

# **Motion to Full Council – 23 July 2013**

## **The Impact of Borrowing through High Cost Lenders**

### **Motion proposed by Councillor Simon Coles and seconded by Councillor Alan Wedderkopp**

Taunton Deane Borough Council expresses deep concern about both the proliferation of high cost, short term lenders on our high streets and the increasing number of people becoming trapped in a cycle of long-term debt due to extortionate interest rates charged by these companies.

Members reiterate their commitment to work to tackle this problem in Taunton and welcome the recent move to block access to websites of pay day and high interest lenders via the Council network.

However, with an estimated one million families a month taking out pay day loans, including many families in Taunton Deane, Council instructs the Chief Executive to lobby the Coalition Government to:-

- Look again at introducing a cap on interest rates charged by high cost, short term lenders;
- Introduce restrictions around the practice of 'rolling over' loans given the Office of Fair Trading's recent findings regarding the proportion of revenue generated through charges associated with this practice; and
- Re-designate such lenders with the Town and Country Planning Act so as to require planning permission to be granted before certain establishments can be converted into pay day or high interest loan shops.

Council further requests that officers produce a report for consideration by the Executive which explores the possibility of working with our partners to restrict the advertising of high interest or pay day lenders in public spaces – for example, on billboards and in bus stops.

This Council commits to extending its current activity in order to increase awareness of the potential impact of borrowing through high costs lenders. Council also reiterates its commitment to work with partner organisations to increase the accessibility and visibility of alternative mainstream financial institutions such as the Credit Union.