

# Farewell Wonga: now bring back a social fund

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Sixteen years ago the Debt on the Doorstep campaign began to tackle extortionate costs imposed by non-bank lenders in the UK market.

As the campaigners for this noted when [winning a cap on interest rates a decade](#) later:

*The lobby was followed up by a report from Richard Murphy, arguing [the case for an interest rate ceiling](#), based on a forensic analysis of the business model of Provident Financial, and concluding there was *prima facie* evidence of market failure in the sector.*

That report now seems to have disappeared from the web. I have [republished it here](#).

*Now Wonga is at death's door. The [Guardian reports](#):*

*Britain's biggest payday lender, Wonga, is teetering on the brink of collapse following a surge of customer compensation claims in recent weeks that could cause it to call in administrators.*

*The short term loan provider has reportedly lined up Grant Thornton the accountancy firm, to handle a potential administration of the company should its board believe it is unable to avoid falling into insolvency.*

The departure of exploitative lenders is good news.

The need for a social fund, run by local authorities, or centrally funded but with local administration, that those with a need for emergency credit can turn to, remains as pressing as ever. That creation of such a fund would be the right response to this news.