

Welcome to the DRF Annual Conference 2012

debtflow 

CreditToday
THE MAGAZINE FOR THE COMMERCIAL AND CONSUMER CREDIT INDUSTRY

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 **NOBLE SYSTEMS**


KINGSBRIDGE
Recovery & Insurance Solutions



Welcome

David Mond
DRF Chairman



Why are we here?

Housekeeping

- Fire exit – to the right of me, we meet in the NCP car park
- Toilets
- Please turn mobiles to silent or off
- Break times are planned for 11.10, 12.50 and 15.30





Today – and tomorrow

This morning

- YouGov – Rupert Sinclair
- FSA (FCA) – David Philpott
- TigerSolv
- DWP – Felicity Ridgway
- Zero Credit – Emma Bryn-Jones
- Sawfish



The afternoon session

- Debt and Mental Health Evidence - Anthony Sharp/Chris Fitch
- MAS – Caroline Siarkiewicz
- Zero Credit – Emma Bryn-Jones
- Insolvency Service – Nick Howard



Beyond Today





YouGov

Rupert Sinclair



State of the Nation: The mind set of the UK

November 2012



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EXPLORE OPIGRAM

SHOW ME OPINION ON...

Enter people or things here

MY OPIGRAM

WHAT IS AN OPIGRAM?

ABOUT ME

- My Interests
- My Personality
- My Opinions & Beliefs

MY ENTERTAINMENT

- Books & Writers
- Movies
- Music
- Media
- TV & Radio
- Video Games
- Apps

MY ORGANISATIONS

- Brands
- Companies
- Charities

WELCOME

What are you looking for?

Members Area

YOU ARE HERE

This is where members of our panel share opinions and take part in groundbreaking research.

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SHOW ME OPINION ON...

Super Mario Galaxy

Frankie & Benny's

Grease

Google+

Jerusalem

Skyfall

Dionne Warwick

FIFA Manager 13

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YOUGOV LABS

PUBLIC OPINION RESULTS

Euro opinion on the US election

If Europeans could vote in the US election Obama would win by over 90% If Europeans were able to vote in the upcoming American presidential ...

BBC's handling of Savile case

7 in 10 Brits think BBC covered up Savile allegations Seven in ten people in Britain think the BBC covered up allegations of sexual abuse ag...

Racism in football

Majority of public believe John Terry racially abused Anton Ferdinand, and nearly two-thirds say football has a racism problem A majority (5...

Switching mobile phone providers

A strong majority (78%) of the British public think that it should be easier for mobile phone users to switch providers, according to a YouG...

COMMENTARIES

Peter Kellner

Where tribe trumps ideology Has the time come to reassess the influence of social class on

The economy is very much top of mind for the person on the street

Which of the following do you think are the most important issues facing the country at this time?

Please tick up to three.

