

## Report of the Director of City Development

**Report to:** Executive Board

**Date:** 5 September 2012

**Subject:** High Cost Legal Money Lending in Leeds

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. Executive Board received a progress report on 11 April 2012 on activities of the Birmingham Trading Standards, Illegal Money Lending Team, in the city. Members requested a further report about the extent of high cost legal money lending and outlining proposals regarding the actions which could be taken by the Council and relevant agencies such as the Citizens Advice Bureau (CAB), Leeds City Credit Union (LCCU) and other partners in addressing the problems caused by high cost legal money lenders.
2. This report provides background information and outlines work which is already taking place in the city, together with potential future initiatives.

### Recommendations

Executive Board is asked to:

1. Note the extent of the high cost lending market nationally and more particularly that operating in Leeds, as set out in this report and including the information on the sector provided in Appendix 2.
2. Note and welcome the approaches outlined in the conclusions set out in section 5 of this report.

3. Agree to continuing support and promotion of Leeds City Credit Union (LCCU), particularly in areas which complement the delivery of the Leeds City Priority Plans.
4. Note and welcome the ongoing work of the inter Directorate credit union working group and the range of possible future developments set out in this report at paragraph 3.17.

## 1 Purpose of this report

- 1.1 To inform Members of the extent of legal money lending in the city and advise on services being offered by the council and partners to assist in overcoming these problems and consider possible future initiatives being investigated.

## 2 Background information

### National Situation

- 2.1 The high cost credit market makes use of the fact that its customers lack access to other forms of mainstream credit. A quarter of the customers of high cost credit companies cannot access any other form of credit. As consumers, therefore, they do not have the power to shop around for other forms of credit that are more affordable to them and more manageable to pay back. Although not explicitly stated, the business strategy of these lenders seems to be geared towards encouraging repeat borrowing, and the 'rolling over' of loans.
- 2.2 The rates charged by high cost companies do not reflect the true economic rate. This is due to a lack of regulation or competition in the market to either drive down costs or set a ceiling. Therefore, rates for the same kinds of products vary enormously. For example, payday loans can go from 433% APR with Instant Loans Direct to 4214% APR with Wonga. Doorstep loans are provided from about 270% APR upwards.
- 2.3 These lenders are seeking to grow their business aggressively – Dollar Financial, a US based lender which owns The Money Shop in the UK, has doubled the number of shops in the last 3 years to 480 nationally. There are now approximately 2,000 High Street loan shops, some of which are part of large national chains. Some are also pawnbrokers operating out of the same premises. There are also thought to be more than 100 online firms offering cash. Wonga secured an additional £73m of external funding in February 2011 from a consortium of private backers, in order to expand its operations. They also launched a business loan product in May 2012 with revenue from its own balance sheet generated from consumer loans. Brighthouse, which provides hire purchase or rent-to-buy agreements, has recently announced plans to nearly treble the number of stores it operates. Brighthouse currently have just over 250 stores in the UK serving over 200,000 customers. **Appendix 2 to this report provides details of the extent of the high cost lending market in Leeds.**
- 2.4 The Office of Fair Trading (OFT) is currently conducting an extensive review of the payday lending sector prompted in part by concerns that some payday lenders are taking advantage of people in financial difficulty. The review will investigate levels of compliance with the Consumer Credit Act and the extent to which businesses in the payday sector are meeting the standards set out in the OFT's responsible lending guidance. The aim of the compliance review is to gain a deeper insight into the evolving practices of payday lenders and identify companies that are seen as not fit to operate. The review will inform the OFT's ongoing strategy to drive up standards across the sector. The final report of the review will be published later this year.

- 2.5 Expanding access to affordable credit is vital, but cannot address the growing levels of personal debt in society as families struggle. According to FSA figures, credit union membership is growing by around 8% a year, but the payday lending industry alone grew five times in four years up to 2010. The total value of the credit union movement is dwarfed by the high cost credit sector. Ensuring credit unions can provide a viable alternative in the city, to what has been termed legal loan sharking, will take many years.
- 2.6 The high cost lending market (Home Credit, Pawn Brokers, Money Shops, Payday Lenders) has been estimated at £7.5 billion of which Payday lending is £1.9bn (2010). It is estimated that 5 million people in the UK access high cost credit of which 2 million use Payday lenders.

