? Choose only one:

- a. Mainly through borrowing or buying through a catalogue

- b. Mainly through existing money I already had

Q68. And thinking now of how you financed last Christmas, which of these types of credit or payment methods did you use?

- a. Bank overdraft
- b. Personal loan from a bank
- c. Paid with a credit card
- d. Credit union loan
- e. In store finance
- f. Bought through a catalogue and paid in instalments
- g. Home credit loan
- h. Brighthouse
- i. Money lender (loan shark)
- j. Other

Q69. And which of the following best describes your household?

- a. 01: No-one working in paid employment
- b. 02: One person working part-time or occasionally
- c. 03: Two or more persons working part-time or occasionally
- d. 04: One person working full-time, with no-one else working
- e. 05: One person working full-time, with at least one other person working part-time or occasionally
- f. 06: Two or more persons working full-time
- g. 07: Other (specify)
- h. Don't know
- i. Refused

Q70. Please could you tell me into which of the following ranges your household income falls? By household income we mean the combined pre tax income of yourself and your partner, if you have one. Please include income obtained from pensions and benefits. Stop me when we get to the range in which your income falls:

(INTERVIEWER: READ OUT)

- a. Less than £127 per week
- b. £127 to £213 per week
- c. £214 to £288 per week
- d. £289 to £369 per week
- e. £370 to £467 per week
- f. £468 to £588 per week
- g. £589 to £721 per week
- h. £722 to £888 per week
- i. £889 to £1137 per week
- j. More than £1137 per week
- k. DK *(do not read out)*
- l. Ref *(do not read out)*

Q71. Which, if any, of the following state benefits or tax credits do you or someone in your household personally receive?

- a. 01: Disability Living Allowance (DLA)
- b. 02: Disabled Person's Tax Credit
- c. 03: Working Family Tax Credit
- d. 04: Housing Benefit
- e. 05: Incapacity Benefit
- f. 06: Income support
- g. 07: Job Seekers Allowance
- h. 08: None of these
- i. Refused

Q72. Does any of the following apply to you / anyone living in your household?

(SHOWCARD – ASK RESPONDENT TO SIMPLY READ OUT LETTER THAT APPLIES)

- a. Mobility impairment or other physical disability
- b. Major health condition such as diabetes or heart disease
- c. Learning disability
- d. Mental health problems
- e. Problems with drug or alcohol abuse
- f. None of these

Q73. Many people find it difficult dealing with officials and forms and that sort of thing. Which, if any, of these statements could apply to how you feel?

(READ OUT)

- a. I have difficulties with filling out forms
- b. I'm not very good with numbers
- c. I find reading and writing difficult
- d. I feel intimidated going into offices or institutions I'm not familiar with
- e. I'm not very confident with officials or staff I don't know
- f. None of these

(THANK AND CLOSE)

Technical Appendix D: Methodology for Cost and Benefit Estimates

Estimation of Benefits methodology

D.1 Overview

The purpose of this Appendix is to set out the methodology for estimating gross project benefits in relation to the following indicators:

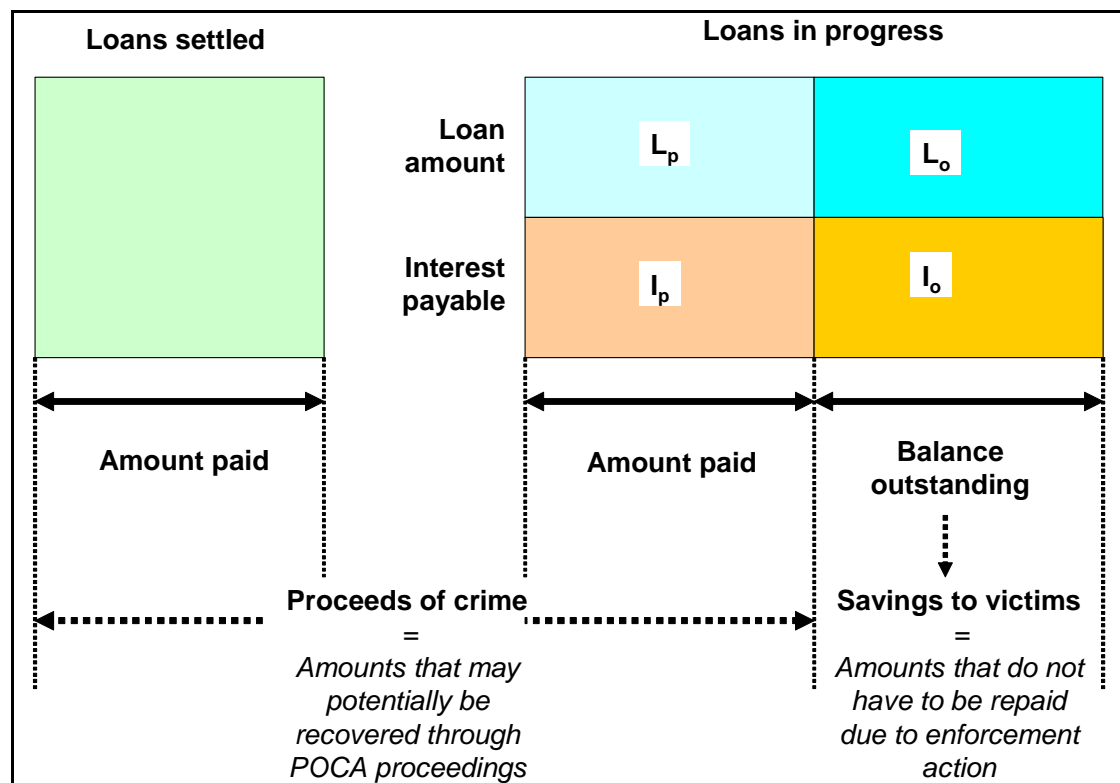
- Savings to victims.
- Quality adjusted life year (QALY) gains.
- Proceeds of crime recoveries.
- Health service savings.

