SUBMISSION FROM

THE PERSONAL MICRO CREDIT SCHEME – IMPLEMENTATION GROUP

IN RESPONSE TO

Moneylending
Review of the Consumer Protection Code for Licensed Moneylenders
Consultation Paper CP 118

27th June 2018

The Personal Micro Credit Implementation Group welcomes the opportunity to provide input to the Review of the Consumer Protection Code for Licensed Moneylenders Consultation Paper CP 118. The Group acknowledges the research and time that was assigned to the development of this Consultation Paper.

Background to the PMC Scheme and Implementation Group

The PMC scheme (PMC) is a response to the pervasive question of "**How come the most vulnerable in Irish society are finding it difficult to obtain small affordable loans to meet genuine needs?"**

PMC commenced as a pilot initiative in November 2015 with 30 credit unions across the Republic of Ireland. Branded the 'It Makes Sense Loan', the aim was to prove that credit unions could offer a loan product that matched the convenience and ease of moneylenders' offers, address the exorbitant rates charged by them and yet was within prudential lending guidelines.

The pilot was a success and as a result a national roll-out was approved in the summer of 2016. The significance of the initiative is reflected in it being included in the 2016 Programme for Government "*Specifically we support…the rollout and extension of the Personal Microcredit Scheme, which is providing simple microloans to members and helping to combat the use of moneylenders*[1]*.*"

Stakeholders

The Implementation Group which provides governance and oversight of the scheme is comprised of many stakeholders. They are:

- Department of Finance;
- Department of Employment and Social Protection;
- Registry of Credit Unions, Central Bank of Ireland;*
- Citizen Information Board/Money Advice and Budgeting Service;
- Irish League of Credit Unions;
- Credit Union Managers Association;
- Credit Union Development Association;
- Representatives from Individual Credit Unions;
- An Post;
- Social Finance Foundation; and
- The non-profit sector is represented by the Society of St Vincent de Paul.

*please note for the purposes of this submission the representative from the Central Bank, Registry of Credit Unions was not involved.

[1] https://www.merrionstreet.ie/MerrionStreet/en/ImageLibrary/Programme_for_Partnership_Government.pdf

The Objectives of the Scheme

- To offer an alternative to money lenders;
- To create a useable credit history for members to ultimately enable them to access other financial services and products;
- To create a path to "graduate" to becoming a mainstream credit union member;
- To encourage education and move individuals from financial exclusion to sound money management; and
- To enable the credit union movement to support its ethos by serving all members of the community.

Headlines of the Scheme

- 111 Credit Unions are live – 260+ sites across the country
- Average loan €515
- 65% of loans repaid within 1 year
- Average weekly repayments are approximately €15.00
- 20-45 years is the average age of borrower

Points of Note

It is noted that this consultation does not include an examination of interest rates charged by moneylenders. While the consultation paper points to the rationale for the interest rates allowed, we would suggest that further work should be undertaken to ascertain the probability of the risks identified and the mitigants that could be put in place.

The following examples highlight the significance of the interest rate differential between moneylenders and standard loans (all data provided by participating credit unions in 2018). These examples are based on a €500, 6 month loan with a moneylender APR of 187.2%, vs. a credit union loan with an APR of 12.68%[2].

- Large urban credit union, 1,725 PMC loans issued: Interest savings in their community of **€225,000**
- Large regional credit union, 920 PMC loans issued: Interest savings in their community of **€120,000**
- Small inner city credit union, 234 PMC loans issued: Interest savings in their community of **€32,000**
- Medium urban credit union, 130 PMC loans issued: Interest savings in their community **€17,000**
- Medium rural credit union, 123 PMC loans issued: Interest savings in their community **€16,000**

[2] Information correct as at 7th June 2018. Source: Central Bank, Register of Moneylenders.

In addition, while not part of the code itself, there needs to be effective structures in place both with the Regulator and with moneylending organisations to monitor compliance with the code, including the enforcement of penalties and fines.

Section 4: Responsible lending and acting in the best interests of consumers

4.1 Prohibiting targeted advertising

Q1. Do you agree with our proposal to prohibit moneylenders from engaging in targeted advertising?

Yes we agree with the proposal to prohibit moneylenders from engaging in any form of targeted advertising to consumers.

This proposal should also be extended to verbal advertising from home credit agents. Given the relationship that can exist with an agent calling to a home on a weekly basis there is a need to ensure that agents do not promote new loans where customers are nearing final repayments. This should form part of agent training. Charities such as the Society of St Vincent de Paul find that communities use moneylenders as a custom and the agent is often seen as a friend of the person and there is a reluctance to stop the line of credit in case it is needed again.

