# Migrants in the UK face rising exploitation by loan sharks amid tightening immigration controls



Migrants arriving in the UK are increasingly caught in a perilous cycle of debt and exploitation, with scammers and loan sharks targeting their desperation amid the government’s tightening immigration controls. Many new arrivals, including asylum seekers, refugees, and temporary workers, come burdened with significant debt accrued even before setting foot in Britain, often from visa fees or recruitment costs in their home countries. These debts, coupled with financial exclusion and unfamiliarity with the UK's banking and legal systems, create fertile ground for predatory practices.

Experts working directly with migrants highlight how language barriers and low literacy exacerbate vulnerability to fraud. Joshua Aspden, involved in refugee resettlement, describes cases of migrants spending hundreds or even thousands of pounds on bogus debt management services and immigration advice from transient pop-up offices, which vanish once payments are made. Many migrants mistakenly hope for a quick resolution to their overwhelming debts, only to fall deeper into financial peril.

A significant barrier for many migrants is financial exclusion. Without accepted proof of address, identification, or credit history, it is often impossible for asylum seekers or temporary workers to open bank accounts or access regulated credit. This forces many to rely on informal loans, often from within their own communities. Kate McQueen from The Money Charity explains that mistrust of banks is common among migrants from countries with less formal financial systems. This mistrust, combined with a lack of understanding of UK financial infrastructure, steers many towards loan sharks.

The scale of illegal lending targeting migrants is vast. The England Illegal Money Lending Team reveals that around one million people in the UK have borrowed from loan sharks. These lenders charge exorbitant interest rates and use intimidation tactics, including threats to expose debtors to their communities or immigration authorities, exploiting migrants’ fears of deportation. One recent prosecution involved two Filipino women who lent approximately £4.2 million to fellow Filipino migrants, mostly healthcare workers, under predatory terms.

The ongoing government crackdown on migration further fuels this epidemic of exploitation. Migrants desperate to secure or maintain legal status often fall prey to fraudulent offers, including fake Home Office communications demanding payment for visa processing or family reunification. Penny Sims from the British Red Cross stresses that refugees face significant legal and travel costs with little official assistance, increasing their vulnerability. Immigration advisers report numerous cases where refugees, particularly from Afghanistan and Ukraine, have paid thousands for unnecessary or non-existent visa services, further depleting their limited resources.

Charities and frontline workers lament the overwhelming demand for free immigration and financial advice, which scammers exploit by posing as credible sources in the crowded information space. Aspden warns that the lack of tailored financial education for refugees and migrants has allowed widespread cheating and fraud to occur unchecked. The broader context of financial exclusion in the UK, exacerbated by the cost of living crisis, is a critical factor driving many vulnerable people towards illegal lenders who profit from this gap left by mainstream financial institutions.

Campaigns aimed at raising awareness about the dangers of loan sharks, such as educational videos produced in collaboration with migrant charities and enforcement teams, underscore the urgency of addressing this issue. They stress the importance of community support and legal routes to affordable credit, something that studies have increasingly shown to be a pressing national concern. While over a million people in the UK are estimated to be trapped in loan shark debt, the problem appears to be intensifying, demanding coordinated responses that include financial inclusion and protection from exploitation for all migrants.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk), [[2]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk)
* Paragraph 2 – [[1]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk)
* Paragraph 3 – [[1]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk)
* Paragraph 4 – [[1]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk), [[4]](https://www.stoploansharks.co.uk/migrant-charity-releases-video-warning-of-loan-shark-dangers/)
* Paragraph 5 – [[1]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk)
* Paragraph 6 – [[1]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk)
* Paragraph 7 – [[1]](https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk), [[5]](https://www.bigissue.org.uk/life/money/loan-sharks-illegal-lenders-poverty-cost-of-living-crisis/), [[6]](https://www.credit-connect.co.uk/news/loan-sharks-profiting-from-financial-exclusion/), [[7]](https://www.joh.cam.ac.uk/index.php/desperate-british-householders-turning-loan-sharks-make-ends-meet-says-new-study)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk> - Please view link - unable to able to access data
2. <https://www.context.news/socioeconomic-inclusion/scammers-and-loan-sharks-target-debt-ridden-migrants-in-uk> - This article discusses how migrants in the UK, already burdened with debt from visa or overseas recruitment fees, are being exploited by scammers and loan sharks. These individuals, often unfamiliar with the UK's banking and migration systems, are targeted with fraudulent debt solutions, private loans, and visa assistance. The piece highlights the challenges migrants face, including financial exclusion, distrust of authorities, and language barriers, making them vulnerable to such exploitation.
3. <https://www.stepchange.org/debt-info/owing-money-to-loan-sharks.aspx> - StepChange provides guidance for individuals who owe money to illegal lenders, known as loan sharks. The page outlines the characteristics of loan sharks, such as charging unregulated interest rates and employing intimidation tactics. It offers advice on recognising loan sharks, the risks associated with borrowing from them, and steps to take if one is in debt to a loan shark, including seeking free expert advice and reporting the lender.
4. <https://www.stoploansharks.co.uk/migrant-charity-releases-video-warning-of-loan-shark-dangers/> - This article reports on a video released by a migrant charity in collaboration with the England Illegal Money Lending Team (IMLT) to raise awareness about the dangers of loan sharks. The video aims to educate migrant communities about the risks of illegal lending and provides information on recognising loan sharks and seeking help. It also highlights the prevalence of loan sharks targeting migrant communities and the importance of community support in combating this issue.
5. <https://www.bigissue.org.uk/life/money/loan-sharks-illegal-lenders-poverty-cost-of-living-crisis/> - The Big Issue discusses how the cost of living crisis has led to an increase in the number of people turning to loan sharks in the UK. The article highlights that nearly one in twelve UK adults have used or know someone who has used illegal moneylenders since 2021. It also notes that 15% of adults are aware of unlicensed lenders operating locally, emphasising the growing concern over illegal lending practices amid financial hardship.
6. <https://www.credit-connect.co.uk/news/loan-sharks-profiting-from-financial-exclusion/> - Credit Connect reports on a study by Fair4All Finance, which reveals that loan sharks are profiting from financial exclusion in the UK. The study indicates that 7% of adults have used or know someone who has used illegal moneylenders, and 15% are aware of unlicensed lenders operating locally. The article discusses the need for mainstream financial institutions to address the credit vacuum and develop products to meet the needs of lower-income households.
7. <https://www.joh.cam.ac.uk/index.php/desperate-british-householders-turning-loan-sharks-make-ends-meet-says-new-study> - A study by the Centre for Social Justice, highlighted by St John's College, University of Cambridge, indicates that over one million people in the UK are relying on illegal loan sharks, a significant increase from previous estimates. The study attributes this rise to the cost of living crisis and the lack of access to legal credit options. It calls for affordable borrowing to be made legally available for those needing short-term loans to bridge financial gaps.