The Section commences by outlining the framework for the analysis, to identify expected direct benefits, with reference to the aim and objectives of the initiative and how those objectives have been pursued.

D.2 Framework

To help define the benefits to be quantified, Figure C.1 presents a simplified representation of a loan book, based on a victim making regular weekly payments, where interest is set at some percentage per £100 borrowed.

Figure C.1 Simplified representation of a loan book and potential benefits from enforcement action



The loan book illustrated in Figure C.1 is a stylised representation because lenders differ in how they collect money from their victims. For example, the lender may set weekly payments to repay interest only for some fixed period, with the 'principal' being paid as a final lump sum instalment. Loans may be continually rolled over as the lender seeks to ensure a continuous stream of income from the victim. Additional or 'penalty' payments may be imposed, more or less arbitrarily, whenever the victim misses a payment or is late in paying. Nonetheless, the simplified representation of a loan book in Figure C.1 serves as a consistent framework for measuring benefits from enforcement action.

Suppose that enforcement action removes the lender and 'closes' the lenders' book. The lenders' victims stand to gain insofar as they no longer have to pay the lender. The victims are thereby afforded the opportunity to repair their finances, pay their bills and purchase goods that may have been foregone due to the overriding need to pay the lender. In that regard, removing loan sharks provides a direct platform to the financial inclusion objective of the IML initiative.

Victims also stand to gain in other more intangible respects. A key element in the relationship between victim and lender is the climate of fear and intimidation that the lender creates in order to ensure a steady flow of payments from the victim. In the surveys undertaken for this evaluation, 70 per cent of victims strongly agreed and 21 per cent agreed with the statement that "*Money lenders intimidate their customers and there is always a fear of violence in the back of your mind*". Almost one in four (24 per cent) said that the lender behaved with threats of violence. Five per cent of victims said that the lender had used violence against them.

There is research evidence to suggest that fear of crime has adverse health effects, notably on a person's psychological health due to worry and anxiety (Dolan and Peasgood, 2007; Farrell and Gadd, 2004). Hence, closing a loan book should serve to lift the fear which many victims feel when in the grip of a loan shark, thereby leading to reduced stress and improved quality of life. However, not all victims will realise these gains:

- Some may continue to pay the lender or an associate.
- Some may not sustain the relief offered and may subsequently borrow from another loan shark.

These factors need to be considered in adjusting gross savings to victims to produce a net benefit estimate.

Society also stands to gain from the removal of a lender, through recovering the proceeds of the illegal money lender's activities. As they represent actual criminal gains (where this can be evidenced and a conviction secured), amounts previously paid by victims provide a starting point for investigating the illegal money lender's financial affairs under the Proceeds of Crime Act 2002.

In addition, lifting the burden of illegal debt on victims may be expected to have consequential or knock-on benefits in terms of reduced public expenditure, mainly in relation to health costs.

D.3 Savings to Victims

The main source of data for estimating savings to victims was the information supplied by the IML teams as part of the performance monitoring process for the total estimated monetary value of illegal lenders' loans recovered.

