

# Closure of Morses Club

## Support toolkit for partner organisations

**Fair4All Finance are working in partnership with Responsible Finance to raise awareness of Community Finance providers following the closure of the personal loan provider Morses Club.**

This toolkit is for you to use within your organisation and on your channels to help raise awareness of the closure of Morses Club and alert people who might have previously relied on Morses Club for loans. Former customers may be at risk of illegal lenders, and with limited options to access affordable products.

The toolkit provides information on what people can do to protect themselves by using regulated Community Finance providers, many of which are not for profit.

As you will see in the communications themselves, we are using positive and supportive messaging, so as not to scare or worry people.

We are also not specifically highlighting loan sharks or illegal lending, as research has shown this can have the adverse effect of normalising their use. All our communications are directing people to the [Finding Finance website](#) and the work you are supporting us with is part of a wider communications campaign which includes media coverage in national and regional media, as well information being sent to households in your community who are most likely to have been customers of Morses Club

## Types of material available

Material	Intended use
Internal communication	This copy is suggested text to inform your colleagues or volunteers about the Morses Club closure and the potential impact on people within your community.
Website / newsletter copy	This copy is suggested text to use on any website homepage or news section that is likely to be accessed by people you serve, or in any newsletters that you send out. It aims to raise awareness of the issue and introduce safer alternatives.
Social media guidelines	These pointers aim to help you include the key pointers in any of your social media posts, in relation to the closure of Morses Club.

FAQ documents      Your colleagues and volunteers may receive questions about the poster or leaflets you are sharing within your communities. This document provides guidance on the likely questions and answers they may receive.

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Posters and  
printed collateral      This poster can be put up in any relevant location and is intended to catch the eye of those people who may be current or previous Morses Club customers and are at risk of using higher risk sources of credit.

We've also included copies of the leaflets being delivered through targeted door drops for your information - this flyer is designed for customers who want to learn more, including simple information and details on the Finding Finance website.

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## Internal communication

We've put together a short explainer that you can use with your team to make them aware of the issue and explain how and why they can help the people you support. This information can be used in any internal communications or on an intranet to share information more widely within your organisation.

Dear Colleagues,

This January, **[INSERT ORGANISATION NAME]** is supporting people in our local area who may have been affected by the recent closure of Morses Club, one of the last doorstep lenders.

Morses Club, also known by the brand names Dot Dot loans and Shelby Finance, went out of business at the end of 2023. Morses Club was filling a need for many of the people we support - whilst expensive when compared with loans from mainstream banks, Morses Club was a regulated lender, and a legal route for many people if they had an unexpected or one-off expense like a broken freezer, cooker or car repairs. With the closure of this option for credit, some may become vulnerable to loan sharks or other forms of illegal lending.

Getting reliable information about this issue out into our community is crucial, so we are partnering with several organisations who focus on fair and responsible financial practice to raise awareness of the closures and provide guidance towards additional support.

As you will see in the communications themselves, the campaign uses positive and supportive messaging, so as not to scare or worry people. We are not calling out loan sharks or illegal lending, as research has shown this can have the adverse effect of normalising their use.

All of the communications are directing people to the Finding Finance website which lists community finance providers who can provide safe, regulated and affordable alternatives to those who need it.

This work is part of a wider communications campaign which includes media coverage in national and regional media, as well information being sent to households in our community who are most likely to have been customers of Morses Club.

We have some resources available including a poster, flyers and a social media toolkit and we'd appreciate your support in getting them out into the community. The asset pack can be found here **[INSERT LINK OR DIRECTIONS]** please also help by liking or sharing social posts when they appear on our channels.

For more instructions or guidance, please contact **[INSERT SUITABLE INTERNAL CONTACT]**. There is also more in-depth information on the issue [here should you need it](#).

Thank you for your support!

## Website / newsletter copy

This copy is suggested text to use on any website homepage or news sections that is likely to be accessed by people you serve, or in any newsletters that you send out. It aims to simply raise awareness of the key issue, introduce alternative, safer forms of financial support, and signpost those who might be interested in our partner website, Finding Finance.

**[INSERT YOUR ORGANISATION NAME]** is aware that in late 2023, Morses Club (who you may also know as 'Dot Dot Loans' or 'Shelby Finance') stopped offering loans to new customers.

If you have used Morses Club in the past, or were planning on using them in the future, you may now need an alternative.

Responsible Finance, through their website Finding Finance, have advice and information on safe, regulated and trusted sources of finance. You can read more about some of the options available by visiting [findingfinance.org.uk/fair-loans](https://findingfinance.org.uk/fair-loans).

All community finance lenders are authorised and regulated. If you are ever unsure, you can check that any lender you deal with is regulated by visiting: <https://register.fca.org.uk/s/>

## Social media guidelines

- Highlight the dangers posed by illegal moneylenders and loan sharks
- Make aware the responsible and legal lending options available should people need to access credit.
- [Stop Loan Sharks](#), from the Illegal Money Lending Team, has a host of resources that can be used to support people. They also allow for the secure and anonymous reporting of loan sharks
- It would be useful to reiterate any local support that is available to people in your area, including any schemes or programmes you offer, or local debt advice and money advice services

## Frequently Asked Questions

### What is Morses Club?

Morses Club was a high-cost doorstep lender that recently stopped issuing loans. That means that its collection agents went door to door offering loans and taking repayments. They typically worked in areas where there are more likely to be people in financially vulnerable circumstances, lending to people who often didn't have much financial security or safety net. Since Covid they also offered online loans to many.