In a PMC focus group undertaken by Amarach Research in April 2016[3] a member of a Dublin city credit union stated **"[moneylender] loans are addictive. I sometimes get them when I don't need them"**. In focus groups undertaken by Amarach Research in March 2018[4] in a Dublin suburban credit union, the importance of family influence on an individual's borrowing habits could not be underestimated.

It is unclear as to how this shall apply to catalogue companies who primarily use email communications and social media as their sales medium. Clarity is needed on situations such as a person with a running account nearing final repayments yet receiving emails with a promotion or sale event, thereby enticing a sale that is very likely to be financed by credit.

It is crucial to include how this shall be monitored and enforced in the industry and consequences for breaching this requirement communicated.

Q2. Do you have any views on our proposed definition for 'targeted advertising' as set out in the draft Regulations?

We have no comment with parts (a) and (b) in the proposed definition of targeted advertising.

However, in respect of part (c), the definition states 'is tailored or delivered in such a manner as to target consumers with low incomes'. A definition of low income is necessary. Ideally, this definition should be in respect of net income as any loan repayment is made

[3] An evaluation of the PMC pilot was undertaken by Amarach Research in April 2016
[4] PMC focus groups were conducted by Amarach Research in March 2018

from net income available. It should also include where income is derived solely from social welfare.

In respect of part (d) it refers to 'availing of credit from a moneylender may not be in their best interests'. The criteria that defines 'best interests' is needed, as is clarity on how 'not in best interests' is measured. In a PMC focus group in March 2018[5] a borrower noted that moneylenders **"cripple you compared to the credit union."**

4.2 Prohibiting unsolicited contact on foot of referrals from consumers

Q3. Do you see any reason why unsolicited contact with a new customer, on foot of a referral from an existing consumer, should not be prohibited?

No, unsolicited contact should be prohibited.

While this may not be part of the code itself, it would be beneficial to include how this would be monitored, audited and reported in the industry and what the consequences are for breaching this requirement.

4.3 Prohibiting unsolicited contact for the purposes of sales and marketing

Q4. Do you foresee any practical difficulties with our proposal to prohibit unsolicited contact with existing consumers for the purposes of sales and marketing?

We see a practical difficulty with trying to enforce this regulation. Does unsolicited contact with existing consumers include channels of communications from social media, emails, sms texts, telephone as well as face to face? Will the scope of sales and marketing include goods sold by catalogue firms and retail firms involved in the provision of goods on credit, in particular where it is likely that these goods will be obtained on credit?

4.4 Removing the exception to the unsolicited contact rules for non-cash credit

Q5. Do you have any views on the proposal to remove the existing exception from the unsolicited contact rule for moneylenders providing non-cash credit

This exception should be removed. The borrower is faced with the same loan repayment arrangement regardless of whether it is a cash loan or not.

[5] PMC focus groups were conducted by Amarach Research in March 2018

4.5 Preventing catalogue firms providing discounts predicated on availing of credit

Q6. Do you agree with the proposal outlined above in relation to the additional rules specifically targeted at discounts which are predicated on availing of credit?

Yes we agree with the proposal to prohibit moneylenders from running promotions in the form of a discount where the discount is only available when the goods or services are purchased on credit.

In the UK, catalogue credit remains a concern for the Financial Conduct Authority in the UK (FCA), particularly the complexity of charging structures and how people are offered choices to make repayments. As a result, many consumers may not understand key features of catalogue credit or may not be making informed choices. The FCA is gathering evidence on firms' policies including information they provide to customers and doing consumer research to better understand consumer use of these products in 2018. Similar research in an Irish context would be welcome[6].

Q7. Do you have any views on what, if any, unintended consequences may arise in implementing this proposal?

Consumers could potentially pay more for their purchases if the practice of offering discounts ceases. Discounts should apply regardless of repayment method.

Consumers need financial education to assist them understand their choices. Debt charities in the UK, such as StepChange claim that a third of the clients it helped in 2015 had catalogue debts, and that they owed an average of just under £2,000[7].

Section 5: Consumers availing of credit from a moneylender on a more informed and considered basis

5.1 Enhancing the existing high-cost credit warning statement

Q8. Do you see any reason why the existing warning statement should not be enhanced in the manner set out above?

