

# Christians Against Poverty research into the impact of COVID-19 on its clients in Northern Ireland

## Report Overview

### Date completed:

March 2021

### What we did and who we spoke to:

In February 2019, the Consumer Council for Northern Ireland (“The Consumer Council”) commissioned Christians Against Poverty (CAP) to undertake some research among CAP clients, to provide a picture of the position around illegal money lending in Northern Ireland.

Since the report was released in 2019 the situation has changed and not only with regards to lending, but generally, and across the world. The COVID-19 pandemic, and subsequent restrictions and lockdowns, occurred in March 2020, impacting, it seems, every part of our lives. The Consumer Council was keen to know how these events had an impact on the issue of illegal money lending and commissioned CAP to prepare a further piece of research around this issue.

### What we asked:

The original study had found that illegal money lending can have a major impact on the physical and mental wellbeing of borrowers and that of their families. Interest rates and repayments are not always made clear by the illegal lender and payments can simply continue forever, with the debt never decreasing. The primary objective of this follow-up study was to provide an update on what had been previously found, with a focus on any impacts created by Covid-19 and the lockdown. The research for this study was provided by frontline staff from CAP’s 19 Debt Centres across Northern Ireland who were asked to share details of stories from clients who have experienced issues around illegal money lending. Stories were provided during mainly telephone interviews and some face-to-face interviews where possible.

### What we were told:

A summary of the findings of CAP’s frontline staff:

- In answer to the question what sources of borrowing clients accessed in the five years before they contacted CAP, 4.2% of clients in Northern Ireland reported borrowing from a loan shark or illegal lender.
- 3.36% of CAP clients here said they had borrowed from “someone in my neighbourhood” in the same period. However, there was a fall in cases where clients reported illegal lender debts over the last year. CAP’s advisor could not say with any certainty what illegal lenders’ attitudes were to the pandemic, or if their collection methods had changed.
- Over the various lockdowns, it is a common theme that creditors are allowing more leeway.
- Some clients did not engage with CAP because they believed that the government will wipe out all debt post COVID-19.
- Support from central Government, local councils, charities, businesses and community groups has helped many families and individuals cope better with difficult circumstances resulting from COVID-19.