### **Impact in Leeds – Social and Economic Cost**

- 2.7 If this national picture is equated to the Leeds population it means that up to 60,000 people in Leeds may use high interest lenders including approximately 22,500 people who may take out Payday loans. In addition to the social cost, this market represents a potentially huge impact on the Leeds economy. Based on national data, the high cost market in Leeds could be in the region of £90m. If everyone using high cost credit in Leeds had access to affordable sources this could reduce the cost of borrowing by up to £60m in a year to Leeds families. Even a 10% penetration into this market would represent a significant annual gain for Leeds communities and the economy.

## **3 Main issues**

### **National Government Initiatives**

- 3.1 National Government funding initiatives have been in place since 2005 through the Financial Inclusion Fund (FIF). This provided support for affordable credit delivered through credit unions and CDFI's (Community Development Finance Institutions) and face to face debt advice. There was uncertainty in 2010 whether the new Government would continue this support and initially the Government announced that FIF would end in March 2011. This announcement generated a considerable national lobby to maintain support and interim funding was agreed pending a decision on longer term commitments. Leeds City Council played a prominent part in this lobbying effort including the provision of detailed briefing papers for Treasury officials making the case for continuing support. The current Government position on support is described below.

### **Affordable Credit**

- 3.2 The Department for Work and Pensions (DWP) has announced that they will make an investment of up to £38 million over the next three years in credit unions. This investment, which is in addition to the £13 million invested in 2011/12, will be conditional upon the credit union industry meeting a number of agreed milestones for collaboration, modernisation and expansion.
- 3.3 The aim will be to support the sector to provide the kind of financial services that people want for up to one million more consumers on lower incomes, and to do so

in a way that enable credit unions to modernise, expand and become financially sustainable. It is unclear at this stage if LCCU will be able to bid for this new funding as the criteria seems to rule out bids other than those submitted by national credit union trade associations.

3.4 The DWP investment mentioned above was guided by research recently commissioned and undertaken by Experian. The study established that:

- there is a market and demand from low income consumers for modern banking products and services, and that the total market could be as high as 7 million people.
- credit unions are ideally placed, serving their local communities, to help meet this demand and serve an additional 1 million people.
- consumers on lower incomes would be willing to trust credit unions to provide their financial service.
- credit unions can become financially sustainable if they:
  - § complete a major programme of business and cultural change
  - § introduce automated systems to reduce their operating costs and allow them to introduce the modern financial services that potential new customers need
  - § attract a balanced mix of customers able to make deposits, and take out loans with a wider value range than can be the case at present.

3.5 Amongst the key recommendations was a proposal to raise the maximum annual interest rate that people can be charged for a credit union loan from 26% to 42% with effect from April 2014 and a call for more Government cash to be invested in the sector.

### **National Debt Advice Funding**

3.6 The government is currently reviewing the national scheme for the delivery of debt advice. The Money Advice Service (MAS) has been tasked with the responsibility for developing and delivering the new national scheme. MAS is a Government agency funded by the Financial Services Authority (FSA) through a levy on the banking industry. The national reputation of Leeds in this field has resulted in the council being invited to participate in the MAS planning of the next phase of advice support.

3.7 The outcome of these discussions will have a marked impact on services being delivered in Leeds post 2013. There are currently 9 debt advice workers, based in Leeds advice agencies, funded through the national scheme. It is still not certain what the new national scheme will be. It could be subject to a full competitive tendering process nationally. One possible outcome could be Leeds third sector agencies no longer being involved in delivering nationally funded debt advice.

3.8 Another significant factor in the delivery of debt advice is the removal of funding through national Legal Aid. This represents a cut locally of approximately £120,000 per year to debt advice provision in Leeds. Although the Government

has agreed some transitional funding there is no suggestion that the Legal Aid debt advice funding cut will be reinstated. This will inevitably place more pressure on the remaining debt advice service in Leeds.

