



**Lending, Savings & Debt Research: Northern Ireland Consumers**  
**September 2019**

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## 1. Executive Summary

- 1.1 The Consumer Council is funded by HM Treasury to address the issue of illegal money lending in Northern Ireland. The focus of our work is research, education and supporting the development of alternative forms of lending.
- 1.2 This study explored the opinions, thoughts and experiences of consumers in Northern Ireland about financial matters concerning lending, savings and debt. These can be summarised into the following categories:
  - General banking behaviours;
  - Saving and borrowing;
  - Lending arrangements;
  - Illegal lending; and
  - Debt levels and management.
- 1.3 Understanding consumer behaviours in these areas will help inform our work and support us in making appropriate policy recommendations to the Northern Ireland Executive and other Departments within Government. The Consumer Council will be working with our colleagues in established teams through the United Kingdom, to take forward initiatives and explore solutions to improve availability of affordable credit products and enhance the opportunities for consumers to access them.

## 2. Background

- 2.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (NI) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in NI. The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage.
- 2.2 Illegal moneylenders are known to operate UK wide and do so without permission from the Financial Conduct Authority (FCA). When they lend money, they do so without official record and if payments are missed they can use intimidation and violence to get the money back from their borrowers.
- 2.3 Whilst other parts of the UK have had dedicated teams to tackle this issue for a number of years, Northern Ireland has only just received money to address the issue. The Consumer Council will be responsible for educating Northern Ireland consumers and working with partner agencies to provide support to those affected.
- 2.4 On 7 January 2019, The Consumer Council commenced the Illegal Money Lending Project and subsequently commissioned a number of pieces of research. This research focused on general behaviours surrounding financial issues. The research also sought to gain an impression of the levels of awareness and usage of illegal lenders.
- 2.6 The challenge of identifying accurate numbers of people using illegal lenders will probably never be overcome. Illegal lending is mostly underground, often linked to criminality and with the inherent social stigmatic reasons associated with the practice, the true nature and scope of the problem isn't easily talked about.

- 2.7 It is important to note that consumers with illegal loans are automatically vulnerable. The unregulated nature of these loans coupled with links to criminality means that the protections available i.e. reporting to police/authorities, is not something consumers are willing to do.
- 2.8 The marketplace can play a pivotal role in the appeal or popularity of illegal lenders. Financial institutions often have minimum borrowing amounts and lending criteria that will exclude people who need smaller amounts of cash for a short term and those with a poor credit file.
- 2.9 In addition to this, The Financial Conduct Authority has introduced regulations in the high cost short term credit market that affect the payday lenders. Restrictions on the amount of interest and fees they can charge to cover their costs means that they have had to tighten up on their lending policies to mitigate against losing money in the high risk pool of customers they normally target.

### 3. Objectives

- 3.1 The objectives of the study were to develop our understanding of Northern Ireland consumer's habits and behaviours with financial matters. In particular:
- Understand general banking behaviours including types of financial products and usual methods of payment for goods and services;
  - Understand savings habits including frequency and amounts;
  - Understand borrowing habits including the types of credit products used, the levels of borrowing and where consumers would go for urgent lending needs; and
  - Understand consumer debt levels, how people manage their debt and where they would go for help.

### 4. Methodology

- 4.1 The Consumer Council commissioned Cognisense Ltd through a competitive tendering process to undertake a quantitative methodological approach to this study. The research was carried out between 15 February and 29 March 2019.
- 4.2 The research was conducted amongst Northern Ireland consumers with 28 questions being asked and consisted of the following elements:
- Omnibus survey – face to face interviews representative of the Northern Ireland population.
  - Booster survey – face to face interviews with consumers who reside in areas deemed as being most susceptible to paramilitary activity. These areas were identified by The Executive Office as part of their Communities in Transition Project.

- 4.3 The number of people interviewed was 1,022 for the omnibus survey which was spread over 100 electoral wards from a fully representative sample of the population including age and social class characteristics of males and females. The number of people for the booster areas was 512. This survey was fully random and no demographic quotas were set.<sup>1</sup>
- 4.4 When segmentation exercises are undertaken then reliability decreases. However, the sample sizes are identified throughout.
- 4.5 The quantitative questions covered the following:
- banks, financial product categories and types of payment methods;
  - savings habits including frequency and typical amounts;
  - different lending options considered for planned or urgent last minute lending events (including amounts);
  - debt levels including how people manage their debt and where they would go for help; and
  - general knowledge of own budget, financial matters, interest rates, fees and charges for loans and how they might wish to receive further information on these topics.
- 4.6 Cognisense Ltd used the standardised social grade classification based on occupation which was developed by the National Readership Survey and has been in use for over 50 years.<sup>2</sup>

### 5. Findings

#### General Banking

##### General banking behaviours

- 5.1 Access to a current account ranges from 91% of respondents to the main survey compared to 85% of people in the booster areas saying the same. There is disparity between urban and rural (93% v 87%), low income households (85%) and households with a disabled person (83%). When we look at housing status, the figures for social housing tenants in the main survey drops to 82% and 77% in the booster areas.
- 5.2 A smaller proportion of respondents from the main survey said they had a savings accounts (44%) and here an even greater difference exists with only 30% of respondents in the booster areas having access to a savings account.
- 5.3 There were comparable results for credit union accounts with 25% of main survey respondents having membership of a union and 22% of respondents in the booster areas. This figure rose to 35% in rural areas compared with 20% in urban areas. Low income and households with a disabled person were 23% and 29% respectively.

<sup>1</sup> A copy of the survey questions is available at [Annex A](#).

<sup>2</sup> A copy of the social grade classification system is available at [Annex B](#).

### Financial products held

BOOST SAMPLE n=512 %	TOTAL n=1022 %	VULNERABLE CONSUMERS															
		GENDER		PENSIONABLE AGE				LOW INCOME			DISABLED IN HH		URBAN/RURAL		AREA		
		Male n=466 %	Female n=556 %	16-24 n=90 %	25-34 n=159 %	35-49 n=258 %	50-64 n=248 %	65+ n=267 %	ABC1 n=498 %	C2 n=232 %	DE n=292 %	Yes n=193 %	No n=822 %	URBAN n=658 %	RURAL n=364 %	Gr. B n=418 %	Rest of NI n=604 %
85	Current account	91	88-93+	85	97+	93	91	87-	95+	89	85-	83-	92+	93+	87-	96+	87-
30	Savings account	44	43 45	21-	39	48	54+	49	57+	38-	30-	43	44	47+	39-	49+	41-
22	Credit Union account	25	24 26	24	26	25	28	22	23	31+	23	29	25	20-	35+	19-	29+
5	Other	2	2 1	--	--	3	1	3	2	--	2	3	1	2	1	2	1
4	None of these	3	4 2	6	2	4	3	2	2-	3	6+	7+	2-	2-	5+	1-	4+

Base population n=1022 and booster sample n=512.

5.4 Survey respondents were asked to identify which institution they did most of their banking with. 3% of both groups said they didn't have a bank account. Only 6% of respondents from the main survey did most of their banking at the Post Office, but its popularity more than doubles in the booster areas at 13%. The remaining respondents in both groups named high street banks in similar numbers, with Ulster Bank and Danske Bank being most popular at 21% and 19% respectively in the main survey, and 18% and 16% in the booster areas.

