

Couple freed of potentially unlawful debt of more than £37,000

# Huge debt overturned

## FINANCE

A couple has overturned a potentially unlawful debt of more than £37,000 – with help from Which?.

When Alan and Jacky Hepworth decided to pay off their £2,760, 15-year secured loan a year early, they were devastated to learn they still owed £37,823 – even though they had already paid back more than £11,000.

One reason the debt was so significant was because their lender, London North Securities, had been charging interest at 37.3 per cent a year on a legal fee of £150 added to the loan at the start. Payment of the fee was deferred until the loan matured but, unknown to Alan and Jacky, interest on the fee kept building up month after month.

Help came because Jacky's sister had read about similar cases in Which?. The Hepworths contacted us and we referred the case to solicitor Simon Abbott, a consumer finance specialist. He challenged the debt and London North backed down – the couple walked away with nothing further to pay.

'It's an enormous relief,' Alan told us. 'We paid our loan repayments every month but had no idea this huge debt had built up. Lenders should be stopped from doing this sort of thing.'

The Office of Fair Trading (OFT) is investigating London North and its subsidiary Broadwick Financial. A spokesman said: 'The OFT has issued a



Alan and Jacky breathe a sigh of relief as fortune changes

**Interest was 37.3 per cent a year**

notice to London North that it is minded to refuse its application for a consumer credit licence and a notice to Broadwick that it is minded to revoke its licence, subject to any representations that the businesses may wish to make.'

### TAKE ACTION!

■ If you think you might be affected by charges like these see articles on unfair loan charges and deferred legal fees at [www.which.co.uk/bankingandborrowing](http://www.which.co.uk/bankingandborrowing)

## In brief

### BANKING BLUES

■ First Direct customers will pay a £10 monthly fee on bank accounts from this month, unless they maintain a monthly balance of £1,500 or have more than one account or product. This comes as Which?



strengthens its fight against unfair banking practices that include overcharging customers who go over overdraft limits and making it difficult to claim charges back. Tell us your experiences of this at [www.which.co.uk/moneytalk](http://www.which.co.uk/moneytalk).

### TEETH RELIEF

■ Toothache was among the top reasons for people calling NHS Direct last Christmas and many of their calls were forwarded to the British Dental Health Foundation. You can contact the helpline on 0845 063 1188, 9am to 5pm, Monday to Friday, or visit [www.dentalhealth.org](http://www.dentalhealth.org)

### WHICH? ACCOLADE

■ We've won two awards from the Direct Marketing Association for our latest TV and press adverts. We beat stiff competition from the AA and Vodafone to take the gold broadcast award for our ad showing everyday products in action, set to Verdi's 'Anvil Chorus', which was praised for assaulting 'the viewer's senses like a firework display'. We took silver in the press category.



### COUNCIL ELECTION RESULTS

■ Tanya Heasman, Roger Pittock and Brian Yates were re-elected to our Council of Management in the 2006 election – voting ended last month. Co-opted member Robert Pickard was also elected. Those elected tend to sit for three years – a third retire each year. Natalie Macdonald and John Bevan were not elected. For the full council see p75 and for details on voting numbers contact Andrew Reading.

## And finally...parking jam

If you go down to the woods today, you really are sure of a big surprise. Thanks to this innovative parking charges scheme from the Forestry Commission, motorists get to pay £1 to park in a car park when it's not even open to any visitors.

### GET IN TOUCH

Send your examples of daft or misleading products or promotions to:  
**Melanie Dowding**  
PO Box 44  
Hertford X  
SG14 1SH

