

This is a small sample of the numerous people who have sought the Southwark CAB's advice in recent months. Clients have taken out payday loans through shops in Southwark and also on line.

1. The client is a single mother with 7 year child. She was made redundant in November. She has had rent, and council tax arrears for some years and took out various unsecured debts, including from three major banks and Provident. Last year she also took out loans from three pay day loan companies.

The client says that Pay Day loans are really difficult to clear once she has missed a payment especially as she now has no income apart from benefits. The client has opened a Credit Union account into which benefits, including housing benefit, are now to be paid.

The CAB is building up a full picture of all her debts, and is in process of setting out her options, which may include a Debt Relief Order, Bankruptcy or freezing interest on her pay day loans and other non -priority loans and negotiating a token offer on these debts.

2. The client is over 70, and is a single person on pension credit. He took out a £100 pay day loan, repaid it and this was confirmed by the company. The company took out over £100 from his bank account some weeks later. This meant that he had no money at all for living costs. He went to the company's shop who insisted that he owed the money.

He came to the CAB to try to resolve the problem. We gave him a Food Bank voucher for his emergency needs. The company refused to accept a written complaint and insisted that he had to go to the shop again to register his complaint even though it was some miles from his home.

3. The client is a single parent with a 4year old child and has learning disabilities. She is in receipt of benefits and had no money to feed her child because she is struggling to with over £2,000 debts. She recently tried to take out a Payday loan through Loans Direct to help pay off her debts. The company charged a £60 administration fee, even though no loan was made and it was clear the client had learning disabilities.

The CAB debt team explained that she was eligible for a Debt Relief Order and were able to claim back the administration fee.

4. The client's debts exceed £15,000. He received a notice for payday loan debt collection from Albermarle & Bond for £883, seeking to take the money owed from his wages. He had only eight days to respond to the letter, was away during that time, and so was not able to respond. Albermarle and Bond is a pawnbroker with hundreds of shops in UK and has recently diversified into payday loans.

The CAB advised the client to go to Lambeth County Court to complete the Court's income and expenditure form and to pursue a set aside order.

5. The client is a single parent with three school age children. She works part time earning £850 per month, and has used pay day loans for over 2 years to help to pay her essential bills. Interest charges can be as much as £500 in a single month.
6. The client is from Eastern Europe having settled in UK six years ago. She is being treated for alcoholism. Her sister asked the CAB to help her deal with over £1,000 owed to the Payday company, Pounds to Pocket, an online payday loan business owed by an American business.
7. The client is a single parent with two school age children. She works part-time earning £800 per month as a care worker. She had no earnings for a month while her patient was away from home. She had just moved into a Housing Assn flat and had so use all her limited savings for essential furnishings. Her debts and arrears total £1600, including a £800 payday loan with interest. She did not have any money at all, Child Benefit and Working Tax Credit was not due for at least two weeks, and needed money to buy basic household essentials and food, as well as her children returning to school which required assistance.

The CAB organised a voucher for three days basic food from Pecan food bank and advised on how to apply for a crisis loan from Job Centre plus. The client was also advised on how to negotiate a repayment plan for her loans and arrears.

8. The client is a single parent with two school age children. She works part time and earns under £1,000 per month. She is in arrears with rent, court action has commenced and has 7 pay day loans. Total debts are c£7,000. She is being helped by the CAB debt adviser.
9. The client is a full time carer for his partner, does not work and is a Southwark council tenant. Due to relationship problems he has had difficulties managing his money. His bank appointed a debt collector for an overdraft. He needed money and so took out a Pay day loan which he could not pay back. CAB advised client how to negotiate with both lenders

10. The client works part time. His hours and hence his income varies, averaging £900 per month. He has a gambling problem. He owes £1,250 through various Payday loans and another £1,200 in rent and Council tax arrears. His partner is expecting a baby.

The CAB advised him on how to get the payday loans put on hold, and work out payment schedule for all his debts.