The main problem to be overcome in deriving an estimate of the potential savings to victims from estimated loan book values (LBVs) is that the teams did not adopt a

consistent approach to estimating the value of loan books recovered from illegal money lenders. Based on consultations undertaken with each of the teams, the variations are as follows:

- Scotland – Estimated from the value of loans outstanding at the time that records and other evidence are obtained. Amounts already paid by victims are not included.
- Wales – Based on the amount demanded in total by the lender from the victim i.e. includes the value of loans plus interest and penalties. This would include both amounts paid and amounts outstanding.
- South West – The team calculates how much the lender has lent out at the point of the seizure of the loan book. The figures provided to BIS do not include the interest charged by the lender.
- North East – The team includes payments already made to the lender, including both principal and interest, as well as payments remaining to be made i.e. the total value of the book to the loan shark.
- East Midlands – The amount that has already been paid to the lender i.e. actual monies obtained by lenders from their victims. Some victims may have settled their loans at the time that the books are recovered. The estimates do not attempt to separately estimate the value of future payments that the victim might otherwise have paid in the future.
- London – The amount that was lent to the victim. In that instance, the savings to victims comprise the unpaid ‘principal’ plus interest (and penalty payments) that would otherwise have been paid to the lender.
- CenTSA – Depending on the information available, the CenTSA team estimates loan book values to include: the amount of loan and interest outstanding; and, the interest already paid. The latter item would not count as a saving to the victim (since the monies have already been paid), though it would potentially be recoverable via POCA proceedings. That said, in one case discussed by the CenTSA team in its performance monitoring report to BIS, the judge ordered that compensation be paid to the victims.

As the teams report LBVs on their own understanding of the BIS guidance, it was necessary to convert the reported LBVs to a common basis for the purpose of this evaluation. The adjustments required were as follows:

- Deduct estimated amounts paid, both principal and interest (Wales, North East, East Midlands).
- Deduct estimated amounts paid, interest only (CenTSA).
- Deduct estimated amount of principal already paid (London, South West).
- Add expected interest to be paid on outstanding loans (London, South West).

The adjustment factors used for that purpose were estimated from the following sources:

- Statistical analysis of five loan books supplied by one of the teams. The total number of loans on these books was 1,917, relating to 1,335 victims. In particular, the books encompassed a range of loan amounts, with the mean amount borrowed per book ranging from £137 to £1,644. The median loan amounts per book ranged from £90 to £1,000.
- Quantitative information extracted from 83 witness statements, including the initial amount borrowed, payments to the lender and duration of the loan.

- The survey of victims, which sought information on amounts borrowed, amounts paid and duration of the loan.

The estimated gross savings to victims are shown in Table D.4 of Appendix D. In interpreting the estimates, it is useful to bear in mind that all teams noted that records held by money lenders are highly variable, some being more complete than others. In some areas, lenders are no longer keeping a 'centralised' set of records, as they are now aware of the evidential value of such documents. It is, therefore, likely to be the case that the LBVs reported by the teams under-estimate the 'true' value of illegal lenders' loan books. No attempt has been made to adjust the figures reported by the teams for the possibility of under-estimation of LBVs. Any such adjustments would inevitably entail a degree of speculation and create further uncertainty around the extent of measurement error in the estimation of savings to victims.

D.4 QALY Gains

As set out in Dubourg *et al* (2005), the Home Office approach to measuring the intangible costs of crime is based on research undertaken by the University of Sheffield using British Crime Survey (BCS) data into "the prevalence and severity of various health state outcomes associated with a range of violent crime incidents". These health outcomes are then converted into estimated losses of quality-adjusted life years (QALYs).

The QALY concept has been extensively used in the economic appraisal of alternative health interventions (NICE, 2008a). In the Home Office methodology, the impact of suffering a violent crime is quantified by multiplying the QALY estimates by a monetary estimate derived from research undertaken for the Department of Transport (DoT) to estimate values for the prevention of serious non-fatal injuries in road traffic accidents.

Illegal money lending is not, however, one of the types of crime encompassed by the Home Office tables for the economic costs of crime. The approach adopted for this evaluation follows a similar route to that taken by the Home Office, but drawing instead from the literature on the fear of crime (Dolan and Peasgood, 2007; Farrell and Gadd, 2004).

The 'fear of crime' is defined by Dolan and Peasgood as all the "tangible and intangible costs in anticipation of possible victimization". In their model, the intangible costs afflicting those affected by fear of crime are linked to people's psychological health through worry and anxiety leading to varying degrees of stress. Research undertaken by Farrell and Gadd (2004) has sought to measure the effects of fear of crime by mapping from levels of fearfulness to a score on a health measure related to anxiety/depression (the EQ5D) which can in turn be linked to a tariff of QALY valuations, as set out in Table D.1 below.