The Economy 76%

Immigration 46%

Health 30%

Crime 19%

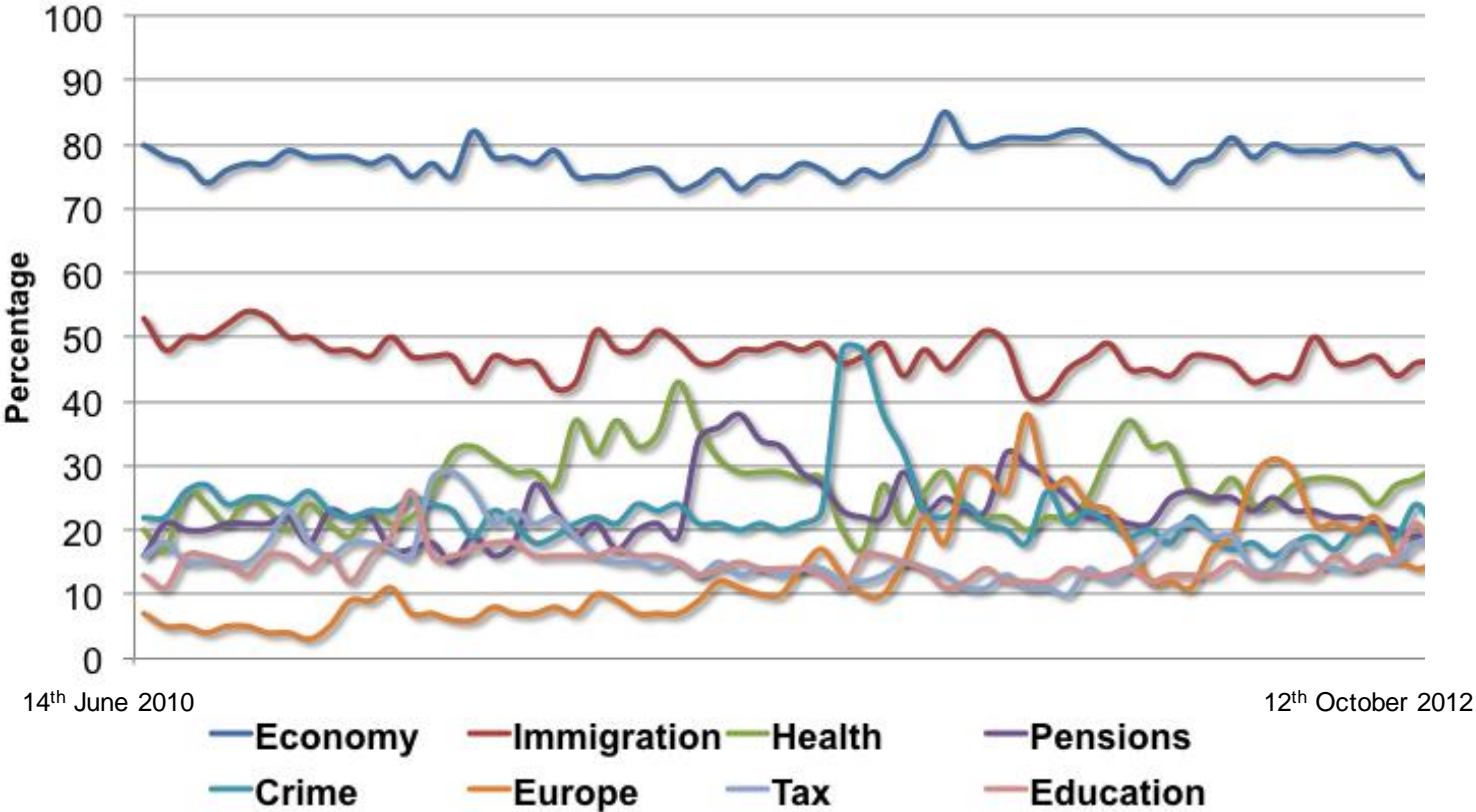
Pensions 21%

Europe 15%



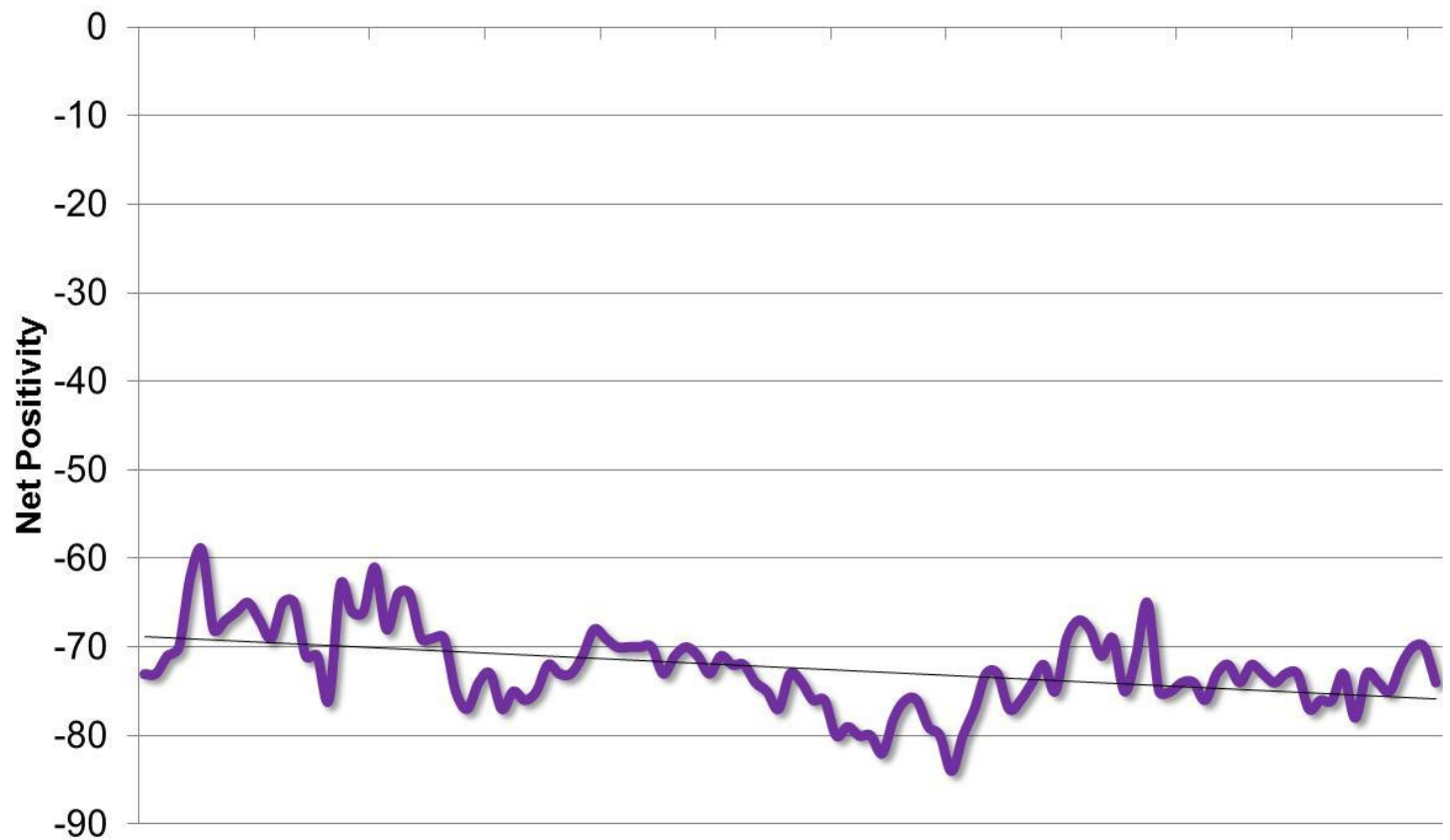
...and has been for quite some time

Which of the following do you think are the most important issues facing the country at this time? Please tick up to three.