It was set up in 2009 and has lent to hundreds of thousands of customers over the years.

It has now gone into administration so it is not making any further loans but will be collecting outstanding loans.

Morses Club also owned Dot Dot Loans, an online high-cost lending business. Dot Dot Loans (previously known as Shelby Finance) is also in administration. It is a much smaller business.

### Why should we be worried about its collapse?

Its collapse is likely to affect many of the people you serve.

There are increasingly few options for people in the Morses Club customer demographic, which is known as the 'sub prime' market, to borrow money legally. This is referred to as a 'credit vacuum'.

Morses Club was a high cost option compared to credit cards and other lenders, but at least it was available and it was regulated. Without it, there are concerns that people won't have anywhere to turn to meet emergency expenses if their fridge breaks or they're hit with an unexpected bill, and that some of its former customers will resort to illegal lenders, aka loan sharks. This might include 'parallel lenders', by which we mean former Morses employees who may continue to offer loans on an unregulated, informal basis. This leaves customers at the mercy of unfair and exploitative practices.

### Why will this help those we serve?

Sharing this information could save those you serve from a lot of hardship, difficulty, and extra expense.

Many of those you help would benefit from understanding that there are alternative options including community lenders, also known as Community Development Financial Institutions or CDFIs. Knowing what options you have is a key part of financial resilience.

It's also important to make people aware of illegal lending. According to the England Illegal Moneylending Team, often people don't realise they are borrowing from a loan shark/illegal lender – they think they are borrowing from a friend or a legitimate lender. We see cases where people have borrowed for years from someone who used to be authorised to lend money – but has carried on lending after the authorisation has been taken away or the company has ceased trading. This means the customer is no longer protected by

the strict rules around lending, and the lender is acting illegally. To find out more or access support go to [www.stoploansharks.co.uk](http://www.stoploansharks.co.uk).

### **Am I allowed to recommend a lender? Could this be seen as encouraging people to take out credit?**

We're not recommending individual lenders or encouraging people to take out loans - this is just about letting people know that there are safe options available if they need it. The BBC, ITV, Mirror, Sun, Guardian, Express and Financial Times have all highlighted that CDFIs can offer safer and more affordable credit to the people they serve.

### **Are you getting commission from these lenders?**

Absolutely not. We just want people to know that the option is there if they need it.

### **Shouldn't we just send those we help to a price comparison site?**

Many responsible lenders aren't listed on mainstream price comparison sites. It's more likely that the people you serve won't have options available from the commercial lenders that are listed on price comparison sites

### **Is there a risk that those we help will get turned down by these lenders? What happens next?**

Responsible lenders work hard to understand their applicants' circumstances and provide credit to as many people who need it as possible, but by nature, they are 'responsible', and they have to turn people away if they can't afford to repay. That's how it should be; it's not in anyone's interest to make a loan that won't get repaid.

Another aspect of being responsible is that they will signpost people whose applications are declined, to places like debt charities such as Stepchange and Turn2Us, or benefits calculators which often help people uncover significant extra income.

### **Can we also recommend credit unions?**

Of course. Fair4All Finance supports the credit union sector. Recent customers of Morses Club are more likely to be accepted for a loan, should they need it, from a CDFI which is why we have focussed on CDFIs as an alternative. Credit unions are an excellent way for people from all backgrounds to develop a savings habit and the ability to apply for affordable loans should they need them.

### **Where else can I direct people?**

The [Stop Loan Sharks](#) campaign, [StepChange](#); [Turn2Us](#); [Gov.uk/benefits-calculators](#); [FindYourCreditUnion.co.uk](#). Here's a [helpful video created by Responsible Finance](#) which explains what a CDFI is, and what they do.

### **Who is behind this? Who else is supporting this campaign?**

This work is being organised by Fair4All Finance, which is a not-for-profit financial inclusion organisation, publicly funded through the Dormant Assets scheme. We've also been speaking about this issue to the National Housing Federation, the England Illegal Money Lending Team aka the Stop Loan Sharks campaign, and others.

### **What does Fair4All Finance do?**

Fair4All Finance's roles include supporting the community finance sector, which includes credit unions and responsible lenders, as well as working with mainstream financial institutions to encourage more financial inclusion. They also undertake research on the issues impacting those in financially vulnerable circumstances.

### **We know someone currently paying off a Morses Club or Dot Dot loan. What should we tell them?**

They should look out for communications sent to them from the company administrators, or new information posted on its website. It's important that they continue to repay this loan unless they are told otherwise, as this would have a negative impact on their credit score.

In addition, the information under the heading 'Do you have a current Morses or Dot Dot loan?' on the [Debt Camel page about Morses](#) may be useful. Debt Camel is a well-known, non-profit blog on a range of money and debt topics.

## **Printed materials**

[Physical materials to support the campaign can be found here on our website](#). The poster can be put up in any relevant location and is intended to catch the eye of those people who may be current or previous Morses Club customers and are at risk of using higher risk sources of credit.

We've also included copies of the leaflets being delivered through targeted door drops for your information - this flyer is designed for customers who want to learn more, including simple information and details on the Finding Finance website.

You can request copies of these materials by contacting Mollie at [mollie@thinkcomms.co.uk](mailto:mollie@thinkcomms.co.uk)