

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.