

FC74. NOTICES OF MOTION

(c) Pay Day Loans

Councillor McCabe seconded by Councillor Coleman moved that:-

There are serious concerns over the inadequate self-regulation of this relatively new financial sector industry which has seen a six-fold increase in the number of short term loan companies on our High Streets.

Council therefore recognises the alarming rise in the availability of 'Pay Day Loan' facilities and instructs the Directors of Corporate & Neighbourhood Services and Social Work Services to identify the current use and projected impact on residents within the Council's catchment area.

Councillor G Goldie, seconded by Councillor Black moved the following amendment in substitution for the motion:-

Falkirk Council notes that in July 2012 the Government announced that the four main trade associations covering payday lenders had agreed to revise their Codes of Practice to improve practice in the payday lending industry. The Good Practice Charter has been signed by up to 90% of payday lenders and sets out a number of rules which the lenders must abide by when dealing with their customers.

Falkirk Council also notes that there is no system in place to monitor whether the industry is adhering to this voluntary Code of Practice and calls on the Scottish Government to put in place an appropriate system. In the meantime Falkirk Council will join Citizens Advice Scotland in monitoring the experience of those presenting with difficulties in dealing with payday loan companies.

Falkirk Council also notes with disappointment that other high interest long and short term loans have not been dealt with in a similar manner to the high profile problem of payday loans and will write to the appropriate Minister requesting that the Code of Practice be extended to encompass these.

Council asks officers to look at ways of making affordable loans more accessible for those Falkirk citizens who require financial assistance and bring a future report back to the appropriate committee.

Council then adjourned for 15 minutes to allow members of the opposition to consider the terms of the amendment. Council reconvened at 4.55pm with all members present as per the sederunt.

Following discussion, Councillor Goldie, with the consent of the Provost and Councillor Black, as his seconder, agreed to adjust the terms of the amendment to the following:-

Falkirk Council notes that in July 2012 the **UK** Government announced that the four main trade associations covering payday lenders had agreed to revise their Codes of Practice to improve practice in the payday lending industry. The Good Practice Charter has been signed up to 90% of payday lenders and sets out a

number of rules which the lenders must abide by when dealing with their customers.

Falkirk Council also notes that there is no system in place to monitor whether the industry is adhering to this voluntary Code of Practice and calls on the **Westminster** and Scottish Governments to put in place an appropriate system. In the meantime Falkirk Council will join Citizens Advice Scotland in monitoring the experience of those presenting with difficulties in dealing with payday loan companies.

Falkirk Council also notes with disappointment that other high interest long and short term loans have not been dealt with in a similar manner to the high profile problem of payday loans and will write to the appropriate **UK Minister or Chancellor of the Exchequer** requesting that the Code of Practice be extended to encompass these.

Council asks officers to look at ways of making affordable loans more accessible for those Falkirk citizens who require financial assistance and bring a future report back to the appropriate committee.

AGREED the terms of the adjusted amendment.