

Media Release

Margo asks West Lothian credit unions to help her fight payday loans

Margo MacDonald MSP was the keynote speaker at West Lothian Credit Union Forum's AGM on Monday 12th September. She and Neil Findlay MSP, who was also at the meeting, are campaigning against the extortionate interest rates charged by many payday loan companies, which she described as "disgraceful, immoral and anti-social". She explained that loans with unrestricted interest rates have been banned in 35 US states, and in France interest rates are capped at 3½ times the average rate charged. Meanwhile, in this country there is no restriction at all. She had hoped to raise a private member's bill in the Scottish parliament, but discovered that this is one power that has not been devolved from Westminster and therefore she is looking to find ways to support any bill going through Parliament there.

Margo recognised that, if payday loan companies are outlawed, this may push many vulnerable people into the hands of loan sharks and she is keen to find and promote alternatives. Credit unions are an obvious choice, as the maximum rate of interest that they can charge is capped at 26.8% APR (hundreds of times smaller than many payday companies) and is often much lower than that. She plans to liaise with the credit unions and also with organisations such as COSLA and individual local authorities before taking proposals to Scottish ministers which will support credit unions in providing an alternative service to these high-interest loans.

There are three credit unions operating in West Lothian, based in Livingston, Blackburn and Bathgate. Services offered to members saving with them include low-interest loans, prepaid cards, retailer discounts and insurance services. For more details, contact West Lothian Credit Union Forum on 01506 633222, info@wlcuf.org.uk or via their website www.wlcuf.org.uk.



West Lothian Credit Union Forum
14a Blackburn Road
Bathgate
West Lothian EH48 2EY
01506 633222
Janet.wlcuf@btconnect.com