#### Payment methods used

5.5 Cash is still the most prevalent payment method in Northern Ireland. Around two thirds of main survey respondents use this method (66%) rising to 77% in the booster areas. This compares to 68% of respondents in urban areas and dropping to 61% in rural areas. The number of people using cash as their main method of payments are from low income households at 79% but those respondents from households with a disabled person show similar levels to the overall picture at 68%. Social tenancy households showed the highest levels of cash usage at 83% in the main survey but dropping to 76% in the booster areas.

### Payment methods

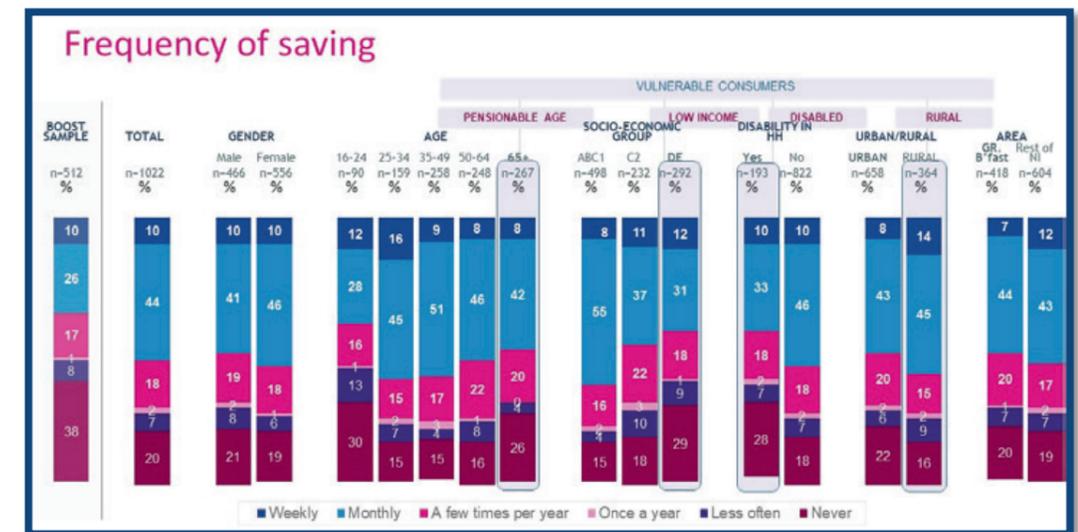
BOOST SAMPLE n=512 %	TOTAL n=1022 %	VULNERABLE CONSUMERS															
		GENDER		PENSIONABLE AGE				LOW INCOME			DISABLED IN HH		URBAN/RURAL		AREA		
		Male n=466 %	Female n=556 %	16-24 n=90 %	25-34 n=159 %	35-49 n=258 %	50-64 n=248 %	65+ n=267 %	ABC1 n=498 %	C2 n=232 %	DE n=292 %	Yes n=193 %	No n=822 %	URBAN n=658 %	RURAL n=364 %	Gr. B n=418 %	Rest of NI n=604 %
77	Cash	66	65 66	69	63	54-	69	75+	55-	68	79+	68	65	68+	61-	59-	70+
48	Debit card	55	49-61+	37-	65+	67+	56	46-	64+	50	47-	52	56	58+	50-	65+	48-
29	Contactless	35	32 38	35	47+	45+	34	15-	47+	33	19-	24-	38+	35	36	39	33
7	Credit card	16	17 15	10-	12	20	18	17	23+	11-	10-	10-	17+	21+	6-	17	15
7	Online banking	11	11 11	9	14	19+	9	3-	15+	8	8-	7	12+	14+	6-	12	10
3	Cheque	5	4 5	--	0-	5	4	12+	6+	2-	4	6	4	6	3	6	4
4	Payment	4	4 3	5	4	5	3	0-	5+	2	2	1-	4+	4+	2-	4	3
1	Telephone	1	1 1	--	1	2	1	--	1	1	--	1	1	1	1	1	1
1	Prepaid card	0	0 -	-	0	-	-	0	0	-	-	-	0	-	0	-	0
0	Not sure	2	3 2	5	1	3	2	2	2	5+	0-	1	3	1-	5+	2	3

Base population n=1022 and booster sample n=512.

#### Saving and Borrowing

##### Savings

5.6 Survey respondents were asked to tell us about their savings habits. 54% of the Northern Ireland adult population said that they saved at least weekly or monthly. The urban rural split here saw a difference of 51% v 59% in favour of rural residents. Of the groups interviewed, those aged 35-49 (60%) and those in affluent households (63%) said that they saved on a monthly basis. 20% of people said that they didn't save. In the booster areas, only 36% of respondents said that they saved at least weekly or monthly. 38% didn't save at all. The figures for social housing tenants in the main survey for weekly and monthly saving drops to 43% and 28% in the booster areas.

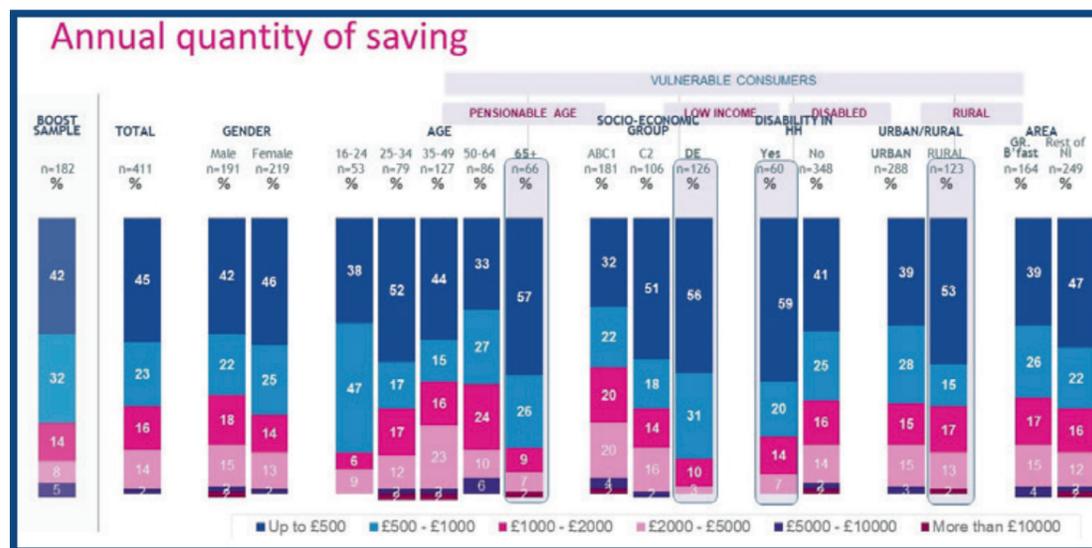


Base population n=1022 and booster sample n=512.

		NEVER SAVE (%)
	<b>TOTAL</b>	<b>38</b>
<b>GENDER</b>	Male	45 +
	Female	33 -
<b>AGE</b>	16-24	51
	25-34	35
	35-49	32
	50-64	35
	65+	43
<b>AREA</b>	LARNE\CARRICK	34
	DERRY	44
	BANGOR	22 -
	LURGAN	28
	W. BELFAST	32
	N. LODGE\AD'YNE	32
	SH'KILL\W'DVALE	34
	E. BELFAST	54 +
	N'ARDS	66 +
TIGER'S BAY	32	

Base population n=1022 and booster sample n=512.

