

Media release
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Problem Gambling Foundation says crackdown on loan sharks well overdue

The Problem Gambling Foundation says Labour MP Carol Beaumont's campaign to crackdown on loan sharks is long overdue but a step in the right direction.

Graeme Ramsey, CEO of the Problem Gambling Foundation, says problem gamblers are easy targets for loan sharks.

"Problem gamblers are often forced to go to these loan sharks as they are desperate for money and they borrow because there is no alternative, despite being charged exorbitant interest rates on loans that they have no way of repaying," he says.

"The loan sharks prey on our most vulnerable people, particularly Maori and Pacific communities who are considered high-risk for problem gambling," Graeme Ramsey says.

The Department of Internal Affairs (DIA) acknowledged in a 2007 report that "gambling-related loan sharking does occur in New Zealand, particularly in casinos" and that "loan sharking can facilitate problem gambling."

Graeme Ramsey says the loan sharking issue in communities needs to be addressed and the Credit Reform (Responsible Lending) Bill will go some way towards doing this.

"We know loan sharking goes on and we know the devastating effect it can have on communities and families."

"Trying to repay a loan with an obscene interest rate just compounds the issues families already affected by problem gambling are facing," Graeme Ramsey says.

Currently in New Zealand, there are no restrictions on the interest rates loan sharks can charge and inadequate requirements for loan sharks to check whether the borrower can repay the loan. The Credit Reforms (Responsible Lending) Bill addresses these problems.

The Problem Gambling Foundation urges MPs to support this bill.

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