The warning statement should be enhanced. Suggested additions are outlined in Q:11

While not within the code there needs to be a complimentary plan around financial education to assist with informing customers of the choices that are available and the implications of the cost of moneylending loans. All wording should be agreed with the National Adult Literacy Agency (www.nala.ie).

[6] https://www.fca.org.uk/news/press-releases/fca-publishes-update-high-cost-credit-work
[7] https://www.theguardian.com/money/2016/feb/26/buy-now-pay-later-catalogue-debt-high-interest-rates

Q9. Do you agree that the enhanced warning statement should be included in all moneylending advertisements?

Yes, with simple language. The National Adult Literacy Agency should assist (www.nala.ie).

5.2 Requiring moneylenders to prompt consumers to consider alternatives

Q10. Do you have any views on the proposal to require moneylenders to provide consumers with an Information Notice at pre-contract points?

The PMC Implementation Group agrees that consumers need to be aware of their options. In order to make this a realistic option details of how this would practically operate need to be provided. We would request that details in relation to PMC loans be considered as one alternative – others also exist.

We foresee some difficulties with issuing this information at pre-contract point.

1. The Moneylending business model works on the basis that pre-contract, contract and drawdown of loans takes place in very quick succession. We would question the impact of providing alternatives at this stage.
2. The confidence with which it is assumed that a moneylender will give a loan is well known. This cannot be said of other lending forms. This imbalance needs to be addressed in order for consumers to feel that alternatives exist. In a PMC focus group in March 2018[8] a borrower noted that **"they believe they will always get the money from a moneylender, they do not have the same confidence elsewhere."**
3. Keeping alternatives up to date shall be difficult.
4. How will this be monitored for impact?

Q11. Do you have any suggestions in relation to the format and content of the enhanced warning statement (referred to at Section 5.1) or the Information Notice to enhance the quality, relevance or impact of the information provided?

Yes, the warning statement needs to be easily understood. It is suggested that the National Adult Literacy Agency (www.nala.ie) and the Competition and Consumer Protection Commission (CCPC) are consulted.

It should be enhanced to include the text highlighted in blue (or a version of):

"Warning: This is high-cost credit, costing xx for €500. Consider alternative options before applying for this credit, including cheaper alternatives from other lenders regulated by the

[8] PMC focus groups were conducted by Amarach Research in March 2018

Central Bank of Ireland. These other lenders on average charge €xx in interest for this type of loan[9]."

Research conducted by the ESRI concluded that a warning sign does not solely deter people from accessing high-cost credit but it reduces the likelihood of opting for high APR loans[10].

The information notice needs to contain web addresses and phone numbers for welfare queries and MABS.

As stated above the Information Notice should include information on PMC.

- ✓ You may be eligible for a Personal Micro Credit loan with a maximum APR of 12.68%. Check with your local credit union or www.itmakessenseloan.ie

5.3 Heightened protection for consumers using moneylending loans to pay for immediate basic needs

Q12 A. Do you agree with these proposals? (Heightened protection for consumers using moneylending loans to pay for immediate basic needs)

B. Do you foresee any practical difficulties arising from the implementation of these proposals?

A: Yes, we agree with your proposals.

B: The practical difficulty is trying to enforce the regulation. Aside from inspections and reviewing sales and marketing activities of firms during inspections, it will be hard to police this regulation. The best way to monitor this is via the recipient of such sales and marketing material. The Consumer Protection division could investigate a straightforward way for the recipient to report this breach.

In addition, moneylender firms could be requested to complete a return to the Consumer Protection division of the Central Bank detailing loans where the purpose is that above. The levels of this type of lending can then be examined to understand the scale of loans that relate to basic needs.

Q13. What do you suggest be included with in the concept of 'immediate basic needs' to which these proposals would apply?

As outlined in the consultation paper: accommodation (not deposit but ongoing rent), food, clothing (uniforms), utilities, educations/back to school costs. It is suggested that heating fuel is also included.

[9] Suggestion that supplying a standard rate to the moneylending industry is explored

[10] https://www.centralbank.ie/news/article/DR-April12Speech

5.4 Aggregate information to consumers with more than one moneylending loan

Q14. A. Do you seen any reason why the Central Bank should not prevent moneylenders from providing a second or further loan to a consumer unless the consumer is provided with the aggregate loan information set out above?

B. Is there any other information that a moneylender should provide to the consumer at the same time?

A: Aggregate loan information should be provided to the customer as proposed.