### **National Welfare Reforms**

- 3.9 The new welfare reforms will create additional pressures on both advice provision and availability of affordable credit. The aspect of Universal Credit being paid monthly, as a wage, will open up those on benefits to the attention of Payday lenders for the first time and household budget planning will become crucial. The Council has set up a Welfare Reform Board whose job it is to plan for the introduction of the Government's reform proposals including the introduction of Universal Credit.
- 3.10 Within the Council's overall strategic planning on these measures, the provision of advice services, affordable credit and appropriate banking services will be very important in ensuring the readiness of the council and partners to deal with the consequences of the changes. Over the next 2 years the Council and partners will have the task of ensuring that all families in receipt of Universal Credit are able to manage their household budgets in a sustainable way. For many families a lot of support will be required if they are to achieve this outcome.
- 3.11 Due to the national prominence of Leeds City Council in this area of work, Council Officers are members of two DWP working groups, one looking at the transition between Housing Benefit and Universal Credit and one considering support to claimants and those who will be exempt from the full provisions of Universal Credit.

### **Local Leeds Initiatives**

- 3.12 Since the instigation of the Financial Inclusion strategy in 2005, many local initiatives have been developed in Leeds involving the council, and voluntary and private sector partners. This resulted in the council being awarded Beacon Council status in 2007. Councils from all parts of the country have looked to Leeds for advice, support and inspiration to try to develop similar initiatives in their own areas and a number of councils have visited Leeds this year.

### **Affordable Credit**

- 3.13 Leeds is in a better position than most cities to deliver affordable credit to communities in greatest need through the provision of locally-based credit union services through community branches which are financially supported by the Council. Ongoing initiatives continue to be developed.
- 3.14 **Promotion and Marketing** - campaigns continue to take place and the Leeds City Credit Union (LCCU) regularly works with the ALMOs to promote accounts and services to tenants, through a range of events across the city. LCCU also work with large employers, including the City Council and NHS, to promote payroll deductions and give presentations at staff inductions, etc. More work could be developed with council directorates targeted at their staff.

- 3.15 **Registered Social Landlords (RSL's)** – LCCU works closely with RSL's and a number provide incentives to tenants to open accounts with LCCU. There are currently about 7,500 ALMO (Arms Length Management Organisation) tenants who are members of the credit union. A new initiative was undertaken by Leeds East North East Homes in 2011 when the ALMO agreed to fund a credit union staff member to work with their tenants and help with their budgeting and financial needs. In addition to assisting tenants this has also helped the ALMO in its rent management process. The initiative has been so successful that funding has been extended by a further year in order that the work can continue. **A case study of the work in ENE Homes can be found in Appendix 1 to this report.** Aire Valley Homes are also giving consideration to a similar initiative. This kind of collaborative venture could prove to be very valuable when the Government's new system of Universal Credit is introduced.
- 3.16 **New Financial Products** - LCCU have recently launched a new account which is specifically designed to assist recipients of Universal Credit. The account assists with budgeting by controlling payments and can also regulate spending week by week to prevent overspends. This facility has been developed as part of the discussions within the Councils Welfare Reform Board mentioned above.
- 3.17 **LCC/LCCU Joint Working** - A LCCU/Council inter Directorate working group was established in January 2010. This was initially set up to work with the credit union in order to secure the credit union branch network which was faced with closure due to LCCU financial difficulties at that time. The working group continues to meet and discuss developments which will seek to consolidate the position of the credit union and also to look at integrating the work of LCCU in the context of the Leeds City Priority Plans. Various developments have been looked at and further proposals, outlined below, are to be considered by the working group in the coming months, without commitment at this stage:
- **Employer Package.** All employers, especially larger ones will have a proportion of their staff exposed to high cost lenders (HCL). Some form of lending and money management package could be developed as an alternative to HCL and also linking this to payroll savings schemes. The ability for staff employed by large employers to repay their loans through their pay would be helpful.
  - **LCCU Current Loan Funds.** In terms of general promotion, currently, LCCU has money to lend. The possibility of working with employers organisations and using the Council's influence to promote credit union services particularly with large employers should be considered.
  - **LCCU Representatives.** Some discussions have been held with LCC about the possibility of engaging council staff to become LCCU representatives in the workplace to help promote LCCU amongst Council staff. This could assist in building LCCU capacity and grow a firmer business base and therefore assist LCCU to expand in other areas across Leeds.