No improvement in perceived state of the economy since the general election

In your opinion how good or bad is the state of Britain's economy at the moment?

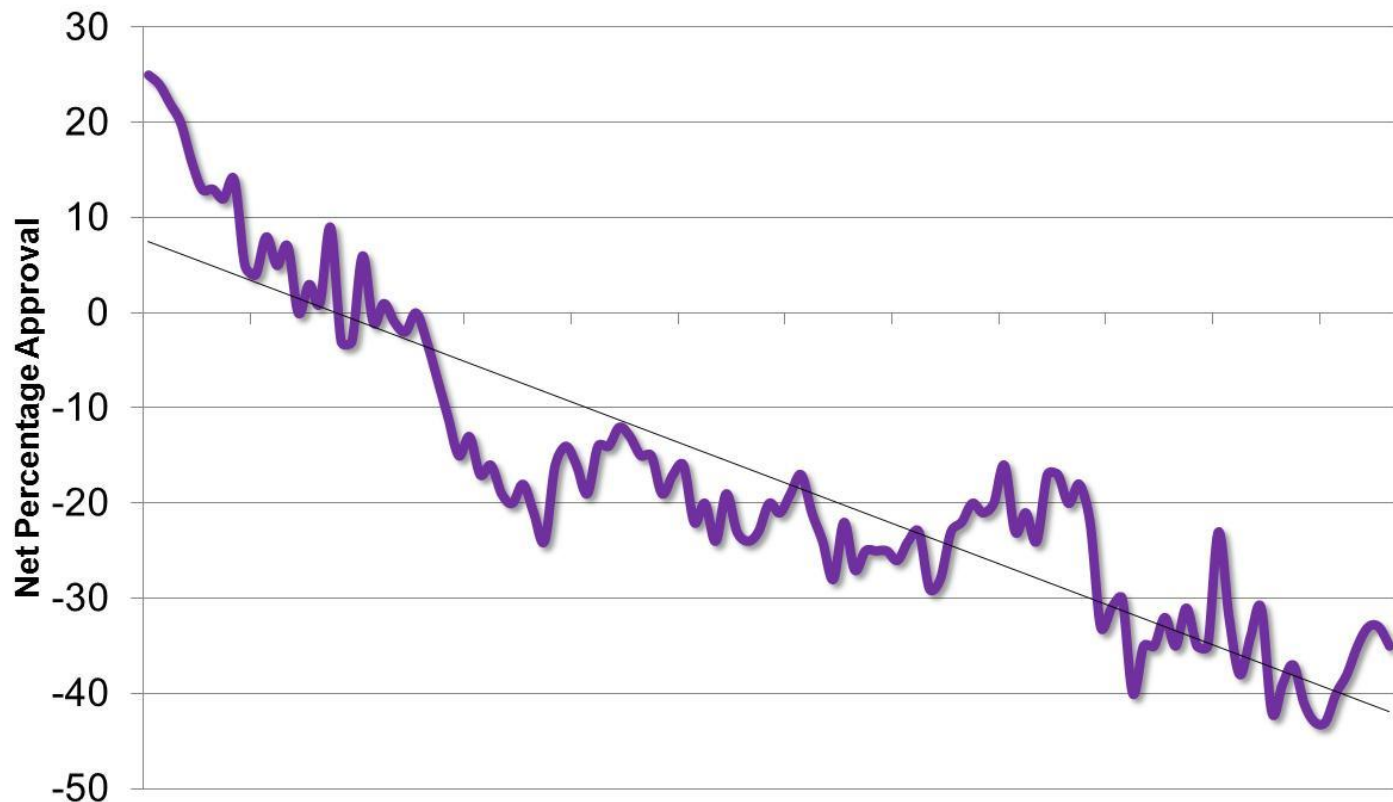


18th June 2010

12th October 2012

...at the same time increasing disillusionment with government's handling of economy

Do you think the coalition government is managing the economy well or badly?