5.7 Of those people that saved money, the most likely amount of money to be saved in a year by Northern Ireland adults (45%) is £500 or less. 23% saved between £500 and £1,000 with the remainder saving in excess of £1,000 (32%). In the booster areas, 42% of people saved £500 or less, 32% saved between £500 and £1,000 and the remainder saved more than £1,000 in the same period as above.



Base population n=770 and booster sample n=276 (Lower than usual sample numbers to reflect those respondents answering yes to saving)

### Lending Arrangements

#### Loan and credit products held

5.8 41% of respondents to the main survey said they have a credit card and around one quarter (24%) have a mortgage. In the booster areas, only 25% of respondents declared having a credit card and 15% said that they had a mortgage. The urban rural split for credit cards is 42% v 38% with more people in urban areas having one whilst the mortgage figure were fairly similar at 24% and 23% respectively. In terms of social housing tenants, only 12% from the main survey had a credit card with similar numbers in the booster areas (13%). Only 17% of 16-24 year olds said they had a credit card.

5.9 Almost two fifths (39%) of respondents to the main survey said that they had none of the credit products listed but this figure increases to 54% in the booster areas. The highest number of respondents who did not have any of the credit products listed were social housing tenants (65% from the main survey and 72% from the booster areas) and the number of 16-24 years olds is 58%.

BOOST SAMPLE	TOTAL	GENDER	VULNERABLE CONSUMERS															
			AGE		SOCIO-ECONOMIC GROUP		DISABILITY IN HH		URBAN/RURAL		AREA							
			16-24	25-34	35-49	50-64	65+	ABC1	C2	DE	Yes	No	URBAN	RURAL	GR. of NI	Rest of NI		
n=512	n=1022	Male n=466	n=356	n=90	n=159	n=258	n=248	n=267	n=498	n=232	n=292	n=193	n=822	n=658	n=364	n=418	n=604	
%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
25	Credit card	41	39	43	17-	41	54+	46	36	59+	31-	22-	30-	43+	42	38	47+	37-
15	Mortgage	24	24	23	4-	25	50+	27	2-	39+	15-	9-	16-	25+	24	23	28+	21-
5	Overdraft	12	12	13	8	16	22+	10	4-	15	17+	5-	12	13	13	11	13	12
10	Hire Purchase	9	9	8	4-	14+	12	10	1-	11+	10	3-	7	9	9	8	11	7
5	Personal loan	6	9+	4-	4	10	10+	6	1-	7	7	5	6	6	6	6	6	6
3	Student loan	6	6	6	15+	13+	6	--	1-	8+	5	3-	3-	6+	7+	4-	7	5
6	Loan from...	3	3	3	4	5	3	2	3	2-	4	5	4	3	3	3	2	4
2	Loan from...	0	0	0	--	0	1	1	-	0	-	1	1	0	1	0	0	0
0	Pay-day...	0	-	0	-	-	-	1	-	0	-	0	1	0	0	-	-	0
1	Other...	1	0	1	--	2	1	0	1	1	1	1	1	1	1	1	1	1
54	None of these	39	41	37	58+	27-	24-	34	59+	24-	39	61+	50+	36-	38	40	35	41

Base population n=1022 and booster sample n=512.

### Lenders considered

5.10 Participants were asked where they would most likely go if they needed to borrow money. A bank or building society was the number one choice main survey respondents at 46%. This was followed by friends and family at 38% and credit unions at 21%. Whilst these top three choices also feature in the booster areas, their rank order changes with friends and family coming in first at 48%, banks and building societies at 30% and credit unions at 25%.

### Lenders considered

BOOST SAMPLE n=512 %	TOTAL n=1022 %	VULNERABLE CONSUMERS																	
		GENDER		PENSIONABLE AGE					LOW INCOME			DISABLED		RURAL		AREA			
		Male n=466 %	Female n=556 %	16-24 n=90 %	25-34 n=159 %	35-49 n=258 %	50-64 n=248 %	65+ n=267 %	ABC1 n=498 %	C2 n=232 %	DE n=292 %	Yes n=193 %	No n=822 %	URBAN n=658 %	RURAL n=364 %	GR. B*fast n=418 %	Rest of NI n=604 %		
30	Bank/Building society	46	50+	42-	18-	38-	53+	56+	52+	61+	39-	29-	36-	47+	51+	36-	50	43	
48	Family/friend	38	37	40	76+	55+	32-	24-	23-	27-	42	52+	36	39	40	36	36	40	
25	Credit union	21	17-	24+	14-	23	22	22	20	17-	20	25+	25	20	18-	25+	17-	23+	
3	Credit card	6	6	7	3	5	9+	8	4-	7	7	4	4	6	8+	3-	9+	4-	
2	Overdraft	4	3	4	3	5	5	4	2-	4	4	3	3	4	5+	2-	3	4	
1	Doorstep lender	1	1	0	2	1	1	--	--	--	1	1	1	0	1	1	0	1	
1	Pay-day loan company...	0	1	0	-	1	-	1	-	-	0	1	1	0	0	1	0	0	
6	I don't borrow as a rule	4	4	5	1	1	4	4	4	4	4	8+	4	2	8+	3	5		
5	Other	1	1	1	-	1	2	1	6	1	2	1	2	1	1	3	-	7+	

Base population n=1022 and booster sample n=512.

#### Lenders considered for an urgent loan

5.11 Almost half (49%) of respondents from the main survey said that they would choose a bank or building society for an urgent loan. 34% would seek help from friends and family and 14% would go to a credit union. In the booster area, there is a similar trend with previous answers for non-urgent lending. 56% of respondents here would seek help from friends or family, 20% would apply to a bank or building society and 16% would try borrowing from a credit union.

