

A cap on interest rates

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Three years ago I did some work for [Debt on Your Doorstep](#) - who fight against the UK business in extortionate rate loans for people of very limited means, most of which are offered over very short periods and are repaid in cash weekly.

At the time no one was sure precisely what rates were being charged. I did [some analysis](#) on the accounts of Provident Financial plc, just using information on their web site and suggested that this company, which has at least half this market was then charging 185% apr on average on its loans - a figure much higher than anyone had published at the time. I did suggest though they were slightly lowering their rates, which had for five previous years exceeded 200% apr.

Of course they weren't happy. But it turned out that the true rate was 177%, and they couldn't argue.

So I'm delighted to now learn that support in Parliament is growing for a legal limit to the cost of interest, particularly for low-income households. To date over 150 MP's have signed [Early Day Motion 1068](#) or its [amendment](#). This comes on the back of the new Social Exclusion Minister, Hilary Armstrong, [commenting](#) that

"one of the cruelest twists of financial disadvantage is that those with the least money are the ones that are forced into paying the highest rates of interest for the money that they need to borrow".

I don't have much to do with this campaign now, but thought it worth drawing attention to it, as this vital campaign needs all the support it can get. It's clear evidence of ethics going out of the window, yet again.