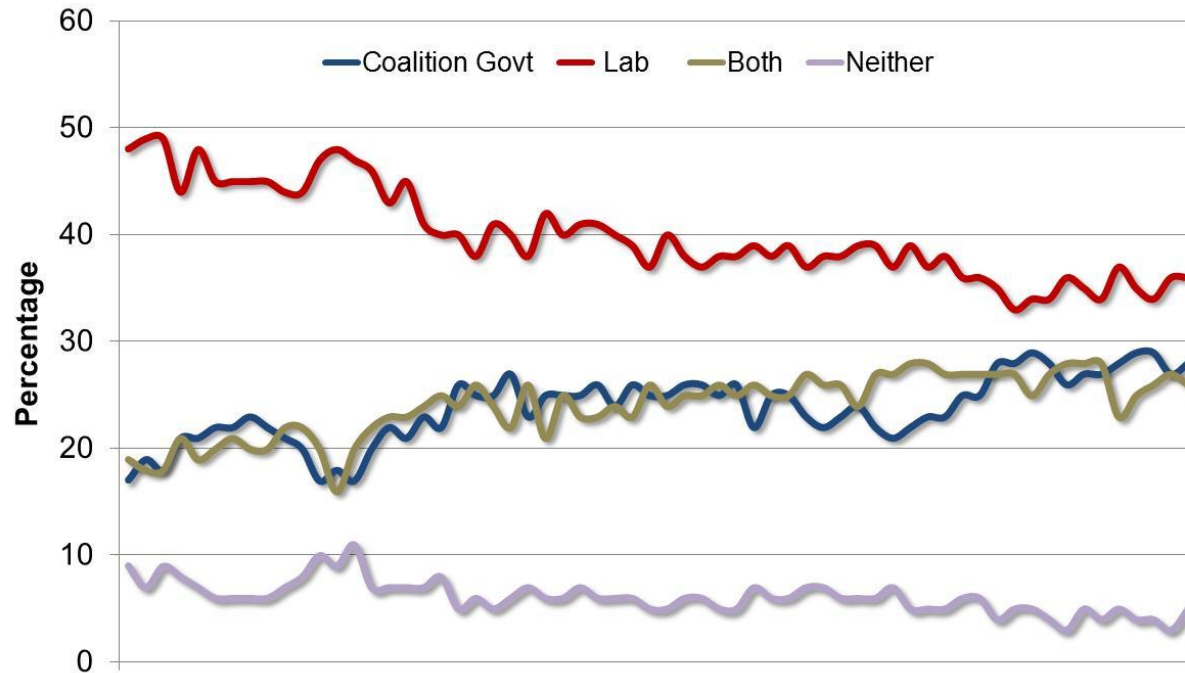
21st May 2010

12th October 2012



Labour are still largely blamed for spending cuts, though the gap is narrowing

Who do you think is most to blame for the current spending cuts?




14th June 2010

15th October
2012


Facing me specifically?

Thinking about the next two or three years, how worried are you that people like you will...

- 
- Suffer directly from cuts in spending on public services such as health, education and welfare 70%
 - Not have enough money to live comfortably 69%
 - Lose their job / have difficulty finding work 62%
 - Lose out because foreign factories and/or workers from abroad can do the same job more cheaply 55%

Facing me specifically?

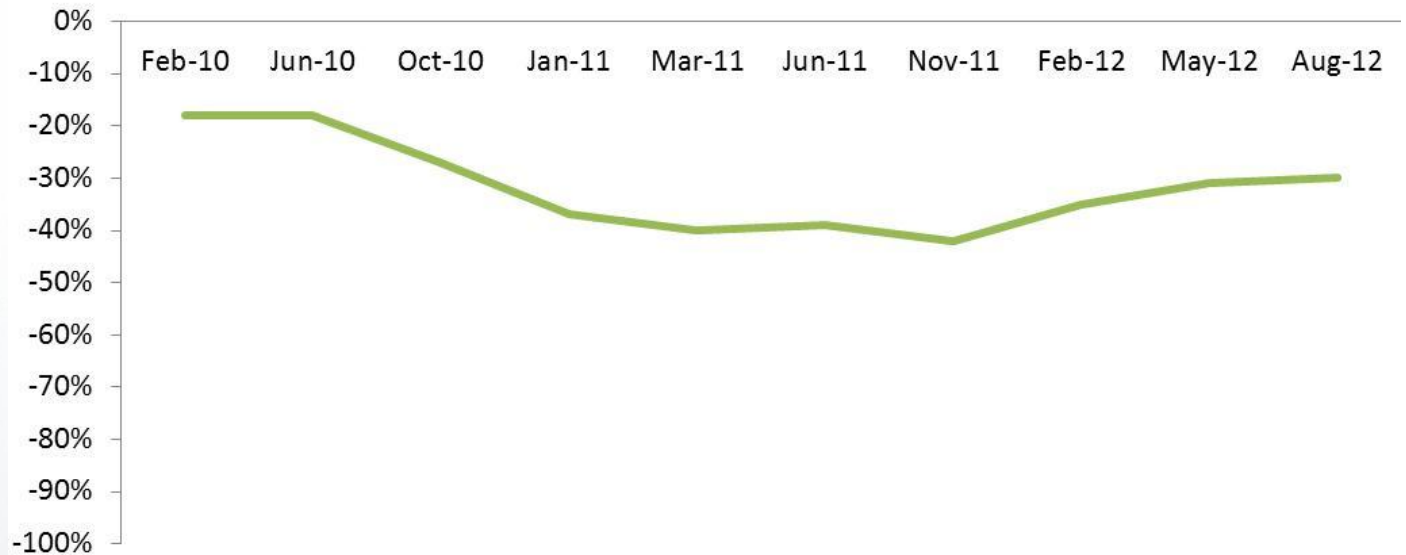
Thinking about the next two or three years, how worried are you that people like you will...

- 
- Suffer ill-health 52%
 - Be victims of burglary, robbery or mugging 42%
 - Lose their home 41%
 - Suffer discrimination or unfair treatment by employers or landlords or local councils or public authorities 39%

Perceived current financial circumstances are broadly unchanged

Thinking about you/you and your partner's financial circumstances generally, would you say they have got better or worse in the last 6 months?