### Lenders considered for urgent loan

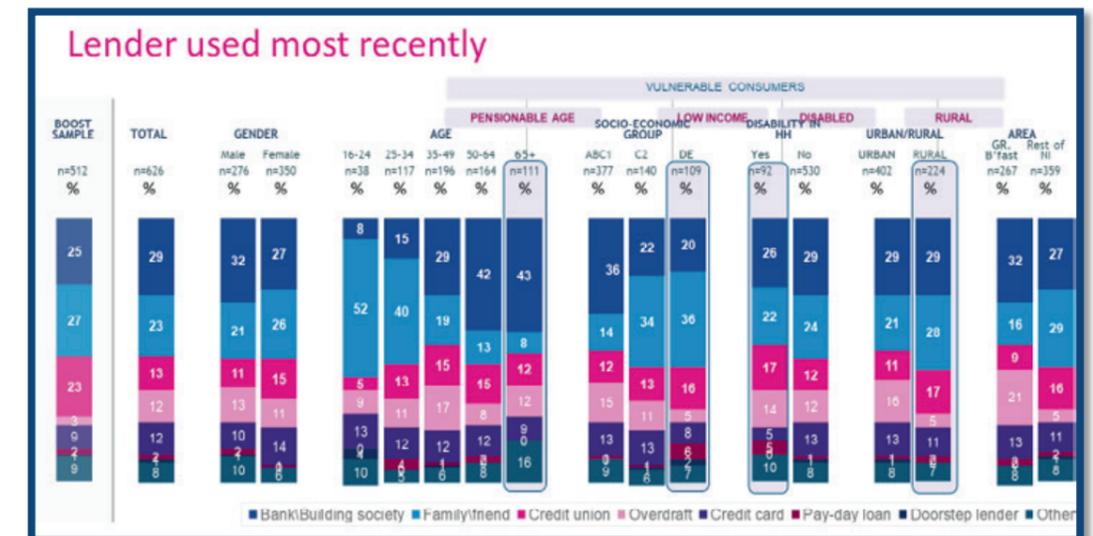
BOOST SAMPLE n=512 %	TOTAL n=1022 %	VULNERABLE CONSUMERS																	
		GENDER		PENSIONABLE AGE					LOW INCOME			DISABLED		RURAL		AREA			
		Male n=466 %	Female n=556 %	16-24 n=90 %	25-34 n=159 %	35-49 n=258 %	50-64 n=248 %	65+ n=267 %	ABC1 n=498 %	C2 n=232 %	DE n=292 %	Yes n=193 %	No n=822 %	URBAN n=658 %	RURAL n=364 %	GR. B*fast n=418 %	Rest of NI n=604 %		
20	Bank/Building...	49	46	52	83+	71+	45	36-	29-	39-	53	62+	47	50	50	48	47	51	
56	Family/friend	34	39+	29-	12-	27-	33	44+	45+	45+	29	22-	29	34	37+	27-	36	33	
16	Credit union	14	11-	17+	8-	12	16	15	17	12	13	18+	17	14	11-	20+	11-	16+	
5	Credit card	7	6	7	2-	4	11+	8	5	8	8	4-	6	7	8+	4-	8	5	
3	Overdraft	2	3	2	2	2	2	3	1	3	2	1	2	2	3	1	2	2	
1	Doorstep lender	0	1	-	2	1	0	-	-	-	0	1	1	0	0	1	0	0	
1	Pay-day loan...	0	0	0	-	-	0	1	-	-	-	1	0	0	0	0	-	0	
6	I don't borrow...	3	3	4	-	1-	3	3	9+	3	3	4	7	8	6	3	3	5	
4	Don't know	2	2	2	-	-	2	1	4+	3+	0-	1-	1	6	3	1	2	1	
1	Refused	0	0	0	-	-	1	1	0	1	-	0	1	-	1	0	0	0	

Base population n=1022 and booster sample n=512.

#### Lenders most recently used and typical amounts borrowed

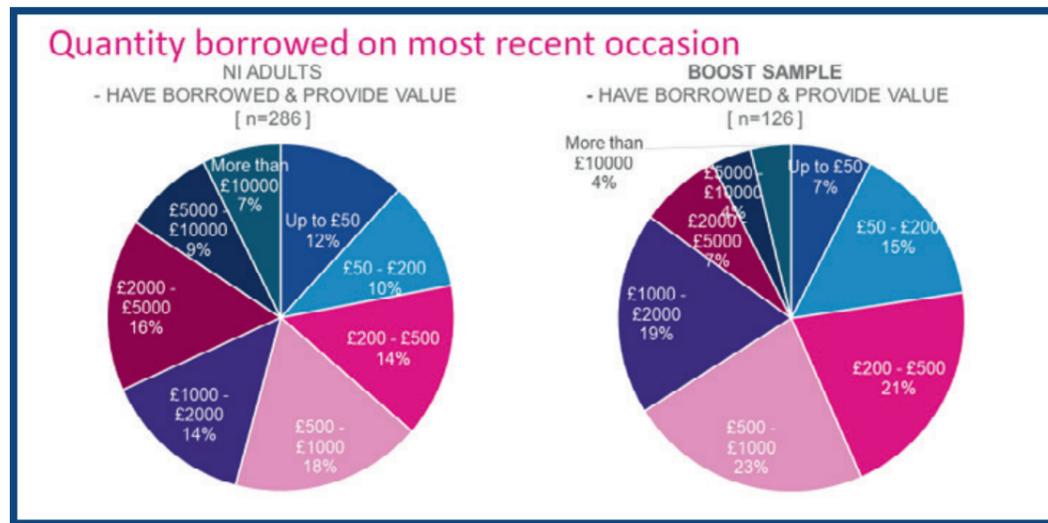
5.12 Survey respondents were asked to provide details of who they used most recently to borrow money from. 29% from the main survey said that they last borrowed from a bank or building society and 23% from friends or family. Whilst there was difference in the numbers borrowing from banks, the urban rural split in friends and family borrowing was 21% and 28% respectively. In the main survey, only 8% of social housing tenants said their most recent borrowing was from a bank rising to 15% in the booster areas. However, the friends and family option for social housing tenants saw significant rises in both the main and booster surveys with 58% and 47% respectively.

5.13 Friends and family borrowing was more prevalent in low income households at 36% but by far the largest group of people borrowing from friends and family was the 16-24 age group at 52%.



Base population n=1022 and booster sample n=512.

5.14 Over half of the respondents in the main survey (54%) said that they needed to borrow up to £1000 however in the booster areas, this figure rose to two thirds (66%). 14% of the main survey respondents said that they had borrowed between £1000-£2000 and this figure rises again for the booster area to 19%. 55% of social housing tenants in the main survey said that they needed to borrow amounts up to £1000 but numbers fell in the booster areas to 42%.



Base population n=286 and booster sample n=126 (Lower than usual sample numbers to reflect those respondents answering yes to having borrowed)

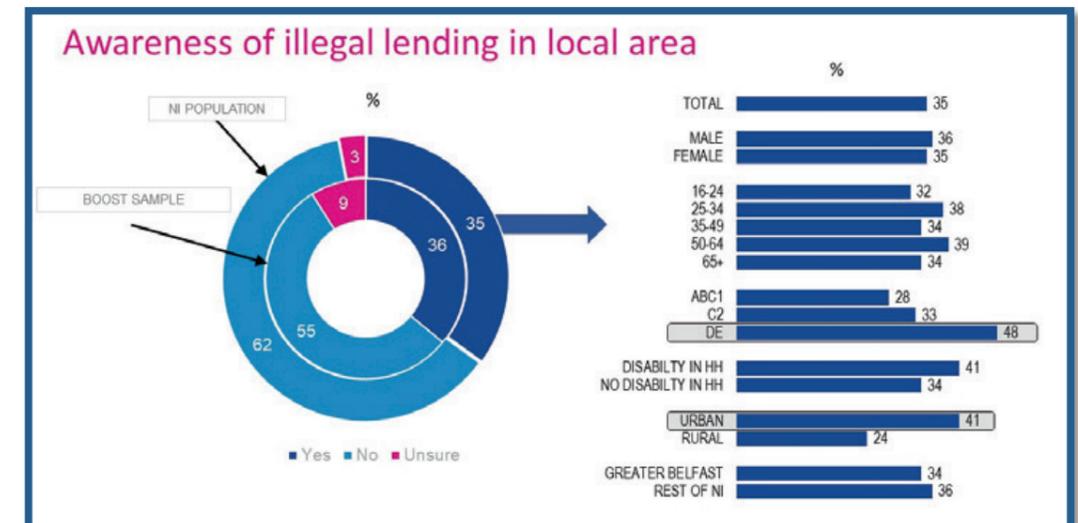
#### Friends and family borrowing

5.15 The England Illegal Money Lending Team was set up in 2004. Through its research and speaking to victims of illegal money lending, it was identified that people occasionally cover up illegal loans by saying they borrowed from friends and family. Whilst no accurate figure can be given, it is a story that mirrors the experience of some advice sector workers in Northern Ireland who routinely deal with debt clients.

