

NOTICE OF MOTION**LABOUR & CO-OPERATIVE GROUP****PAYDAY LENDERS**

“This council notes the increasing use of payday lenders charging interest rates of up to 5,800% by families in Brighton and Hove.

This council notes that 20,000 people called the National Debtline last year with problems arising from payday loans, with typical debts of £1,500 on average.

This council notes that the Office of Fair Trading has ordered the Competition Commission to investigate bad practices in the industry, worth £2.2billion in the UK, with 8.2 million loans taken out in 2011/12.

This council resolves:

- 1) to ask the Chief Executive to write to the Secretary of State for Business and the Chancellor of the Exchequer calling for a cap on loan rates;
- 2) to ask the Overview & Scrutiny Committee to establish a Scrutiny Panel to explore options on limiting the number of payday loan shops in the city using examples of best practice in other authorities and reporting to the relevant committees; and
- 3) that this authority use every means available to promote the use of credit unions and other responsible lenders by residents.”

Proposed by: Cllr Wilson

Seconded by: Cllr Marsh

Supported by: Cllrs Morgan, Mitchell, Fitch, Hamilton, Carden, Farrow, Pissaridou, Gilbey, Lepper, Robins and Meadows.