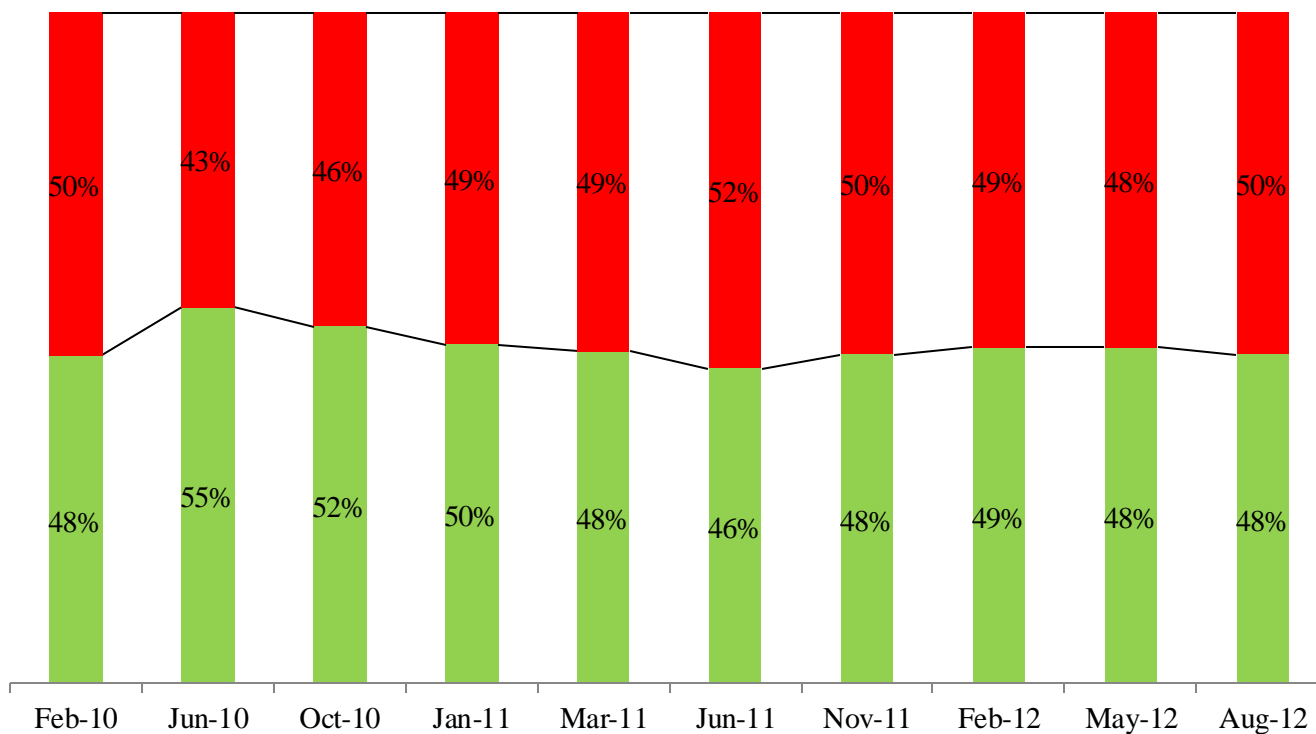
— Net: % saying circumstances got better - worse



...and proportion struggling to their next payday has also remained consistent since 2010

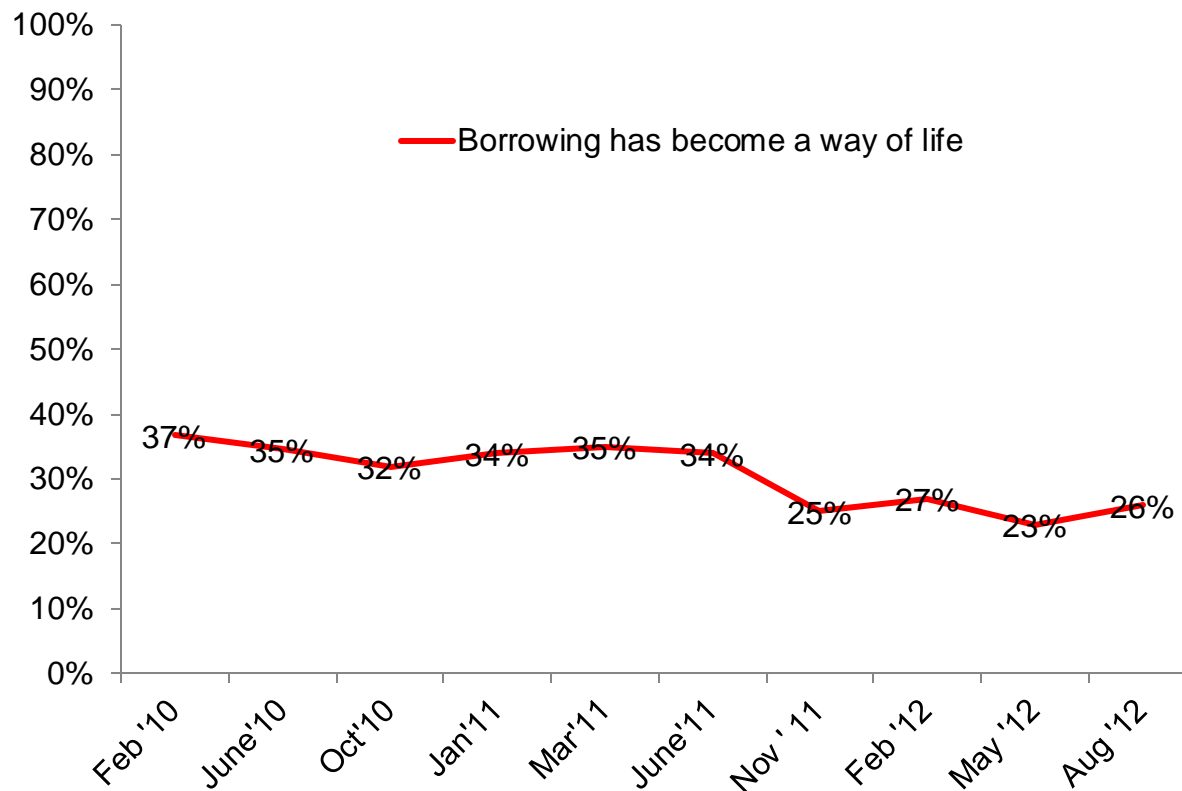
Do you/your partner ever find yourself short of money so that you find it a struggle to last out to the next payday?