Table D.1: Assumptions for QALY health loss from Farrell and Gadd (2004) data

Fearfulness on last occasion experienced fear:	Health loss from each fearful occasion, in QALYs:
Not very fearful	0.0000000
A little bit fearful	0.0000174
Quite fearful	0.0000437
Very fearful	0.0001511

Source: Dolan and Peasgood, 2007, Table 2.

The QALY scores can then be converted to monetary values by applying an appropriate valuation. There are two possibilities:

- The implicit values of a QALY from the recommendations made by the National Institute for Clinical Excellence (NICE). As set out in NICE (2008a), the range of implicit values is £20-£30,000 per QALY.
- The use of public willingness-to-pay (WTP) to avoid a particular type of injury or harm, using road traffic accidents as a proxy indicator. Dolan and Peasgood report on WTP research valuing a QALY at £81,000.

The NICE range is considered the more appropriate for this evaluation, for two reasons:

- It represents a more conservative approach, thereby mitigating the risk of over-estimating the value of intangible effects of being an IML victim.
- The NICE range is more appropriate as a yardstick for consistency across the public sector.

In applying the fear of crime method to valuing the effect of being an IML victim, the first step was to map from victims' self-reported relationships with illegal money-lenders to the fear of crime levels listed in Table D.1 above. Based on the responses to the survey of victims, the resultant mapping is shown in Table D.2, along with the distribution of victims by level of fear.

Table D.2: Assumptions for mapping from victims' relationships with illegal money-lenders to fear of crime levels

Fearfulness on last occasion experienced fear:	Relationship to lender:	% of victims
Not very fearful	No fear/intimidation	9.5%
A little bit fearful	Always fear of violence at the back of your mind	61.9%
Quite fearful	Threats of violence	23.8%
Very fearful	Violent	4.8%

Source: Policis survey.

Given a mapping from victims' relationships with their lenders to fear of crime levels, it is then necessary to make assumptions regarding the frequency and duration of victims' fear of crime. Based on the survey responses, the average length of time that victims had been paying their lender was slightly less than two years. It is also assumed that fear is a daily occurrence for an IML victim, albeit varying in degree as set out in Table D.2.

When a loan book is stopped due to enforcement action, the victim is potentially spared the ongoing fear of violence and intimidation. Combining the foregoing assumptions for duration and frequency with the QALY effects shown in Table D.1 valued at £30,000 per QALY or part thereof, the resulting estimated monetised values from lifting the fear of violence are shown in Table D.3 below.

Table D.3: Estimated QALY gains per victim (gross effects)

Relationship to lender:	% of victims	QALY gains per victim
No fear/intimidation	9.5%	£0.00
Always fear of violence at the back of your mind	61.9%	£369.48
Threats of violence	23.8%	£927.94
Violent	4.8%	£3,208.50
All	100.0%	£602.45

Source: Policis survey.

When compared with those made for similar purposes, the estimates shown in Table D.3 can be viewed as conservative. For example, in the Home Office tables for the costs of crime, the physical and emotional impact on direct victims of wounding are estimated at an average of £4,554. For common assault, the impacts are estimated at £788 on average.

In Farrell and Gadd's study, the health costs of fear of crime are related to the EQ5D measures for anxiety/depression. To that extent, they might be compared to the tariffs for mental illness and temporary mental anxiety in the Criminal Injuries Compensation Scheme. In that scheme, the tariff for a person suffering disabling but temporary mental illness lasting more than six weeks is £1,000. For a person suffering from 28 weeks to two years, the tariff is £4,400.

The estimates for QALY gains accruing to IML victims are shown in the accompanying Table D.4. These are gross estimates, unadjusted for factors such as deadweight. The estimates have been derived by applying the average QALY gain per victim (Table D.3) to the estimated numbers of victims associated with the team's enforcement activities, since the national project commenced in 2007-08.

Six of the seven teams were able to supply estimates for victim numbers on request. The South West was only able to supply a figure for the number of clients identifiable from the loan books and with which the team had been in contact (235).

Unidentifiable clients who did not contact the team were not included in the figure supplied by the South West. According to the team, there were "many more" victims who were not identifiable. An estimate was therefore made of the total number of victims on the South West loan books, by applying an estimate for the average amount borrowed to estimated savings to victims.

D.5 Proceeds of Crime

Under the Proceeds of Crime Act (POCA) 2002, a convicted offender can be ordered by a court to repay a sum of money equivalent to the amount that the offender is adjudged to have gained from crime. The POCA legislation is based on the principle that crime should not pay and that criminals should not benefit from their criminal activities.