#### Illegal Lending

##### Awareness of illegal lending in local area

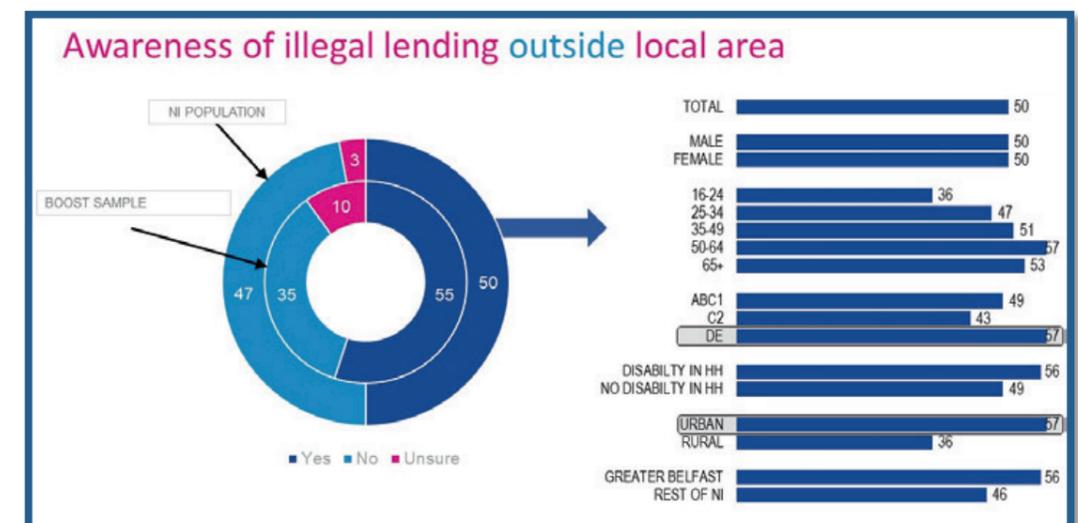
5.16 35% of respondents throughout the main survey were aware of illegal lending activity within their local area and those from booster areas reported the same in similar numbers (36%). This figure rose to 41% in urban locations and peaked at 48% in low income households. However, a more detailed analysis of results by housing status showed that 50% of tenants in social housing were aware of illegal lending in their local area in the main survey and dropped to 41% in the booster areas.



Base population n=1022 and booster sample n=512.

##### Awareness of illegal lending in outside local area

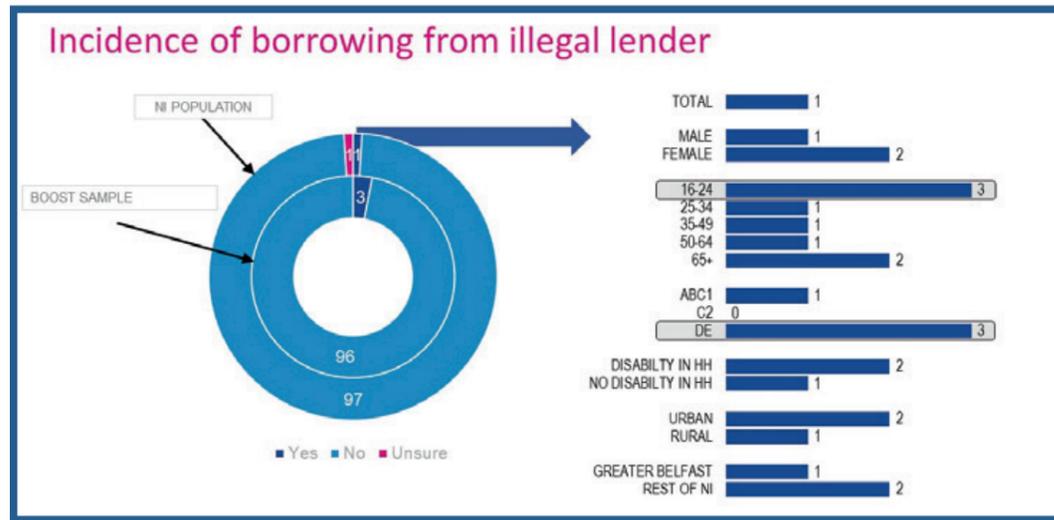
5.17 50% of respondents throughout the main survey were aware of illegal lending activity outside their local area but this awareness rose to 55% in the booster areas. This figure also rose to 57% in urban locations and in low income households. 59% of social housing tenants from the main survey were aware of the activity outside of their local area but in the booster areas the awareness dropped to 54%.



Base population n=1022 and booster sample n=512.

### Those most likely to use illegal lenders

5.18 Survey respondents were asked if they had ever borrowed money from an illegal money lender. Around 1% of respondents throughout the main survey said that they had but in the booster areas, this figure rises to 3%. The highest figures were amongst 16-24 year olds and low income households. The research also suggests that people living in an urban area are twice as likely to avail of an illegal lender as someone living in a rural area. 2% of social housing tenants in the main survey said that had borrowed from an illegal lender but this figure more than doubles to 5% for those living in the booster areas.<sup>3</sup>

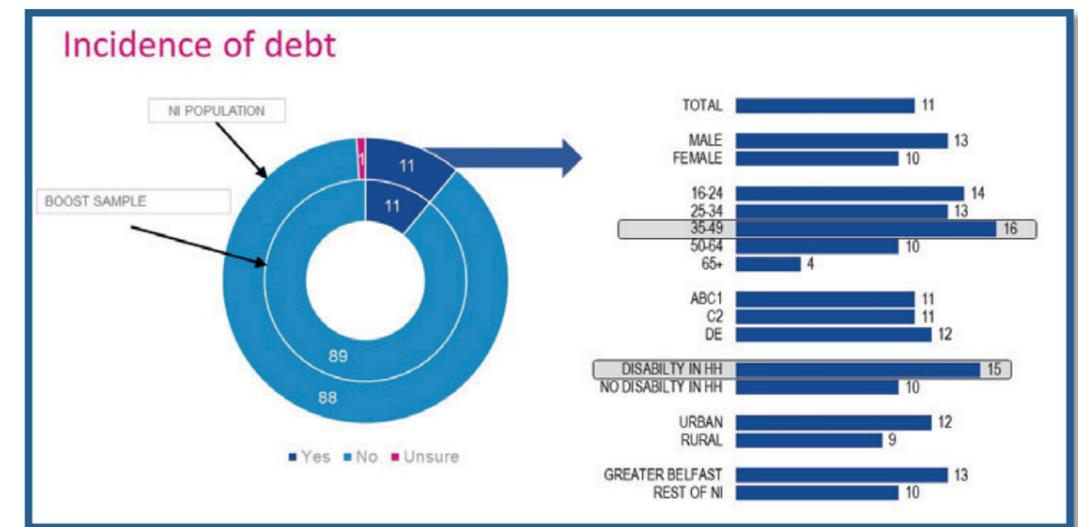


Base population n=1022 and booster sample n=512.