■ Hardly ever/never ■ Sometimes/more often than not



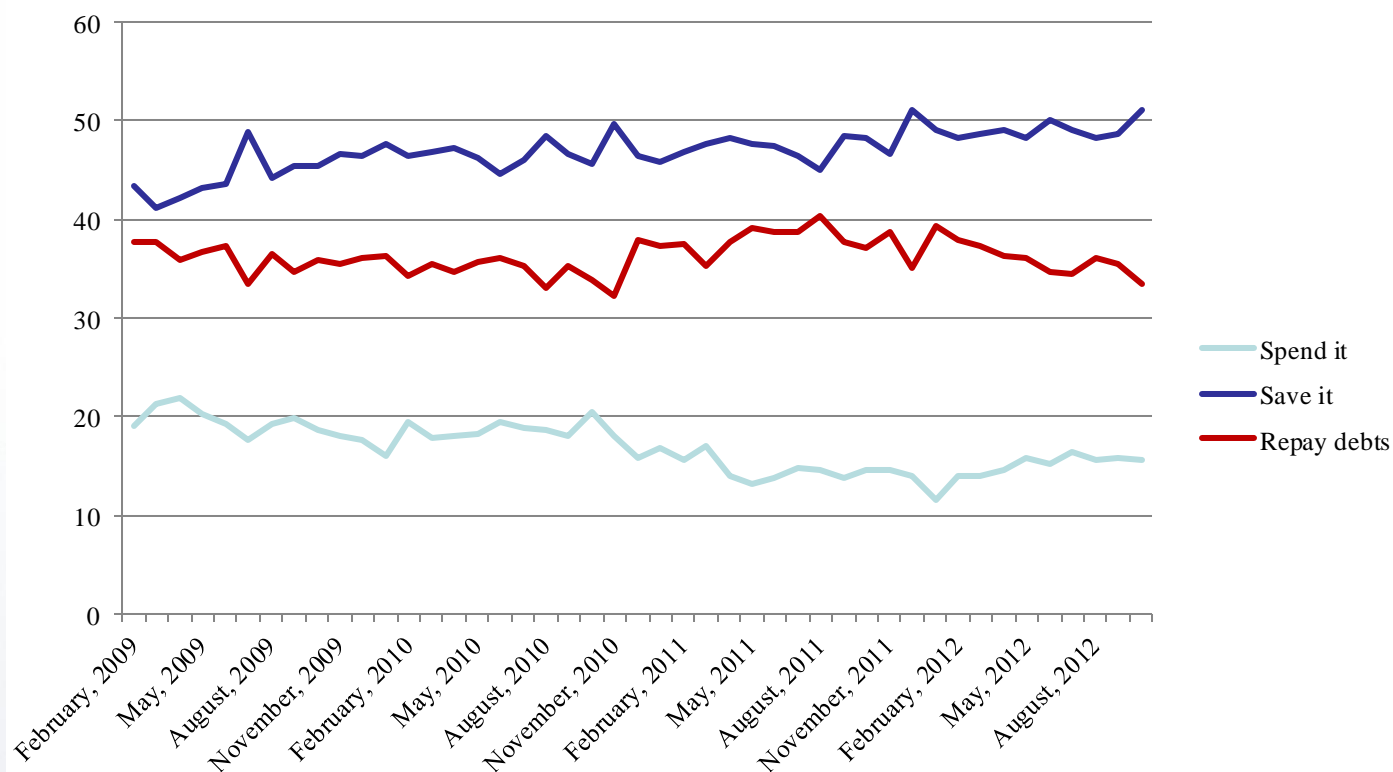
...and their attitudes to borrowing are gradually shifting

Can you tell us how much you agree, or disagree, with the following statement...



...and consumers are focused on saving and repaying debts rather than spending

Most likely use for unexpected windfall of 1 month's household income?