Repeat borrowing is a prevalent feature of moneylender customers. Weekly repayments should be affordable and sustainable. They need to be clearly outlined for the customer on a regular basis. This information should be viewed as part of the financial education of the borrower in outlining the aggregate information, the costs involved and the alternatives available. In a PMC focus group in March 2018[11] it was noted that all participants had or are engaged with a home credit moneylender. All were repaying some loan or credit continually. That is part of their lifestyle.

Repeat borrowing can be a useful means of managing cyclical income shortfall however there is no scope for a consumer of a moneylender to ever graduate to access main stream financial services or to benefit from building up a credit history (our understanding is that there is no cost differential between first and subsequent moneylender loans).

B: The availability of alternatives needs to be made very clear. The overall amount borrowed – including the proposed loan - the interest rate repayable by the moneylender and the interest rate repayable on a standard loan should be given in monetary terms.

Section 6 Reducing the possibility of consumers over-extending themselves in respect of their borrowing from licensed moneylenders

Q15. Are you in favour of the introduction of a debt servicing ratio restriction as outlined above?

The PMC Implementation Group is in favour of a situation where the ratio of debt to income is manageable and at an acceptable level. However, there are a number of considerations that should be taken into account these are outlined below. The PMC Implementation Group would also welcome the opportunity to discuss debt servicing ratio further as part of the work that the Central Bank intends to undertake in this area post this consultation:

1. Given the statistics on the Moneylending sector as outlined in this consultation and the data gathered by the Central Bank in 2013, there are potentially significant numbers of people that will be impacted by a restriction.
2. As the debt service ratio includes the interest repayment, the amount of credit that a person can access when it is from high cost moneylenders is less, as the interest rate

[11] PMC focus groups were conducted by Amarach Research in March 2018

makes up a disproportionate amount of the repayment. The ratio should also take account of any fees and charges related to the loan.

3. The availability of alternatives needs to be made very clear.
4. The moneylender business model treats a first loan the same as subsequent loans – there is no pricing for risk or an allowance for an excellent track record.
5. The moneylender model does not allow a borrower to evolve. A person is stuck in a repetitive cycle of borrowing, repaying huge interest, borrowing again. Statistics from both the Central Bank 2013 survey and recent FCA data supports this statement. A significant learning from the PMC initiative is that unless there are triggers to assist a borrower to move from repetitive borrowing habits, it will not happen. The PMC offering is designed so that a person can only avail of two and in certain circumstances three PMC loans and there is also a savings mechanism. The credit history built over the first two loans, coupled with small savings allow the borrower to qualify for standard loan products and other financial services. PMC is a path to financial inclusion.
6. In addition to introducing a restriction on the debt service ratio, consideration should be given to introducing a restriction on the number of high cost loans allowable to any one person. Either the rate of interest charged on the third and subsequent loans should be at normal market rates or the borrower should be introduced to alternatives.

Q16. Do you have any views on what percentage of income the restriction should be set at and whether it should be based on gross or net income? Please provide any data or analysis you have to support your response.

Any restriction that is put in place should be based on net income after basic needs have been met.

In assessing the percentage for any restriction, we offer the following for consideration:

1. PMC Initiative: The pattern of repayments evident from PMC is that on average the repayment amount is 7.5% of an average Social Welfare payment. In some cases this also includes a small savings element. A PMC survey in April 2016, 97% of respondents did not report any financial difficulty created by loan repayments[12].
   It should be noted that there is a 25% limit on the Household Budget Scheme for all deductions. This means that deductions in respect of rent, loan repayment and utilities cannot exceed 25% of the person's eligible flat weekly social welfare payment. Also, rent payments are given priority on the household budget scheme.
2. In assessing the percentage for any restriction the information available under the Insolvency Service of Ireland, Guidelines on a reasonable standard of living and reasonable living expenses should be taken into account: http://www.isi.gov.ie/EN/ISI/PAGES/RLE_INFORMATION

[12] Telephone survey conducted by Amarach Research in April 2016 with 138 PMC borrowers

3. In assessing the percentage for any restriction the information available under the Vincentian Partnership for Social Justice on Minimum Income Standards should be taken into account http://misc.ie/home

In the case of 2 and 3 above, special provision needs to be made for those who have the bulk of their income from social welfare. Lessons from the implementation of the model in Australia should be examined in an Irish context.

Q17. Should such a restriction also apply to forbearance arrangements for moneylending consumers in arrears? Do you have any views on how it should apply in an arrears case (e.g. do you consider that different factors also need to be taken into account in such a case)?