### Debt Levels and Management

#### Incidence of general debt

5.19 Respondents were asked if they were currently in debt, excluding their mortgage or car finance. 11% of respondents in both the main survey and the booster areas said yes. The most likely groups within the people asked were aged 35-49 at 16% and those who lived in a household with a disabled person at 15%. The findings also revealed that 14% of 16-24 year olds considered they were in debt and 12% of urban households versus 9% of rural.

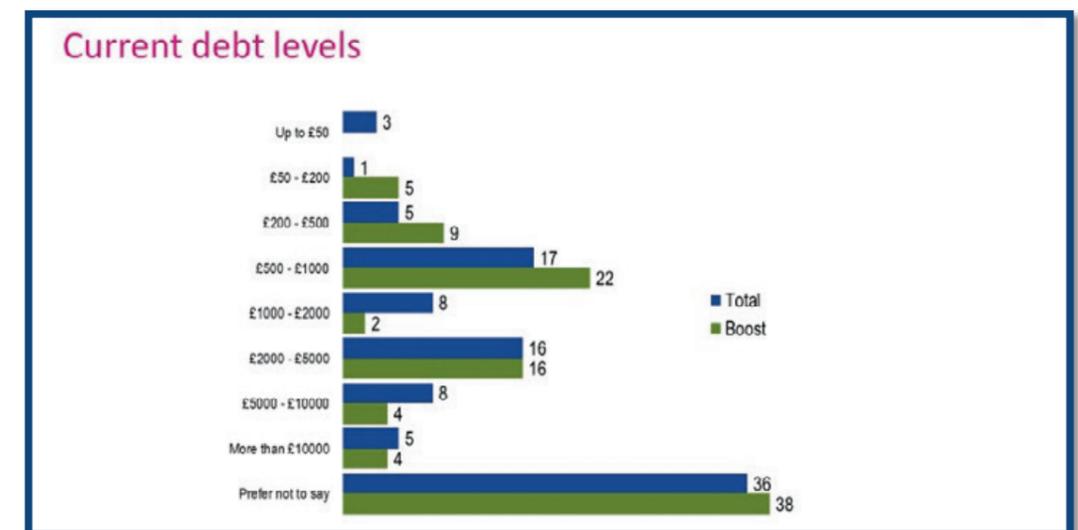


Base population n=1022 and booster sample n=512.

#### Current debt levels

5.20 Respondents were asked about their approximate total amounts of current debt. The number of respondents who preferred not to tell us the value was largely the same for the Northern Ireland adult population and in the booster areas at 36% and 38% respectively.

5.21 Most people had between £500-£1000 (17% from the main survey and 22% from the booster areas). More people who live in the booster areas had debt in the smaller categories of £50-£200 and £200-£500 than the main survey respondents. Of social housing tenants, 34% of respondents from the main survey, reported having total debt between £500-£1000 and 44% in the booster areas.<sup>4</sup>



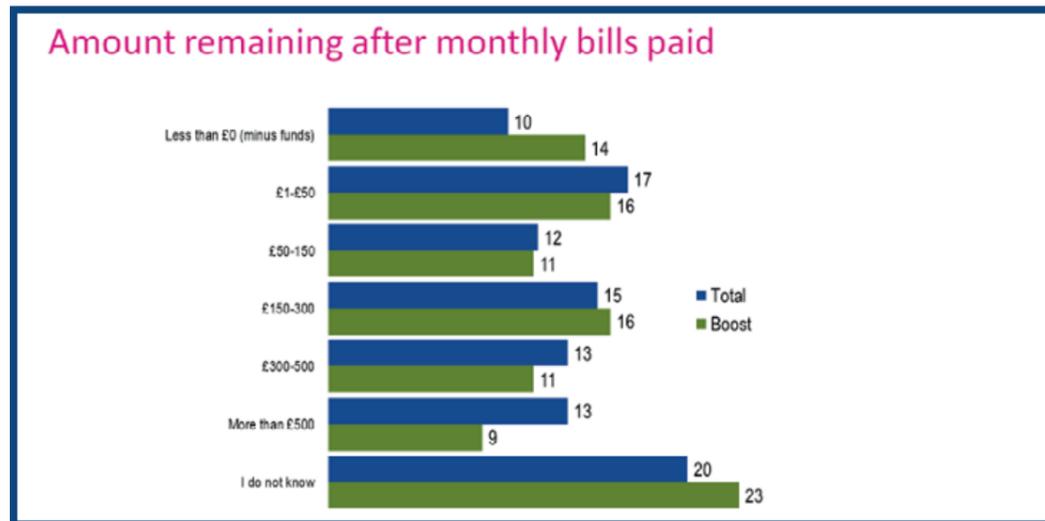
Base population n=103 and booster sample n=55.

<sup>3</sup>Caution must be expressed when considering these results given the low number of respondents.

<sup>4</sup> Lower than usual sample numbers to reflect those respondents answering yes to having debt.

### Amount remaining after monthly bills are paid

5.22 Survey respondents were asked how much money they had left over after paying their monthly bills, including their food and general expenses. At the lower end of the scale, 10% of main survey respondents said they had nothing or went into the minus, whilst 13% said they had more than £500. In the booster areas, these figures rise to 14% and for the lower end but drop to 9% for those having more than £500 surplus. Whilst social housing tenants reported having no surplus left in similar numbers to the overall figure in the main survey (9%), if they lived in a booster area they were almost twice as likely to have no money left after bills at 19%.



Base population n=600 and booster sample n=358. Refusals were excluded from our data.

### Where would you go if in debt

5.23 Survey respondents were asked where they would go for help if they were in debt. Only 8% of respondents of the Northern Ireland population said that they would seek help from a financial support or advice body. The figure was 12% in the booster areas. 45% of the Northern Ireland population advised they would seek help from friends and family. It was 48% in the booster areas. In social tenancy households, more people rely on friends and family for debt advice with the figures of 68% and 57% being reported for the main survey and booster sample respectively.

BOOST SAMPLE	TOTAL	VULNERABLE CONSUMERS																													
		GENDER		PENSIONABLE AGE					LOW INCOME			DISABLED IN HH		RURAL		AREA															
		Male	Female	16-24	25-34	35-49	50-64	65+	ABC1	C2	DE	Yes	No	URBAN	RURAL	GR	Rest of NI														
n=512	%	n=466	%	n=90	%	n=159	%	n=258	%	n=248	%	n=267	%	n=498	%	n=232	%	n=292	%	n=193	%	n=822	%	n=658	%	n=364	%	n=418	%	n=604	%
48	Family/friend	45	42	47	74+	61+	40	29-	33-	33-	49	58+	43	45	45	43	40-	48+													
17	Bank/Building...	30	32	28	10-	21-	31	42+	35	37+	28	20-	21-	31+	33+	24-	29	30													
6	Financial advisor	16	17	15	8-	14	25+	19	11-	26+	11-	7-	13	17	16	16	15	17													
14	Credit union	14	14	14	13	13	17	11	14	9-	17	18+	15	14	12-	17+	10-	17+													
12	Financial...	8	8	9	3-	5	11	14+	5-	10+	6	7	11	8	11+	3-	13+	5-													
6	Online advice...	4	4	4	4	7	5	6	0-	6+	4	2-	6	4	4	5	5	4													
1	Credit...	2	3	2	2	2	5+	2	1-	2	4	3	2	3	4+	0-	3	2													
0	Doorstep lender	1	1	0	1	1	1	--	1	--	--	2+	1	0	1	0	--	1+													
1	Pay-day loan...	0	0	-	1	-	-	-	-	-	-	1	-	0	0	-	-	0													
24	Other	11	10	12	5-	8	12	12	15+	14+	10	7-	18+	10-	12	10	18+	6-													

Base population n=1022 and booster sample n=512.

