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Rt. Hon. David Cameron
Prime Minister
10 Downing Street
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7th December 2011

Dear Prime Minister,

In September, the respected Institute for Fiscal Studies warned that families are facing the biggest squeeze on their finances and are living through one of the worst decades for living standards since the Second World War.

As the economic forecast remains bleak many families are going to continue to feel the squeeze on their finances, particularly at Christmas, and many will be tempted now and in the future by high interest short term lenders. Indeed, as Christmas approaches, these companies ramp up their television advertising.

The number of short term lenders available has increased significantly in recent years, with the representative annual percentage rate (APR) of some lenders reaching nearly 4,500%. As an example, one such lender charges 4,474% APR, and actually charge 414% interest over the course of a year.

I am sure you will agree, even an interest rate of 360% is exorbitant.

While we at Camden Council can signpost our residents to debt advice, the Camden Credit Union and provide practical tips on how to beat the squeeze and manage their finances, the constant bombardment of advertising from these companies is counterproductive.

Without swift action many low income families and those with squeezed finances will turn to short term lenders, with many burying themselves in unaffordable levels of debt for years to come.

Despite government cuts to our budgets we have continued financial support to our Credit Union and Citizens Advice Bureau however I would ask that you and your government give serious thought to the benefits of an outright ban on television, radio and outside advertising for short term lenders. I would also ask that you consider what legislative steps you can take to limit the annual rates of interest these providers charge, say to a small multiple of the rate of the Retail Prices Index.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sarah Hayward', with a stylized, cursive script.

Councillor Sarah Hayward
Cabinet Member for Communities, Regeneration and Equalities
London Borough of Camden, Camden Council