

## Beware of over-the-counter credit benefits

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I was standing in the payment queue at a well known department store recently. A lady in her 70s was being served and the process seemed to be taking a long time. I suddenly realised that she was being sold a store card, by a very young assistant and clearly had not requested it

At that point, my ears pricked up and I listened, aghast, while the lady gave her full name, address, bank account details and date of birth. Her income, she explained was £300 and solely from her state pension. The shop assistant questioned whether this was per week or per month. The customer was asked for a password, which she gave quite audibly, and confirmed loudly that she used the same password for all her cards.

Several thoughts started sweeping through my mind. First, why was a lady in her mid-seventies with very little money being sold a store card? Are the staff so target-driven that they sell credit to the vulnerable?

Second, where were their post-credit crunch guidelines and did the client really understand the implications of her actions? How can sales assistants who are only young adults themselves merrily promote debt at high interest rates?

Third, where did the sales assistant get the notion that the state pension was £300 a week?

Fourth, why wasn't the customer claiming pension credit when she seemed to be well within the means-tested bracket?

I found myself with a moral dilemma. Should I steal her identity? Well, obviously not, but someone less scrupulous could well have done.

Should I interfere and mention to the customer that I had overheard her details and she needed to be more careful or should I keep schtum and mind my own business? Fate intervened as her store card was declined and she paid without discount in another way.

Over a million pensioners did not claim their full state income entitlements in 2009. Surely, if they can be sold a store card, they can be gently persuaded to set their pride aside to apply for pensions credit?

The Government has recently reviewed regulation which governs the financial management of such cards by the provider but seemingly not the promotion and sale.

It seems ironic that flexible bank credit for long standing, quality businesses is still unavailable on the whole and yet store cards are still being flogged to the general public. This needs to change.

Over-the-counter encouragements to apply for credit in return for an immediate benefit should be outlawed along with the associated company targets; otherwise we will continue to store up trouble.

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