- **Targeted Projects.** Selecting discreet communities to challenge the grip of high cost lenders using a multi agency approach – either geographic or demographic areas eg ALMO Tenants as in the ENE Homes project.
- **Pay Day Product.** One of the London Credit Unions operates a Payday type loan product delivered over an internet based platform. LCCU could investigate a fully automated Payday product built on the London Credit Union platform. It may be possible to use the Community Development Finance Institution (CDFI) – see below - as a vehicle for this development. The key point is the development of a not for profit social model Payday loan product which could provide significantly reduced rates of interest compared to the high cost lending sector. This could start to challenge the internet based lending sector which is one of the fastest growing areas of the market. There would be a cost involved in purchasing the London Credit Union payday loan platform of several thousand pounds.
- **Corporate Investment.** Although some initial funding has been secured for the CDFI, this is loan financing and the interest rates are not as low as would have been hoped. If companies could be persuaded to provide capital to the CDFI at low or zero interest rates this would enable greater capacity and help lower the rates charged for loans. Some initial discussions have been held with the banking sector, currently without success but further work will be done on this. Some organisations may have an interest in seeing increased capacity such as social landlords.

#### **Leeds Community Development Finance Institution (CDFI)**

- 3.18 LCCU currently loan £350,000 per month and reject £100,000-£150,000 loan applications during the same period. These rejected loans are high risk and cannot be agreed within the current CU interest rate cap at 26.8% APR. There is a fear that many people who are declined a credit union loan go to high interest providers as an alternative.
- 3.19 The CDFI is intended to address a gap in the market and try to prevent those who cannot get credit elsewhere from using door step and pay day lenders. Residents who take out a loan with the CDFI will build up a credit history which will enable them subsequently to get credit at more affordable rates from the credit union or mainstream institutions. They will also have the support of the network of partners offering money advice which work alongside the credit union and the CDFI.
- 3.20 Nationally, CDFIs are social enterprises providing finance for enterprises and personal lending. The CDFI in Leeds would work alongside LCCU, operating as a joint venture with a focus on personal lending. CDFIs are able to charge variable rates of interest that match the risk presented. The typical rate charged by other CDFIs is between 40%-60% APR. Although this interest rate may seem relatively high, it is still significantly better than the rates charged by money shops and similar. The CDFI is a charitable trust and will operate as a not for profit organisation. Any surpluses will stay within the organisation to build capacity.



3.21 It has taken some time to secure funding for the CDFI but in June 2012 a successful bid to the Key Fund, based in Sheffield, resulted in securing a £150,000 loan. A further loan of £100,000 has been offered by a charitable foundation of a high street bank and this is currently subject to consideration by the CDFI board. This means that the CDFI will be in a position to commence trading in the autumn. Below is an illustrative table showing the savings which can be made compared with credit from a typical doorstep lender.

#### Potential savings from credit obtained

<b>£500 loan, repayments weekly over 33 weeks</b>	<b>LCCU Loan</b>	<b>CDFI</b>	<b>CDFI</b>	<b>“Doorstep” Loan</b>
<b>Interest rate (APR)</b>	26.8%	48%**	60%**	433%*
<b>Interest charged (£)</b>	38	102	139	325
<b>Interest Saved (£)</b>	<b>287</b>	<b>223</b>	<b>186</b>	

\* 433% is the rate quoted by Greenwood Personal Credit on their website, but higher rates are Common. Interest of £325 is the amount quoted by their website for a 500 loan over 33 weeks.

\*\* Rates are illustrative

#### Debt advice

3.22 In Leeds there are approximately 150,000 people living in the 10% most deprived communities. Access to free, independent and quality advice provides an important lifeline for many people who are experiencing the effects of poverty. The demand for debt advice has grown whilst available resources are likely to be under more pressure. The advice agencies in Leeds provided advice services in one year to over 46,000 clients and receive approximately 149,500 enquiries (2010/11). These figures are based on Advice Leeds partner’s membership information.

