School Report

Name:	UK Government	Term:	2001 - 2005

Subject area: Debt and access to affordable credit

Pupils review of activity:

This term we recognised the importance of affordable credit being available at a local level. We're not quite sure how we're going to do it, so we've set up a "Taskforce".

We wrote up a small project about legal controls on interest rates. It told us what we wanted to because we made sure we chose some of the lowest and harshest examples. Doing nothing means we are saying its OK for lenders to be as extortionate as they want. Some people criticised us for this.

Somebody (the NCC) has complained that the lenders who go round people's doors are being too nasty. They've called it a "super-complaint" and have told the master (OFT). And now the OFT is going to tell on the doorstep lenders to the Competition Commission. This is quite convenient as it lets us off the hook about doing anything about the nasty legal lenders.

We also started a few experiments to help councils deal with illegal loan sharks. But, to be honest, this isn't really very important compared to the legal loan sharks.

We have put some more of our pocket money into the Social Fund and made a few of the rules less unfair. This is much easier than looking at the underlying problems of the Fund and inadequate incomes.

Lots of our work this term has been done with the rich kids and a few of the professional spokespeople. We've avoided trying to understand any of the problems with people who actually know about the problems of financial exclusion from first hand experience. Working with poor people directly is too uncomfortable and they don't speak our language.

The people who write about us in the school newspapers tend to mainly mention credit for those who are doing all right and not those without much money. That suits us.

Right at the end of last term, those pesky kids in the Scottish class tried to make it fairer for people who get into trouble with unpayable debt. But we soon got our friends in Scotland to change it back to how it was.

Also over the year we've put a lot more rules on the small savings groups run by people themselves (credit unions). Most of them seem to be responding by joining forces.

We're making sure lots more people get bank accounts. Sometimes we've had to be quite forceful, but it's for their own good.

Your "Action Plan" is good progress. Well done.

Poor research standards have let you down again.

This may happen again – who knows with the kids in Wales.

Debt on our Doorsteps comments:

This term you have shown significant progress in recognising the importance of debt and have made some important steps forward on access to affordable credit. Next term we will be looking to see you acting on your good intentions.
But you have continued to be reluctant to take on the problems of extortionate lenders. In this area, you really must do better.

Affordable credit mark:	7/10	Extortionate lending mark:	1/10