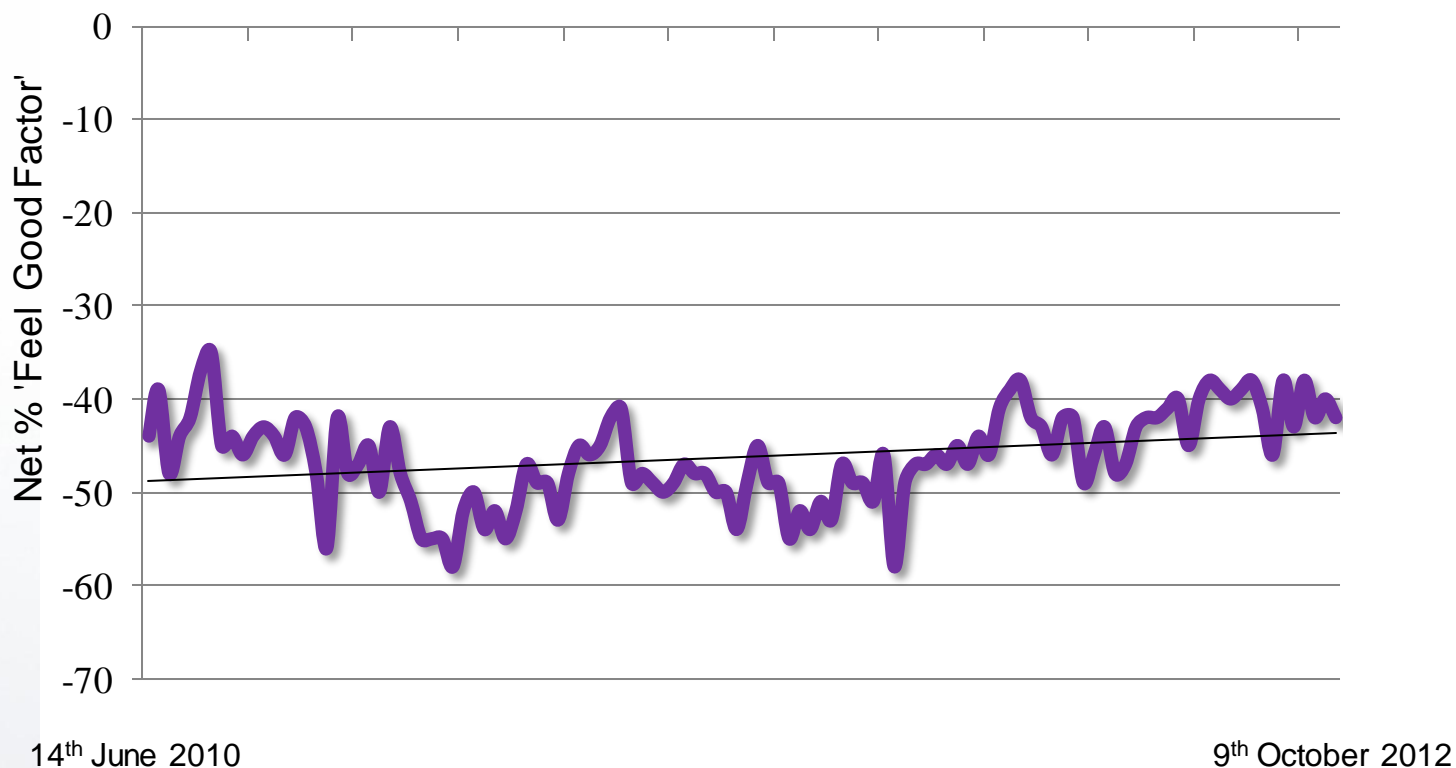
Perceived job security is on the rise

Compared to one month ago, how secure do you think your job is?



...and there has been a moderate rise in expectations for personal circumstances over the coming year

How do you think the financial situation of your household will change over the next 12 months?





Where do we go from here?

Super powers

(some are more 'super' than others)

Which, if any, of the following super powers would you **MOST** like to have?

- Time travel 26%
- Invisibility 12%
- Being able to fly 11%
- Mind reading 11%
- Teleportation 9%
- Invincibility 7%
- Super strength 2%
- X-ray vision 1%
- Super speed 1%
- Super hearing 1%
- Other 1%





David Mond

FSA presentation to the Debt Resolution Forum

1 November 2012

David Philpott

**The FCA regulated
consumer credit regime**

A new approach

- **Government has announced intention to transfer consumer credit regulation to the Financial Conduct Authority (FCA).**
- **Opportunity to create a single regulator responsible for conduct of all firms operating in retail financial services markets.**
- **Intention to increase consumer protection standards beyond those set by the Consumer Credit Act and OFT guidance:**
 - wider enforcement powers;
 - rule-making powers including product intervention powers.
- **FCA to be empowered and resourced to tackle risks to consumers as they emerge.**

A proportionate FCA regime

- **Transfer is subject to the design of an FCA regime that is proportionate to the consumer credit market.**
- **Need to deliver a proportionate framework, taking into account:**
 - costs to industry;
 - risks of consumer detriment in different products and services.
- **Working with government and stakeholders to build a better understanding of consumer credit markets and designing an FCA regime that will deliver the right outcomes for consumers:**
 - engagement with key stakeholders;
 - population survey of licensed businesses;
 - consultation in January 2013 on high-level approach and further consultation on details and rules in September 2013.

Areas of focus

What rules and guidance?

Conduct standards and high-level rules

Industry codes and self-regulation

Prudential and client money standards

What regulatory processes?

Authorisations

Appointed representatives

Approved persons

Supervision approach

Enforcement

Role of Local Authority Trading Standards Services

Rules and guidance

- Broadly, **conduct standards** currently in the CCA, associated Regulations and OFT guidance, will be recast as FCA rules and guidance where possible:
 - additional conduct rules will be considered where there are gaps in high-risk areas or where new risks emerge;
 - high-level rules (Principles for Businesses and systems and controls rules) will set the overarching framework.
- Consideration being given to whether **self-regulation and industry codes** might play a part in an FCA regime.
- Detailed analysis will be carried out on whether **prudential requirements** (minimum amounts of capital or Professional Indemnity Insurance) will make a proportionate contribution to consumer protection:
 - the population survey of the market will play an important part in this analysis.