3.23 As indicated above in paragraph 3.7, most debt advice provision in the city is funded through the national Government scheme which currently funds 9 debt case workers. These caseworkers link into the generalist advice structure which is delivered in a number on locations. The table below details the services funded through LCC and NHS Leeds including services based in Children’s Centres and GP Surgeries:

<b>Advice Service</b>	<b>Organisation</b>	<b>Funding Through</b>
Gateway and Generalist Advice delivered through city centre and community outreach centres	Leeds CAB Chapelton CAB Leeds Law Centre	LCC Environment & Neighbourhoods Advice Agency Grant
Generalist Advice – Outreach to 20 Children’s Centres	Leeds CAB, Chapelton CAB Burley Lodge Centre	LCC Children’s Services

Advice for disabled people on all aspects of living with a disability	DIAL	LCC Adult Social Care NHS Leeds
Generalist Advice - Outreach across 23 GP surgeries	Leeds CAB, Chapelton CAB LCC Welfare Right's Unit	NHS Leeds
Mental Health Advice - Outreach Service across 11 bases including day care centres, hospitals and community centres	Leeds CAB	NHS Leeds LCC Adult Social Care
Advice for older people on benefits, housing and finances	Age UK	NHS Leeds LCC Adult Social Care
Welfare Rights Advice outreach to people's homes	Leeds CAB	LCC Adult Social Care
Welfare Rights Advice	Chapelton CAB	LCC Customer Services

- 3.24 Most of the funding for advice supports voluntary sector charities who have been involved in delivering advice services in the city for many decades. One positive benefit of this approach is the amount of added value resulting from the work of these charities. A recent study undertaken by City Development Directorate showed that in the last 5 years, third sector advice agencies brought an additional £7m of funding into the city and utilised the services of over 220 volunteers.
- 3.25 It is important to note that in Leeds a significant element of advice is funded through NHS public health provision. This has resulted from an understanding over many years of the benefits to health that can be achieved through the provision of advice. The NHS in Leeds and LCC have worked closely together on a number of studies which have provided clear evidence of linkages between advice and improvements to health. This is particularly evident in dealing with debt problems and improving income through welfare rights advice. In addition to potential Public Health Funding for advice, the Clinical Commissioning Groups will be asked to consider if this form of funding could help to deliver some of their primary care objectives.
- 3.26 During the last year there has been an expansion of telephone advice provision in the city. This method of delivery offers a way to provide advice to more people than can be delivered through face to face services alone. The expanded services in Leeds have been developed through the Telephone Gateway Project. This project is funded by City Development Directorate until March 2013 and will train additional advice volunteers to staff the phone service and provide an initial assessment of the callers' needs and route them to the appropriate advice services. One of the longer term aims of the project is to have a single telephone number for accessing any of the advice providers in the city. This development will seek to consolidate even further the integrated joint working between advice agencies, the council and partners which has proved to be so successful and was a key feature in Leeds being awarded Beacon status for financial inclusion.
- 3.27 Although, Leeds is probably better placed than most cities to meet the challenges, more improvements can be made. It has been agreed that there should be a strategic review of advice provision in the city, lead by Environments and Neighbourhoods Directorate. This will look at needs across the city and plan the best approach to delivering services to meet the new situation following the

welfare reform changes. The review will also include the advice services funded by public health partners. It is vital that service provision is sustained and that the City responds to the growing need for assistance. A project working group is being established, with representation from across the Council, to oversee the work of the review.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

Discussions have been undertaken with numerous partners via the Financial Inclusion Steering Group, including the advice agencies in the city, ALMOs and other housing associations as well as appropriate Council services and private sector financial institutions.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 An equality impact assessment is not relevant as this is primarily a progress report for noting and not for decision or a policy document.

### **4.3 Council policies and City Priorities**

4.3.1 The work of the Financial Inclusion team forms part of the Council's strategic policy to tackle financial exclusion in the city. It therefore contributes to a number of the City Priorities as part of the identified financial inclusion actions. ie. the Sustainable Economy and Culture Plan, the Health and Wellbeing Plan and the Children and Young People Plan (through the Child Poverty Strategy).