### Knowledge of financial matters, borrowing money & interest rates on loans

5.24 73% of respondents throughout the main survey felt that they were well informed about financial matters but only 66% in the booster areas felt the same way. The people that considered themselves most financially aware were those from more affluent households (84%) whilst those aged 16-24 were least likely to feel aware about such matters (41% of this group said they didn't feel knowledgeable about financial matters).

5.25 There is a similar trend when it comes to borrowing money. 71% of main survey respondents felt they have good knowledge in this area versus 63% in the booster areas. Low income households and those aged 16-24 felt less aware in this area at 56% and 53% respectively. People in rural areas felt slightly more informed than their counterparts in urban areas with 72% v 70%.

5.26 The above trends continue again in the area of interest rates and fees and charges on loans. 66% of main survey respondents and 56% of booster area respondents felt they knew about this topic. Low income households and those aged 16-24 felt less aware in this area at 51% and 46% respectively. In terms of the urban rural split, again more people in rural areas felt informed with 70% v 64%. 44% of social housing tenants from the main survey did not have enough knowledge in this area with 43% reporting the same in the booster areas.

5.27 Overall, 45% of survey respondents would welcome information and further education on financial matters with their preferred means for learning being leaflets, social media and dedicated consumer websites.

## 6. Conclusions

- 6.1 Our research shows that there are high levels of awareness of illegal lending activity both inside and outside of people's local areas. In the main survey, 35% of respondents said they knew about the activity inside their local area and 50% said they knew about it outside of their local area. In the booster areas, the figures for awareness inside and outside of the local area were 36% and 55% respectively.
- 6.2 Our research shows that in general, respondents from urban areas, low income households and households with a disabled person, were more likely to be aware of illegal lending than others. 41% of urban households, 41% of households with a disabled person and 48% of low income households all said they were aware of activity inside their local areas. The figures for outside of their local areas were 57% for urban, 56% for households with a disabled person and 57% for low income households.
- 6.3 A more detailed analysis of awareness of illegal lending by housing status shows that social housing tenants are amongst those who are most aware. In the main survey, 50% of respondents in social housing said they knew about the activity inside their local area and 59% said they knew about it outside of their local area. In the booster areas, the figures for social housing tenants inside and outside of the local area were 41% and 54% respectively.
- 6.4 Our research also showed that when asked about awareness of illegal money lending happening in their area, awareness in the booster sample areas were driven largely by Loyalist areas. However, this is based upon a low survey sample size and there is no indication that this higher level of awareness equates to a higher incidence of usage.
- 6.5 1% of respondents from the main survey admit to using an illegal lender. While this is a low percentage, it could equate to around 14,000 people if we consider this percentage against the Northern Ireland population aged 16 and above<sup>5</sup>. The figure rose to 3% in the booster areas. Given the problems associated with illegal lending, these figures are likely to be under reported and the number of people that are affected could be considerably higher.
- 6.6 Those people aged 16-24, those aged 65+, those on a low income and those in a households with a disabled person are potentially more vulnerable in terms of debt risk and exposure to illegal lenders. 3% of those aged 16-24 and 2% of those over 65 said that they had used an illegal lender.
- 6.7 Social housing tenants in the booster areas appear to be the most at risk group of people in our survey for illegal lending. 5% said that they had taken an illegal loan at some point. 2% of the same group of tenants responding to the main survey also reported using an illegal lender.
- 6.8 There is a lack of consumer awareness of where to go if someone needed help with debts. There may be limited opportunities to obtain credit from traditional high street banks or even high cost short term lending arrangements. Affordable alternatives are needed to provide real opportunities for vulnerable people to help them avoid illegal lenders.

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<sup>5</sup> Please note that extrapolation has only been used for demonstrative reasons.

- 6.9 Action is also needed to help people become informed about financial matters. 27% of the Northern Ireland adult population felt they need more information but this figure rose to 34% in the booster areas.
- 6.10 High numbers of people reported not having enough knowledge on borrowing. Overall, 24% of respondents to the main survey said they do not know enough rising to 27% in the booster areas but for social housing tenants these figures increase to 53% and 50% respectively. Another group that felt their knowledge lacked in this area was 16-24 year olds, 39% of whom felt they didn't know enough.
- 6.11 Whilst it is difficult to draw significant conclusions from some of the statistics, there are indications that we need to focus efforts on supporting young people, those in social housing, those in loyalist areas and those on low incomes.

## 7. Next Steps

- 7.1 It is clear from our research there is a problem with illegal money lending in Northern Ireland, and like other parts of the UK, we need to deliver education and support which is underpinned by research and collaborative working across the wider public, community and financial sector.
- 7.2 It is also clear that work is needed to establish viable lending alternatives for consumers who would otherwise use an illegal lender.
- 7.3 Improvements are also needed to increase levels of consumer awareness of financial matters and where to go to for help. To address these issues, The Consumer Council will work on a number of initiatives.

### Young People

- 7.4 The Consumer Council has developed and piloted preventative educational materials targeted at Primary and Post-Primary School children. An educational resource for primary school aged children has been successfully delivered to 500 children, in a variety of settings, through our partner Young Men's Christian Association (YMCA). An animation and supporting educational materials has also been developed to deliver key preventative messages to older primary school children.
- 7.5 A pilot of Key Stage 3 educational materials has been developed and delivered through partner schools. Feedback from the pilot been encouraging with all learners responding that they had an increased understanding of illegal money lending. Preventative education will continue with the development of Key Stage 4 teaching resources and subsequent pilot continuing into the new academic year.

### Public awareness

- 7.6 The Consumer Council has developed a website ([www.stoploansharksni.org.uk](http://www.stoploansharksni.org.uk)) to boost public awareness about who we are and what a loan shark is. There is also a section for education and information as well as links to other advice sector organisations and what to do when help is needed.

7.7 The Consumer Council has attended a number of events to soft launch the Stop Loan Sharks campaign including The Balmoral Show, Northern Ireland Civil Service (NICS) Live event and our own Consumer Parliament.

#### Community sector initiatives

7.8 The Consumer Council is working with Department for Communities (DfC) on their community leader development programme called T:BUC (Together Building United Communities). We have agreed a partnership that involves a co-design of a financial capability package to be rolled out in both urban and rural areas.

7.9 The Consumer Council is working with the Northern Ireland Housing Executive (NIHE) 'Housing Information Management' team. Our aim is to develop a training package for NIHE Patch Managers on how to identify illegal money lenders and some of the red flags which would indicate tenants owe money to illegal money lenders.

## Annex A – Survey Questions

**INTRO TEXT:** Below are a series of questions to understand your thoughts and experiences as a Northern Ireland consumer about Lending, Savings and Debt. Please be assured that your responses are entirely confidential and will only be used as part of a large Northern Ireland wide survey. No specific details would be attributed to you personally.