In April 2006 an ‘incentivisation scheme’ was introduced by the Home Office through which 50 per cent of confiscated monies are returned to the ‘front-line’ agencies involved in the investigation, prosecution and enforcement of confiscation matters. Trading standards departments in England and Wales are part of the POCA incentivisation scheme. The IML teams can therefore potentially recoup some of the costs incurred in the investigation and prosecution of illegal money-lending. The position is different in Scotland, where all funds seized under POCA go to the Crown.

Bullock *et al* (2009) point out a number of benefits that can be expected from seizing and confiscating the proceeds of crime:

- Deters would-be offenders by raising the actual and perceived risks of committing crime.
- Visibly deprives criminals of their profits, reducing their power and status within the community.
- Prevents profits from crime being reinvested into further criminality, or tainting the legitimate economy.
- Justice is better served in that people are not allowed to profit from crime and this is seen to be the case.

The putative effects of POCA can therefore be seen to relate well to the rationale, aim and objectives of the IML initiative. In particular, the deterrent effect directly addresses the risk and reward element in the rationale for the IML initiative and may be expected to contribute to the objective of reducing the incidence of IML in the community, though Bullock *et al* note that the deterrent effect of POCA remains unproven. Reducing the power and status of criminals in the community might also be anticipated to contribute to the objective of creating a climate in which victims can come forward.

The benefits that can potentially accrue through POCA can, in principle, be estimated from the Performance Monitoring information supplied by the teams in relation to the value of assets restrained or confiscated. In addition to cash seizures, the main POCA-related indicators reported on by the teams are as follows (Table D.4):

- Total Criminal Benefit of loan shark.
- Estimate of value of assets Restrained under Section 41 POCA.
- Amount awarded by Confiscation or Forfeiture Order.

Table D.4: Value of assets seized / Proceeds of Crime (POCA) compensation awarded to victims, 2007-08 to 2009-10

	£m
Amount of Cash seized	0.741
Estimate of value of assets Restrained under Section 41 POCA	8.146
Amount awarded by Confiscation or Forfeiture Order	1.902

Compensation awarded to victims	0.035
Total Criminal Benefit of loan shark	24.843
Total	35.666

Source: IML Teams, Performance Monitoring Reports.

The total criminal benefit is the amount by which the defendant has benefited from crime. Under the legislation, it is possible to pursue confiscation of benefits derived from a specific offence. Alternatively, if a 'criminal lifestyle' is established the court is entitled to make certain assumptions to determine the benefit accrued from criminal activities. In particular, any assets acquired or transferred and any expenditure incurred in the previous six years can be assumed to have been obtained as a result of criminal activity unless the defendant can prove the contrary.

A confiscation order, under section 6 POCA, is an order to pay a sum of money in the light of (a) how much the defendant has benefited from his crime and (b) the defendant's assets (the 'available amount'). The amount of the confiscation order cannot exceed the amount of the benefit (Home Office, 2005). However, if the defence is able to prove that the available amount is less than the benefit figure, the order will be set at the available amount.

A confiscation order seeks to recover the value of criminal proceeds, not the actual proceeds themselves. It is an order to pay a sum of money enforced as if it were a fine. By contrast, a forfeiture order refers to specific assets. That is, a forfeiture order deprives the defendant of title there and then. If confiscation is invoked the court will not usually be able to make a forfeiture order. The confiscation order is the more usual route for recovering criminal benefits under POCA (Bullock et al, 2009).

A Restraint Order is defined in the following terms by the CPS¹:

A restraint order has the effect of freezing property anywhere in the world that may be liable to confiscation following the trial and the making of a confiscation order. It may be made both against the defendant or person under investigation, and any other person holding realisable property.

The extent of a restraint order will depend upon the amount in which the confiscation order is likely to be made. In England and Wales, for an offence begun after 24 March 2003, an application for a restraint order may be made at any time after an investigation has commenced into whether the offence has been committed.

The values shown for the POCA indicators in Table D.4 above do not, however, necessarily equate to the amounts that are actually recovered at the end of the process. In estimating the expected amounts recovered, it is necessary to take into account the attrition that occurs in the POCA process i.e. the amounts actually recovered will typically diverge from the assessed total criminal benefit as well as the value of assets restrained or confiscated.

The POCA confiscation process comprises a series of discrete stages, as follows (Bullock et al, 2009):

- Assessment of criminal benefit.

¹

http://www.cps.gov.uk/legal/p_to_r/proceeds_of_crime_guidance_restraint_and_management_receivers/#Toc122419507.

- The criminal benefit agreed by the court.
- Assessment of available assets.
- Confiscation order imposed by court.
- Recovery of the confiscation order.