### **4.4 Resources and value for money**

4.4.2 There is no cost to Leeds City Council as a result of the recommendations in this report.

### **4.5 Legal Implications, Access to Information and Call In**

4.5.3 There are no legal implications for the Council regarding the recommendations in this report, the information contained in the report is open to the public and although the report recommendation is to note progress it could be called in if deemed appropriate.

### **4.6 Risk Management**

4.6.4 There are no identified risks associated with the issues under consideration.

## **5 Conclusions**

5.1 The legal high cost lending market in Leeds is considerable and could be worth in the region of £90m per year.

5.2 Leeds is probably better placed than any other city in the country to deal with the problems that arise from this market. However, even with all the resources and

experience that is brought to bear by the Council and partners, these efforts can only impact in a small way to deal with the problem.

- 5.3 The establishment of a CDFI will offer a new facility designed to assist people in getting away from using high cost lenders. Initial funding has been obtained which will enable the CDFI to commence trading in the autumn.
- 5.4 The Council and partners are taking steps to try to be ready for the national changes being introduced to the benefits system including Universal Credit. These steps include providing advice and assistance to residents who may be affected by the changes, LCCU designing new financial products to meet the needs particularly of social housing tenants and undertaking a review of advice provision in the city.

## **6 Recommendations**

6.1 Executive Board is asked to:

1. Note the extent of the high cost lending market nationally and more particularly that operating in Leeds, as set out in this report and including the information on the sector provided in Appendix 2.
2. Note and welcome the approaches outlined in the conclusions set out in section 5 of this report.
3. Agree to continuing support and promotion of Leeds City Credit Union, particularly in areas which complement the delivery of the Leeds City Priority Plans.
4. Note and welcome the ongoing work of the inter Directorate credit union working group and the range of possible future developments set out in this report at paragraph 3.17.

## **7 Background documents<sup>1</sup>**

- 7.1 Illegal Money Lending Team Progress Report – Report of the Director of City Development to Executive Board, 11 April 2012
- 7.2 Advice Services Review – Report of the Director of Environment & Neighbourhoods to Corporate Leadership Team, 10 July 2012

---

<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

## **Appendix 1**

### **East North East Homes Leeds, Leeds City Credit Union Collaboration.**

#### **Case Study**

Mr X was referred for support by a Housing Support Officer (HSO) at the Gipton office. Contact was made and he was invited to come along to a surgery for an appointment. He was very reluctant and indicated that he didn't need any help but after further conversation he was persuaded to attend with his wife for an initial talk. The family were experiencing financial difficulties with high interest lenders which was the underlying issue as to why they were currently in rent arrears.

Mr X and his wife attended the appointment and details were provided about how LCCU could help them and how they could potentially help save money. Immediately Mr X was responsive and was willing to accept help. He admitted that he was embarrassed about the situation he had got into hence why he didn't want to divulge any information in the first instance.

At the time he paid out £40 per week to Bright House and £66 per week to Naylor's, by applying for a LCCU loan his loan repayments would be £41 per week, saving him £65 per week which would contribute to his household income.

He applied for a £4000 loan; this was to clear the high interest debt and also his bank overdraft. His loan was approved and all above debts were cleared in full and his bank account was closed. His rent arrears have been cleared, his rent account is now up to date.

During the discussions it came out that the family were currently in dispute with HM Revenue and Customs about Tax Credits. They were informed that they had been over paid but this didn't seem to be the case. They were referred to a Benefit Advisor and this issue has now been resolved.

Mr X now saves on a weekly basis with LCCU, he has indicated that he is saving for a family holiday next year. A good working relationship has been established with this family and they continue to keep in touch.

## Appendix 2

### Legal Credit Activity in Leeds

#### Details of Credit Businesses Based in Leeds

Businesses involved in Consumer Credit activity (loans, brokerage, debt collection, debt management) are required to hold a Consumer Credit Licence, issued by the Office of Fair Trading. As the local regulator of consumer credit West Yorkshire Trading Standards Service (WYTSS) is sent details of any new or amended application for a Consumer Credit licence for their comments, e.g. that a person is fit/unfit to hold such because of convictions, etc.

A list of all businesses in West Yorkshire with a Consumer Credit Licence was formerly maintained by WYTSS but there is now a national register kept on line (link below) and the West Yorkshire service has to rely on this national register for local information.

