

'Exploitative' loan shark jailed

A loan shark who charged clients an annual percentage rate (APR) of up to 149,000% has been jailed for two years.

Mold Crown Court heard that Patrick Kiely, formerly of Toronnen, Bangor, lent more than £130,000 to people in north Wales. He charged 100% interest with added penalties for missed payments.

He had denied running a money lending business without a licence. He was convicted by a jury at an earlier hearing at Caernarfon Crown Court. He was also convicted of two charges under the proceeds of crime act relating to having £51,000 in a bank account and a £16,700 sports car.

The court heard he entered into 500 loan agreements between July 2006 and July 2007 but they were meaningless, with no copy being given to his customers and illegal penalty charges being imposed if a repayment was missed.

In one loan, a sum of £300 was borrowed, but the amount to be repaid immediately went up to £600. Second loans were made to pay off the first and he handed out loans in the names of children, aged between a year and 12 years old.

The judge, Mr Recorder Grenville Perry, told Kiely, who now lives in Manchester, that he had "an arrogant disregard" for the law. He had, the judge said, attempted to hide behind his involvement with a firm of accountants to try to provide some legitimacy to his business.

An expert who analysed the cash loans he had made worked out that the APR ranged from 327% to 149,000%, said prosecuting barrister Karl Scholz. The judge said that the manner in which Kiely conducted his business could only be described as that of "a loan shark".

He had adopted "a wholesale and blatant disregard for the safeguards designed to protect the vulnerable from people like you," the judge said.

The court heard he loaned out £138,000 and collected more than £200,000.

He made no checks on people's addresses or identities or their ability to pay.

"The method of collection was unregulated and uncontrolled, and included the use of what you described as mates, friends and lads," the judge said.

"It is quite clear from an analysis of your records that despite your denials, some borrowers were taking out a further loan from you in order to pay off the original loan, effectively paying double.

"The whole approach to the business was one of exploitation of your customers."

Defending barrister Katherine Pierpoint said that her client was caring for his mother, who was registered blind, and he was supporting his child and partner, who was pregnant.

It was accepted that the people who used her client's services were vulnerable and unable to obtain loans elsewhere, but no one had been forced or coerced and there were no associated offences of blackmail or making a threat to kill.

The court heard Kiely was caught after police set up a probe because they were suspicious that he was not known to work and had never paid tax.

A financial hearing will be held under The Proceeds of Crime Act in the new year to see how much can be seized - but a judge has allowed £12,000 to be removed from one of his accounts so that an outstanding tax bill can be paid.



Kiely charged 100% interest on loans, the judge heard