Attrition occurs when there is erosion or reduction in the value of the criminal benefit between one stage and the next. Attrition can arise at any one or all of the stages from commencement of the process to enforcement and recovery of a confiscation order. In the confiscation order process, the value of the order made may differ from the assessed criminal benefit. In the enforcement or recovery phase, not all of the order may be paid.

Bullock *et al* (2009) have identified three main sources of attrition in the POCA process:

- **Procedural attrition** affects the difference between the initial assessment of criminal benefit and the amount ultimately imposed for confiscation. The main source of procedural attrition is the wide latitude granted to Financial Investigators (FIs) in calculating the initial estimate for total criminal benefit. For example, in a 'criminal lifestyle' assessment, both income and expenditure can be included. Also, at this stage in the POCA process, it can be assumed that assets are held solely by the defendant, but real property assets may actually be held with a mortgage or some other third party interest.
- **Administrative attrition** affects the variance between the prosecution's assessment of benefit or available assets and what is agreed by the courts. For example, the defence may seek to negotiate a reduced amount of benefit and/or available assets.
- **Behavioural attrition** arising from how defendants act, especially their spending habits. For example, the defendant may have dissipated assets to the point where only a fraction is available for confiscation. Or the defendant may seek to hide assets.

The rate of attrition in POCA cases has been examined by Bullock *et al* (2009) in research undertaken for the Home Office. Based on 3,604 cases extracted from the Joint Asset Recovery Database (JARD) in relation to confiscation orders made in 2006-07, Bullock *et al* have estimated the rate of attrition in the value of orders at different stages of the confiscation order process. The results are shown in Table D.5. As can be seen, in the JARD extract, the mean value of confiscation orders imposed by the courts was 14 per cent of the criminal benefit assessed by Financial Investigators (FIs) at the outset of the process. Attrition tends to be highest in the stage between the criminal benefit agreed by the court and the assessment of available assets.

Table D.5: Value of orders at different stages of the confiscation order process

	Mean case value		
	£'s	% of criminal benefit assessed	% of previous stage
Criminal benefit assessed by Financial Investigator (FI)	£288,900	100	-
Criminal benefit agreed by court	£240,300	83	83
Available assets assessed by FI	£66,000	23	27
Confiscation order imposed by court	£40,600	14	62

Note: Number of cases – 3,604.
Source: Bullock *et al*, 2009, Table 1.

There is, however, considerable variation in the rate of attrition from one case to another. In the research reported by Bullock *et al*, more than two-thirds of cases suffered no attrition when comparing the benefit assessed with the value of the confiscation order. In general, the greater the amount initially assessed, the higher the rate of attrition in value terms.

Attrition can also occur at the enforcement stage. From an analysis of 1,360 cases extracted from JARD, with payment status measured between nine and 14 months after the order had been imposed, Bullock *et al* found that payments had been made in respect of 90 per cent of cases, mostly in full (77 per cent) with the remaining 13 per cent paid in part (Table D.6). However, and similar to the confiscation order process, attrition is greater for the higher value orders. Thus, when measured in terms of value, only 38 per cent of the confiscation orders had been paid.

Table D.6: Confiscation orders: Enforcement and recovery¹

	%
Orders made	
• Paid in full	77
• Paid in part	13
• No payment	11
Value	
• % of value of orders imposed	38

¹ Based on 1,390 cases extracted from JARD, orders imposed between April and August 2006, payment status measured as at June 2007.
Source: Bullock *et al*, 2009, Figure 5, page 11.

Based on the findings reported by Bullock *et al*, Table D.7 sets out the assumptions adopted for attrition rates in the three main IML POCA indicators. Assets can be restrained at any stage in the process. For the purpose of estimating POCA recoveries, it is assumed that the IML amounts restrained correspond to the stage in Table D.5 at which available assets are assessed by the FI. The three IML indicators can then be mapped to the stages documented in the Bullock *et al* research.

For example, Bullock *et al* found that, on average, available assets assessed by FIs amounted to 23 per cent of criminal benefit assessed. In Table D.7, this is the per cent of initial value for criminal benefit assessed that remains at the stage where available assets are assessed and, for present purposes, assumed to be made subject to a restraining order. Similarly, Bullock *et al* found that the confiscation order imposed by the court amounted to 62 per cent, on average, of the value of available assets assessed (proxied by restraints for present purposes).