<http://www2.crw.gov.uk/pr/Default.aspx>

#### Legal High Cost Credit Providers in Leeds

***[Please note that due to the lack of a comprehensive data base of local suppliers the list in this appendix will not be complete and there may be many outlets operating in Leeds which are not listed here]***

The following high cost home collected credit lenders are based in Leeds:

Adamson Finance - 135 Otley Old Road, Leeds, West Yorkshire, LS16 6HH

CLC Finance - Unit 4, Meadow Court, Millshaw, Leeds, West Yorkshire, LS11 8LZ

Fowlers Permanent C& S LTD - 53 Stanningley Road, Leeds, West Yorkshire, LS12 3ND

Leeds & District Clothing & Supply Co Limited - 164 Harehills Lane, Harehills, Leeds, West Yorkshire, LS8 5JP

Naughton Finance Ltd - Mayflower House, 14 Pontefract Road, Leeds, LS10 1SG

Martin Oddy & Co - 4 Griffin House, Station Road, Morley, LS27 8JW

Park Finance Co Ltd - 9 Ring Road, Seacroft, Leeds, West Yorkshire, LS14 1AT

Pioneer Finance - 2 Holly Tree Lane, Colton, Leeds, West Yorkshire, LS15 9JF

However in addition to these businesses there are a number of other businesses that operate 'rounds' in Leeds, including Provident and West Riding Family Finance (Bradford); D & J McGuinness, J R Naylor and Provida Loan (Wakefield); and Shopacheck (Birstall) plus some businesses from Rotherham, Chester, Solihull and Worcestershire.

All businesses involved in small cash loans are required to place their details on the Lenders Compared website – [www.lenderscompared.org.uk](http://www.lenderscompared.org.uk) – which lists all the businesses who will offer such credit by postcode and includes rates, payment periods and other key terms and conditions. It is interesting to note that some businesses operate at a very local level. There are for example some businesses that will offer loans in Seacroft but not Morley or the city centre.

The Lenders Compared web-site lists loans (a) which offer a number of repayments and (b) loans between £50 and £800. As such it does NOT include the high cost short-term payday loan businesses such as Wonga or Quickquid; or high cost loan businesses offering medium sized loans (£1,000 - £5,000) such as Ocean Finance. Most of these businesses operate regionally or nationally and advertise via newspapers, television and increasingly via the internet (especially using formats specifically tailored for mobile phones).

Lenders Compared does NOT pick up businesses which offer high cost loans based on a security (usually a car - often referred to as log-book loans) who use a range of archaic financing tools that mean they are not legally defined as either a “small amount” or “multiple payment” credit service. There are a number of such businesses that operate in but are not based in Leeds.

Below is a list of shops operating in Leeds by postcode which has been compiled by the Economic Policy Team. The list may not be fully comprehensive as there is not one simple data source for this information, some shops may be part of national groups which are registered outside Leeds and also due to the provisos indicated above. However, this is probably the most up to date list available at the current time.