Yes restrictions should apply in the cases of forbearance. In the case of arrears, different factors should be considered such as the ability to make lump sum repayments as mentioned. Early referral to MABS which can provide money advice and assistance to a borrower dealing with arrears is essential.

Q18. Do you have views on the potential impact the introduction of a debt servicing ratio restriction might have on consumers and the licensed moneylending sector?

Likely impact is the supply of credit will be reduced. There needs to be continued work on initiatives such as PMC to lessen any impact.

Q19. Are there any circumstances which you consider should be exempted from such a debt servicing ratio restriction?

No

Q20. How would such a restriction operate in the case of 'running account' credit provided by moneylenders? For example, should it operate on the basis of the consumer's credit limit on that account?

The view of the PMC Implementation Group is that the restriction should operate on the basis of the upper credit limit in cases of running account credit i.e. if a credit limit of €2,000 exists then such a restriction should be applicable to this limit.

Section 7: Enhancing the professionalism of the sector

7.1 Training of staff and agents

Q21. Do you agree with the proposal to introduce an explicit requirement that money lenders provide on-going training to staff and agents in respect of the firm's lending policies and procedures?

Yes, there should be an explicit training on lending policies and procedures and this should also include a module on financial education in recognition of the moneylender customer base. This could contain pre-approved CPD content that is monitored and audited to align the moneylending sector with the requirements in place for other Financial Service providers.

The moneylending firms, their employees and agents need to be aware of the monitoring activities and the consequences of failure to comply.

7.2 Lending policies and procedures

Q22.A. Do you agree with the proposal to require moneylenders to have written lending policies and procedure in place?

B. If you agree with the proposal, should moneylenders be required to address any other matters within their lending policies and procedures?

A. Yes. Clarity on lending policies and procedures is not possible for the firm, employees, agents or borrowers if they are not written down, communicated and understood. Written lending policies and procedures will assist with implementing training as outlined in Q21.
B. In addition to the proposal, moneylending firms should have an element of financial education in their policies and procedures. A requirement for moneylending firms to maintain evidence of compliance would also be useful. In the recent Collins Institute paper on 'Equipping Citizens to Deal with Financial Choice', the survey conducted of 1,000 adults in Ireland found that **"People's financial situation can be improved or strengthened by giving them the tools to make an informed decision."**

Q23. Do you have any comments on the proposal to require moneylenders to retain records of income and expenditure relied upon to assess a consumer's creditworthiness?

For the PMC initiative we insist – at a minimum - on two social welfare receipts within the last 4 payments. In banking it is the last 3 months statements. Moneylenders should be brought in line with other financial services and this information needs to be retained for monitoring and audit purposes.

7.3 Engagement with third parties acting on behalf of borrowers

Q24. Do you have any comments on the proposal to introduce explicit obligations on moneylenders to engage with third parties who are acting on behalf of borrowers?

We agree with these proposals. Further evidence as to why training, policies, procedures and record keeping is required.

7.4 Repayment books and collections

Q25. Do you agree with the proposals outlined above in relation to the additional rules specifically targeted at tightening the rules in place around repayment books and collections?

Yes.

Section 8: Additional enhancements to the Moneylenders Code of Conduct

Q26. Do you have any comments on the changes proposed above, that is:

A. Applying relevant requirements under the 2010 Regulations to loan amounts below €200

B. Introducing a specific protection for vulnerable consumers

C. Introducing strengthened requirements for communicating with consumers

D. Requiring that consumers in arrears are signposted to MABS earlier; and

E. Aligning the wording of requirements with the wording of similar provisions in the CPC 2012, where appropriate

A: Yes, we agree that moneylenders should comply with the requirements set out in the 2010 regulations for loans under €200.
B: Yes, it is logical to replicate requirements and the definition of "vulnerable consumer" from the CPC 2012. Cognisance should also be taken of the National Safeguarding Committee's work on protection for vulnerable adults and its definition of vulnerability[13]. We would request that consideration is given to extend the definition of vulnerable consumer to reflect the committee's work. There also needs to be checkpoints for vulnerability as circumstances change. As noted in a PMC focus group in April 2016[14] in reference to moneylenders **"They pick on vulnerable people like me."**
C: Yes, it's rational to strengthen requirements for communicating with consumers, consistent with other Central Bank codes and regulations.

[13] http://safeguardingcommittee.ie/wp-content/uploads/2016/12/NSC-Strategic-Plan-2017-2021.pdf

[14] An evaluation of the PMC pilot was undertaken by Amarach Research in April 2016

D: Yes, we agree with moneylenders referring consumers to MABS after 3 missed payments.
E: Yes, it is logical to align the wording where appropriate with the Consumer Protection Code 2012.

