

Edinburgh MSP wants university to act over payday loans

✘ BIAGI URGES UNIVERSITIES TO TACKLE PAYDAY LOANS

Edinburgh Central MSP Marco Biagi has called on Edinburgh's universities to block access to payday loan websites on their premises, following recent evidence that students are turning to the overpriced lenders.

Research published by Lloyds TSB demonstrated the high level of financial difficulty faced by many students, while Citizens Advice Scotland have highlighted cases of students falling into a debt spiral after using payday loan services.

But Mr Biagi has pointed towards the substantial increase in student support from this year, as well as the low interest loans offered by universities to students facing hardship, as evidence that payday loans are an unnecessary risk.

Mr Biagi believes that Edinburgh's three universities should follow the lead of some local authorities, such as Dundee, who have blocked access to payday loan websites from their computer systems.

Instead, students should be encouraged to contact their university for hardship loan support. Typically, these loans are available at low or no interest, in stark contrast with the thousands of percent charged by payday lenders.

Commenting, Mr Biagi said:-“Payday loans can quickly lead people from a temporary cashflow problem into serious debt. Students can be particularly vulnerable to seeking easy credit, particularly if they're not working during their study.

“Edinburgh’s universities have good support for students facing hardship, with low interest loans available.

“This is a welfare issue and I hope that by following the example of some local authorities and restricting access to these websites, our universities can encourage students to take advantage of the appropriate support available to them.”