Table D.7: Attrition in values at various stages of confiscation order process: Best estimate assumptions

Initial value:	Criminal Benefit Assessed	Assets restrained	Confiscation order
Subsequent value:	Assets restrained	Confiscation order	Amount recovered
Per cent of initial value	23%	62%	90%
Attrition (cumulative relative to assessment of benefit = 100)	77%	86%	87%

The assumption for attrition at the enforcement stage is that 90 per cent of confiscation orders will be paid. This derives from the findings in respect of orders made reported in Table D.6. The alternative is to base the recovery assumption at the enforcement stage on the 38 per cent by value reported in Table D.6. The higher order-based recovery rate was chosen for the best estimate to reflect the fact that, in the Bullock *et al* analysis, the confiscation order values are highly skewed, posing a risk of over-stating attrition due to the influence of a few cases with very high values for criminal benefit assessed. That uncertainty is addressed by estimating a scenario in which the amount recovered is 38 per cent of the value of orders made (Table D.8). This is reported as scenario A in the main body of the report.

Table D.8: Attrition in values at various stages of confiscation order process: Reduced POCA recovery scenario

Initial value:	Criminal Benefit Assessed	Assets restrained	Confiscation order
Subsequent value:	Assets restrained	Confiscation order	Amount recovered
Per cent of initial value	23%	62%	38%
Attrition (cumulative relative to assessment of benefit = 100)	77%	86%	95%

D.6 Health Service Savings

Within the time constraints of the interviews with victims, it was not possible to obtain information on utilisation of health services and the extent to which being in debt to a loan shark led to an increase in the need for treatment and health services. It is therefore necessary to rely on measures drawn from other research studies of the impact of stress-related ill-health on the use of health services.

A useful comparator in that regard is *Causes of Action*, the Legal Services Research Centre's (LSRC) study of the increased use of health services due to suffering various types of 'justiciable problems'², including problems to do with debt (Pleasence, 2006).

The *Causes of Action* study, which is based on a large household survey³, found that problems relating, *inter alia*, to debt can lead to stress-related ill-health. Of those who reported stress-related ill-health, 22 per cent received treatment from a general practitioner, four per cent from a counsellor, two per cent from a community psychiatric nurse and two per cent from some other health care worker⁴. The *Causes of Action* study also asked those reporting consequential stress-related illness to say how frequently they had used the health services. The typical duration of a justiciable problem was 10 months and, over that period, those reporting stress-related illness gave their average number of visits to a GP as nine. Those who said they saw a counsellor reported an average of six visits. The mean self-reported number of visits to a community psychiatric nurse was 49.

The *Causes of Action* results give an indication of the increased demand for health services that are consequent upon being in a stressful situation due to debt. In that respect, it can be noted that the LSRC study has been used by the then-Department for Constitutional Affairs to estimate the consequential costs to public services of justiciable problems, including stress-related illness⁵.

For this evaluation, the *Causes of Action* findings on the incidence and frequency of use of health services were applied to the estimates for numbers of victims supplied by the IML Teams to generate estimates for the consequential effect on demand for health services arising from stress related to being a loan shark victim. Unit costs for the various health-related services were obtained from the following sources:

- Royal College of General Practitioners (2006), *The Value of General Practice*.
- Curtis (2009), *Unit Costs of Health and Social Care*.
- National Health Service (2009), *General Pharmaceutical Services in England 1999-2000 to 2008-09*.

Also, as noted above, five per cent of victims said they had experienced violence at the hands of illegal money lenders. The Home Office has published estimates for the average health care costs of violent crime (Dubourg *et al*, 2005). The Home Office estimates were used to generate estimates for the savings in violent crime costs that would be expected from the removal of illegal money-lenders.

The expected consequential health care savings are shown in Table D.9. As the estimates have been generated by combining the results from a range of datasets,

² A justiciable problem is defined as "A matter experienced by a respondent which raised legal issues, whether or not it was recognised by the respondent as being "legal" and whether or not any action taken by the respondent to deal with the event involved the use of any part of the civil justice system".

³ Over 5,000 individuals were interviewed for the study reported in Pleasence (2006).

⁴ Pleasence, 2006, p. 61.

⁵ DCA, 2006, para 23.

they should be viewed as primarily indicative with unknown margins of measurement error. The value from making the estimates is to illustrate the potential knock-on savings to the public sector from undertaking enforcement action against loan sharks. Considered in that context, the approach has aimed to generate conservative estimates. From that perspective, it can be noted that just 15 per cent of victims are estimated to demand treatment from the health services to help them cope with the stress of being a loan shark victim.