## Credit Shops Operating in Leeds

POSTCODE		
LS1	Money Shop	2 Call Lane, Leeds LS1 6DN
	Money Shop	25-27 The Headrow, Leeds LS1 6PU
	Pawnbrokers/payday loans	8 New Market Street, Leeds LS1 6DG
	Finance 321	57 Great George Street, Leeds LS1 3AJ
	Ramsdens 4 Cash	11-12 Kirkgate, Leeds LS1 8BY
	Herbert Brown Pawnbrokers	19 Kirkgate, Leeds LS1 6BY
	Cash Shop	26 New Market Street, Leeds LS1 6DG
	Cash for Gold	35 Vicar Lane, Leeds LS1 6DS
	Ramsdens 4 Cash	49 New Briggate, Leeds LS1 8JD
	Brown and Gold Cash for Gold	Park Cross Street
LS2	Money Shop	38 Eastgate. Leeds LS2 7JL
	Money Shop – Ramsdens	49 New Briggate, Leeds LS2 8JD
	Cash Converters	21 Eastgate, Leeds LS2 7LY
	Everyday Loans	Unit 2 Merrion Centre, Leeds LS2 8NG
	Herbert Brown Pawnbrokers	12 Eastgate, Leeds LS2
	The Money Shop	2 Call Lane, Leeds LS2
	Herbert Brown Pawnbrokers	40-42 Merrion Centre, Leeds LS2 8NG
	Brighthouse	Merrion Centre, Leeds LS2
LS7	Automoney	122 Potternewton Lane, Leeds LS7 2EG
LS8	Cash Converters	254 Roundhay Road, Leeds LS8 5RL
	Money Shop	243 Roundhay Road, Leeds LS8 4HS
	One Stop Money Shop	83 Roseville Road, LS8 5DT
	Cash Converters	164 Harehills Lane, Leeds LS8 5JP
LS9	Cash Converters	76 Lincoln Green Road, Burmantofts, LS9 7SU
	Automoney/Log book loans	577 York Road, Leeds LS9 6NH
	Ramsdens 4 Cash	314 Harehills Lane, Leeds LS9 7BG
LS10	NFL Cash Direct	Pontefract Road, Stourton, Leeds LS10 1SP
	Naughton Finance Limited	Mayflower House, 14 Pontefract Rd, Leeds LS10 1SG
LS11	Cash Converters	211 Dewsbury Road, Beeston, Leeds LS11 5FZ
	Cash Express	247 Beeston Road, Leeds LS11 7LR
	Shopacheck	Oakhurst Avenue, Dewsbury Road, Leeds LS11 7HL
	Cash Xpress	2 Parkfield Mount, Leeds LS11 7PA
	CLC Finance	Unit 4, Meadow Court, Millshaw, leeds LS11 8LZ
LS12	Cash Converters	6-8 Town Street, Armley, Leeds LS12 3AB
	Log book loans	
	Money Shop	26 Town Street, Leeds LS12 3AB
	One Stop Money Shop	12 Town Street, Leeds LS12 1UX
	Cash Generator	41-43 Town Street, Leeds LS12
	Fowlers Permanent C&S Ltd	53 Stanningley Road, Leeds LS12 3ND



LS13	Cash Converters	30 Bramley Shopping Centre, Leeds LS13 2ET
	Albemarle and Bond Pawnbrokers	25 Bramley Centre, Leeds LS13 2ET
	Cheque Centre	21 Bramley Centre, Leeds LS13 2ET
	Brighthouse	27-29 Bramley Shopping Centre, Leeds LS13
LS14	Cash Converters	853 York Road, Leeds LS14 6AX
	Park Finance Co Limited	9 Ring Road, Seacroft, Leeds LS14 1AT
LS15	Money Shop	14 Station Road, Crossgates, Leeds LS15 7JX
	Cheque Centre	25 Crossgates Shopping Centre, Leeds LS15 8ET
	Herbert Brown	39 Crossgates Shopping Centre, Leeds LS15
	Pawnbrokers and cheque cashing	36 Austhorpe Road, Leeds LS15 8DX
	Cash Generator	7 Crossgates Shopping Centre, Leeds LS15 8ET
	Ready Steady Dough	Park Approach, Leeds LS15 8GB
	Cash Express	241 Selby Road, Leeds LS15 7JR
	Cash for Gold	243 Selby Road, Leeds LS15
	Pioneer Finance	2 Holly Tree Lane, Colton, Leeds LS15 9JF
	Brighthouse	Cross Gates Shopping Centre, Leeds LS15
LS16	Adamson Finance	135 Otley Road, Leeds LS16 6HH
LS18	Carloantoday	164 Town Street, Horsforth, Leeds LS18 4AQ
	ScrapGold	85b Town Street, Horsforth, Leeds LS18
LS20	Shopacheck	5-8 Richmond Terrace, Leeds LS20 8BP
LS22	One Stop Money Shop	21 Market Place, Wetherby, Leeds LS22 6LQ
	Brown and Gold – Cash for Gold	10 North Street, Wetherby, LS22 6NN
LS27	Ramsdens 4 Cash	62 Queen Street, Morley, Leeds LS27 9BP
	Martin Oddy and Co	4 Griffin House, Station Road, Morley, LS27 8JW