ASK ALL

1. Which, if any, of the following financial products do you have (either on your own or jointly with someone else)?

Select all that apply

- Current account (bank or building society)
- Savings account (bank or building society)
- Credit Union account
- Other
- None of these

ASK ALL

2. Which bank/building society do you do most of your banking with?

Please select one of the following

- Bank of Ireland
- Barclays
- Danske Bank
- First Trust Bank
- Nationwide
- Post Office
- Santander
- Ulster Bank
- Other
- Not sure
- I do not use a bank

ASK ALL – MUTLTI CODE

3. On a day-to-day basis, which of these payment methods do you use the most?

Select all that apply

- Cash
- Debit card
- Contactless debit card or credit card (under £30.00)
- Prepaid card
- Payment app on my mobile phone e.g Apple pay, PayPal
- Credit card
- Cheque
- Online banking
- Telephone banking
- Not sure

ASK ALL

4. How often, if ever do you save money?

- Weekly
- Monthly
- A few times per year
- Once a year
- Less often
- Never

IF ANNUAL SAVER

5. Per year, how much do you typically save?

- Up to £500
- £500 – £1000
- £1000 - £2000
- £2000 - £5000
- £5000 - £10000
- More than £10000
- Prefer not to say

ASK ALL

6. Which, if any, of these loan/credit products do you have in your name or jointly with someone else?

Select all that apply

- Credit card
- Mortgage
- Overdraft
- Student loan
- Personal loan
- Pay-day loan e.g. Amigo, Quick-quick
- Loan from family/friend
- Loan from another individual/group
- Hire Purchase
- Other [specify] \_\_\_\_\_
- None of these

ASK ALL

7. Where would you go if you needed to borrow money? (Please select all that apply)

DO NOT PROMPT – PROBE TO PRECODES

- Bank/Building society
- Credit union
- Family/friend
- Credit card
- Overdraft
- Doorstep lender
- Pay-day loan company e.g. Amigo, Quick-quick
- Other – please specify \_\_\_\_\_

ASK ALL

8. Where would you go if you needed to borrow money urgently? (Please select one)

DO NOT PROMPT– PROBE TO PRECODES

- Bank/Building society
- Credit union
- Family/friend
- Credit card
- Overdraft
- Doorstep lender
- Pay-day loan company e.g. Amigo, Quick-quick
- Other – please specify \_\_\_\_\_

IF ONLY SELECTED MORTGAGE AT Q6

9. Have you ever borrowed money (other than for a mortgage)?

- Yes
- No
- Unsure

IF EVER BORROWED PREVIOUSLY

10a Where have you borrowed money from in the past?

- Bank/Building society
- Credit union
- Family/friend
- Credit card
- Overdraft
- Doorstep lender
- Pay-day loan company e.g. Amigo, Quick-quick
- Other – please specify \_\_\_\_\_

IF EVER BORROWED PREVIOUSLY – Q6=1~10 OR Q9=1 – MULTI CODE

10a Where did you borrow money from most recently?

- Bank/Building society
- Credit union
- Family/friend
- Credit card
- Overdraft
- Doorstep lender
- Pay-day loan company e.g. Amigo, Quick-quick
- Other – please specify \_\_\_\_\_

IF EVER BORROWED PREVIOUSLY

11. How much did you borrow on this most recent occasion?

- Up to £50
- £50 - £200
- £200 - £500
- £500 – £1000
- £1000 - £2000
- £2000 - £5000
- £5000 - £10000
- More than £10000
- Prefer not to say

ASK ALL

12. Are you aware of illegal money lenders/loan sharks operating in your local area?

- Yes
- No
- Unsure

ASK ALL

13. Are you aware of illegal money lenders/loan sharks operating outside your local area in Northern Ireland?

- Yes
- No
- Unsure

ASK ALL

14. Have you ever borrowed money from an illegal money lender/loan shark?

- Yes
- No
- Unsure

IF BORROWED FROM LOAN SHARK

15. How much did you borrow from the illegal money lender/loan shark? IF BORROWED ON MORE THAN ONE OCCASION PLEASE STATE SUM ON MOST RECENT OCCASION

- Up to £50
- £50 - £200
- £200 - £500
- £500 – £1000
- £1000 - £2000
- £2000 - £5000
- £5000 - £10000
- More than £10000
- Prefer not to say

IF BORROWED FROM LOAN SHARK

16. What was your experience of this loan from the money lender?

- Positive
- Negative Please outline your experience below:
- Unsure

Debt

ASK ALL

18. Are you currently in debt (excluding mortgage/car finance)?

- Yes
- No
- Unsure

IF IN DEBT

19. What is your best guess for how much debt you have currently?

- Up to £50
- £50 - £200
- £200 - £500
- £500 – £1000
- £1000 - £2000
- £2000 - £5000
- £5000 - £10000
- More than £10000
- Prefer not to say

IF NOT CURRENTLY IN DEBT

20. Have you ever been in debt in the past?

- Yes
- No
- Unsure

IF PREVIOUSLY BEEN IN DEBT

21. At its height, what is your best guess for how much debt you had?

- Up to £50
- £50 - £200
- £200 - £500
- £500 – £1000
- £1000 - £2000
- £2000 - £5000
- £5000 - £10000
- More than £10000
- Prefer not to say

ASK ALL

22. In a typical month, after you have paid your mortgage/rent and all essential bills how much money do you as a household have left?

Please select one

- Less than £0 (minus funds)
- £1-£50
- £50-150
- £150-300
- £300-500
- More than £500
- I do not know
- Prefer not to say

ASK ALL

23. Where would you go for help if you were in debt?

- Financial advisor
- Financial support body/charity e.g. Money Advice Service, Christians Against Poverty
- Online advice forum e.g. Money Saving Expert
- Bank/Building society
- Credit union
- Family/friend
- Credit card/overdraft
- Doorstep lender
- Pay-day loan company e.g. Amigo, Quick-quit
- Other – please specify \_\_\_\_\_

ASK ALL

24. Do you feel knowledgeable about savings and financial matters?

- Yes
- No
- Unsure

ASK ALL

25. Do you feel knowledgeable about borrowing money?

- Yes
- No
- Unsure

ASK ALL

26. Do you feel knowledgeable about interest rates on loans and fees/charges?

- Yes
- No
- Unsure

ASK ALL

27. Would you welcome information and further education on the topic of safe borrowing?

- Yes
- No
- Unsure

IF WOULD WELCOME INFORMATION

28. In what format is this information best presented? (Please select one option)

- Online via dedicated consumer website
- Social media
- Email
- Leaflets
- Posters
- Talks/presentations
- Other \_\_\_\_\_

ASK ALL

29. As a Northern Ireland consumer, is there anything further you wish to add on the topic of lending, savings and debt?

STANDARD OMNIBUS CLASSIFICATIONS

## Annex B – Social Grade Classification by Occupation

The classifications<sup>6</sup> are as follows:

A	Higher managerial, administrative and professional
B	Intermediate managerial, administrative and professional
C1	Supervisory, clerical and junior managerial, administrative and professional
C2	Skilled manual workers
D	Semi-skilled and unskilled manual workers
E	State pensioners, casual and lowest grade workers, unemployed with state benefits only

<sup>6</sup> <http://www.nrs.co.uk/nrs-print/lifestyle-and-classification-data/social-grade/>



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