Table D.9: Estimates for consequential health care savings due to IML Teams' enforcement actions

	Incidence		Cost savings
	<i>No. of victims</i>	<i>% of victims</i>	<i>£m</i>
Treatment for stress-related illness			
• GP consultation	2,196	15%	£0.861
• Counsellor	399	3%	£0.311
• Other HC worker	400	4%	£0.196
• Prescriptions	2,196	15%	£0.360
• Total			£1.727
Violent crime			
• Health care costs	681	5%	£1.085
Total health care savings			£2.812

Technical Appendix E: Market size and detriment estimates

E1.0 Market size estimates

The market size was estimated by taking the proportion of those in the nationally representative survey of those on low incomes (bottom 50% of household incomes) who admitted to using a loan shark and scaling this up to the low income population at national level.

The estimates of the penetration of illegal money lending in the most deprived communities was undertaken by taking the proportion of those in the community surveys who admitted to using a loan shark and scaling this up to the population falling into the lowest 5% of deprivation in the government Indices of Multiple Deprivation.

E1.1 Definition of those on low incomes

Those on low incomes were defined as those falling into the lowest 50% of household incomes. The income ranges used to define the various deciles of low income were as laid out in the table below, sourced originally from HMRC¹. The references in the report to the lowest 20% of household incomes are those with household income of less than £925 p.m. while references to those in the lowest 20% - 50% of household income are those with income in the range £925 to £2025 p.m. month. The full wording for the income question can be found at q5 in the questionnaire in 2.0 in this appendix.

01: Lowest decile Less than £550 per month

02: 2nd lowest decile £550–£924 per month

03: 3rd lowest decile £925–£1,249 per month

04: 4th lowest decile £1,250–£1,599 per month

05: 5th lowest decile £1,600–£2,025 per month

E1.2 Baseline population estimates

These were arrived at using the number of working-age adults as published in the DWP's Households Below Average Income report. The number of working-age adults is presented by quintiles of household income, as shown in the table below.

Table 1 (BHC): Quintile distribution of income for working-age adults by various family and household characteristics, United Kingdom

Net equivalised disposable household income	Percentage of working-age adults Source: FRS 2007/08					All working-age adults (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
All working-age adults	17	16	19	23	25	35.9

Our estimate of the number of working-age adults in the bottom 20% of household incomes took the FRS bottom quintile percentage of 17% and applied it to the total number of working-age adults (35.9m): 6.1m.

Our estimate of the number of working-age adults between the 20th and 50th percentiles of household incomes took the FRS second quintile percentage of 16% and one half of the FRS middle quintile percentage of 19% (9.5%) and again applied it to the total number of working-age adults (35.9m): 9.15m.

E1.3 Estimates of mean values

All calculation of mean values are based on mid points of the ranges of values given in the questionnaire.

E2.0 Detriment estimates

E2.1 Net funds taken out of low income and deprived communities by illegal money lenders

The detriment estimates relating to the income starvation effects of using an illegal money lender were calculated with reference to the cost of borrowing from the highest cost legal lender in the UK credit market. This was taken to be home credit with the cost of home credit taken to be the cost per £100 borrowed using the most common loan product offered by Provident Financial, the largest home credit provider, at the time the community surveys were undertaken. The cost of borrowing £100 from Provident Financial was compared to the cost of borrowing the same amount from a loan shark, based on the averages revealed in the community survey. The net detriment in terms of funds taken out of the community by illegal money lenders was assumed to be the difference between the amount they would have paid for the same amount of credit by borrowing from the highest cost legal lender and the amount they actually paid by borrowing from an illegal money lender. Values were then scaled up to the low income population (bottom 50% of household incomes) and to that of the most deprived communities (most deprived 5%), on the basis of the use of loan sharks within these populations, revealed in the community and nationally representative low income surveys.

E2.2 Net numbers experiencing various financial and quality of life stresses due to the experience of using an illegal money lender

The net numbers experiencing various kinds of financial and quality of life stresses were also assessed in relation to the degree of stress experienced by equally poor and indebted credit users and in relation to the stresses experienced by users of home credit, as the highest cost legal credit.

The incidence of individuals reporting difficulties affording various items from food, rent and fuel to Christmas and holidays was compared to the proportion of users of illegal money lenders reporting the same difficulties. Similarly the incidence of home credit users reporting stresses arising from problems with debt - such as arguments with partners, mental health issues, relationship breakdown etc – were compared to the incidence reporting the same problems among users of illegal money lenders. Finally the incidence of those reporting aggressive collection and violence by collectors among home credit users (none in the case of the latter) was compared to the incidence of those reporting aggressive collection, intimidation and violence among users of illegal money lending. In each case, the net detriment was taken to

be the difference between the incidence among home credit users and that among users of illegal lending. The net numbers of individuals affected were calculated by scaling up to the low income population (bottom 50% of household incomes).

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