Q27. Do you have comments on the attached draft Regulations?

We would like to see the regulations reflect the additional observations we have made in this submission.

Q28. Do you have any suggestion for further reform in the moneylending sector, e.g. are there any gaps or areas omitted from the protections proposed in this Consultation Paper?

The PMC Implementation Group would like the Central Bank of Ireland to consider the following:

1. There needs to be a mechanism in place for a moneylender borrower to avoid a repetitive cycle of borrowing at high interest rates. The borrower should benefit from developing a credit record. The moneylender model does not offer a progression path to loans with standard rates of interest. It is also clear from the data outlined in the consultation paper that customers tend to have long relationships, thereby consistently operating in a high cost loan environment. This pattern is also apparent from data that has been gathered by the FCA. In a recent survey they found that "many of the consumers who borrowed using home-collected credit at any point between 2012 and 2016 were still borrowing at the end of 2016."[15].
   It is not the contention of the PMC Implementation Group that customers of moneylenders should not be borrowing. These borrowers require access to credit and it is imperative that the financial system provides this accessibility – where willingness and ability to repay exist. It is more an issue that these individuals are trapped in a high cost borrowing cycle with no path to progress. We would suggest therefore that consideration is given to the following:
    - Restrictions on the number of high cost loans that are permitted. Similar to the rationale that the PMC credit policy only allows two (and in exceptional circumstances three) PMC loans with the borrower then graduating to standard lending;
    - All moneylender loans are included in the credit register so that even those who borrow under €500 can use their credit track record to seek alternatives;
    - Encouraging moneylender customers to save by providing easy mechanisms to do so; and

[15] https://www.fca.org.uk/publication/feedback/high-cost-credit-review-update.pdf

  - Putting in place financial education supports so that moneylender customers are making informed choices and understand alternatives. In response to the Collins Institute paper on financial education, Minister Pascal Donoghue noted **"According to the latest S&P Global FinLit report, Irish adults score lower on financial literacy skills than many of our EU neighbours. A lack of financial literacy carries a very real cost. Consumers who fail to understand the concept of interest compounding tend to spend more on transaction fees, run up bigger debts, and incur higher interest rates on loans. Conversely, those with strong financial skills tend to do a better job planning and saving for retirement[16]."**

An evaluation of the PMC pilot found the product described as **'transformative'**. It had a Net Promoter Score of 82[17] (by comparison at the time Apple was 72). Two thirds found the loan to be influential. In addition, the Collins Institute survey found that **"Among the national population and among all age groups except the 65+ age band, money and finance are the most frequent source of worry in Ireland[18]"**

It is important in looking to put consumer protections in place for customers of the moneylending industry, that broader factors are taken into account.

2. As outlined in the consultation paper, the moneylender sector is broadly split between home credit and catalogue firms. These are quite different markets and should be considered in light of their unique characteristics. This approach is being adopted by the Financial Conduct Authority in the UK "we will be consistent in applying the principles...but that does not imply that our solutions for different markets will be the same"[19].
3. Implementing a policy whereby a percentage of fines imposed on moneylenders for breaches is put towards funding financial education through an agency such as MABS or in conjunction with the Education sector.

Q29. Do you have any other views on the overall function and risks of the licenced moneylending sector in Ireland?

It is very positive that payday loans are not permitted in Ireland. The moneylender sector provides an important source of immediate credit, however, this needs to be balanced with the high-cost nature of the credit, the proportion of moneylender customers who feel that they have no other choices and long standing loan arrangements that are in place for many.

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16 http://paschaldonohoe.ie/collins-institute-calls-for-online-personal-finance-course-funded-by-industry/
17 Amarach Research conducted an evaluation of the PMC pilot in April 2016.
18 http://www.collinsinstitute.ie/reports-item/online-personal-finance-course-funded-by-industry-reportt/
19 https://www.fca.org.uk/news/speeches/high-cost-credit-what-next

Please click on icon below for a clip of a Liveline radio interview on 24th May, 2018 with a moneylender consumer

The Personal Micro Credit Implementation Group is grateful for the opportunity to respond to this consultation. We think that this is a critical area that requires considered regulation to provide protection to those that may not be aware of alternatives and the implications of borrowing from moneylenders. It is also critical that these protections are enforced with consequences for failing to comply. We are available for a follow up discussion, should that be required.