Regulatory processes

- Firms will need to meet required **standards** to be FCA authorised for consumer credit activities.
- Level of **scrutiny** applied to applications will be increased – but will be proportionate:
 - risk-based approach taking into account the nature of the activities and size of the firm.
- Consideration being given as to whether individuals wishing to perform certain roles and functions within firms will need FCA **approval** to do so.
- Expected to be an **appointed representatives option** available to businesses carrying on certain regulatory activities.
- More proactive **supervision** of consumer credit businesses.
- Unlikely to be sufficient time to put everything in place in its final form for a transfer in April 2014:
 - transitional options are currently being explored and consideration being given to which elements of the new regime will be introduced in the transitional period;
 - considering granting interim permissions at the beginning of the new regime.

Challenges

- **Developing an FCA regulatory approach that builds on knowledge and experience of OFT and preserves essential consumer protections.**
- **Ensuring effective working relationships with other enforcement authorities:**
 - Local Authority Trading Standards Services play key role as the ‘arms, eyes and ears’ of the regulatory regime at a local level.

Next steps

- **Working with government on regime design.**
- **Consultation with stakeholders.**
- **Public consultation in January 2013 by government on the secondary legislation necessary to effect the transfer and the parts of the CCA that will be repealed or amended.**
- **FSA will consult at the same time on the key features of the FCA regime.**

Timetable

Population survey	May – June 2012
Stakeholder discussions on specific aspects of FCA regime design	May – December 2012
FSA consultation on high-level approach	January 2013
Creation of FCA (subject to passage of Financial Services Bill)	Spring 2013
FCA consultation on details of regime including rules	September 2013
Publish final rules	March 2014
Transfer to FCA	April 2014

- **Any questions ?**

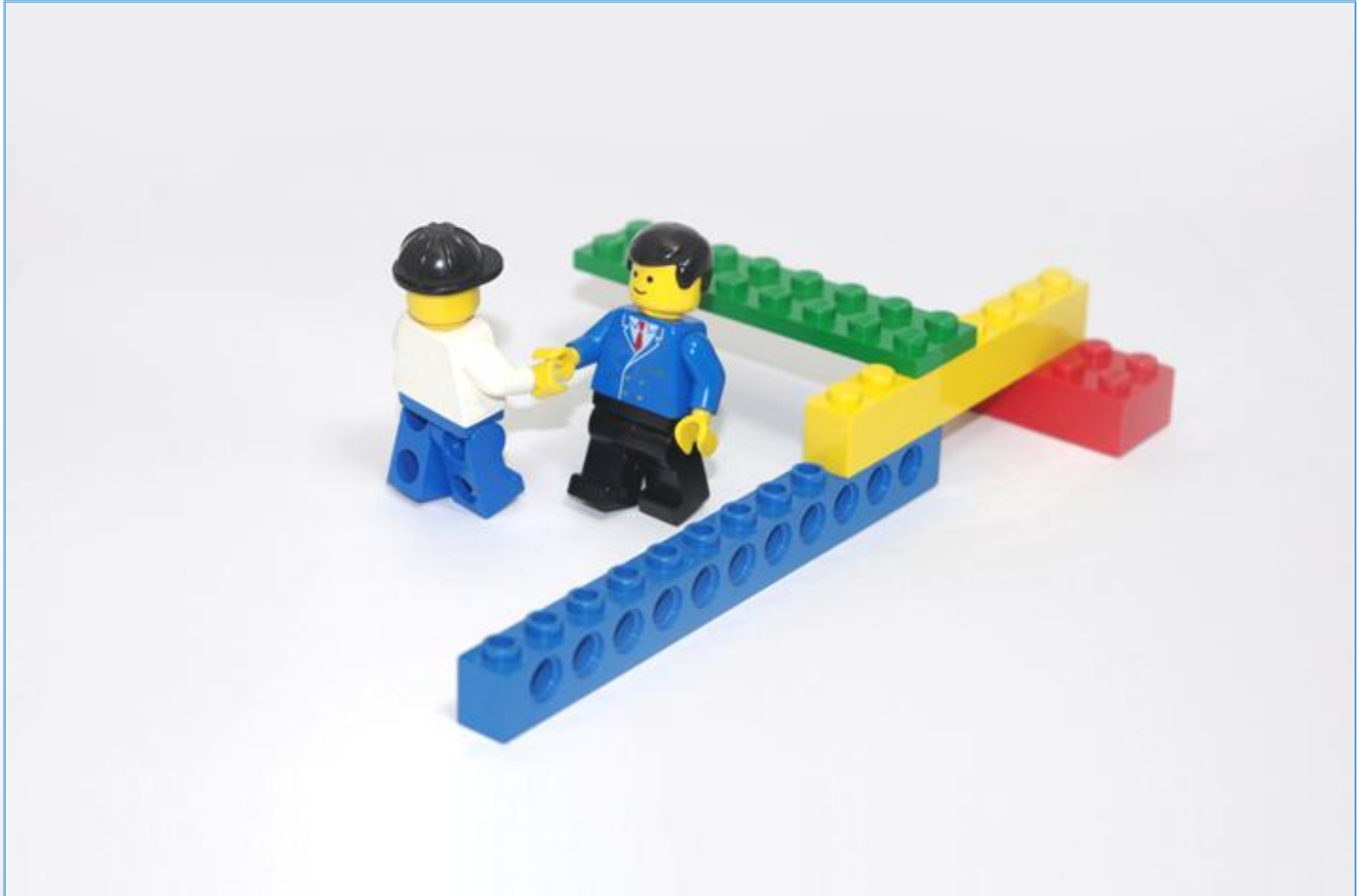
David Mond

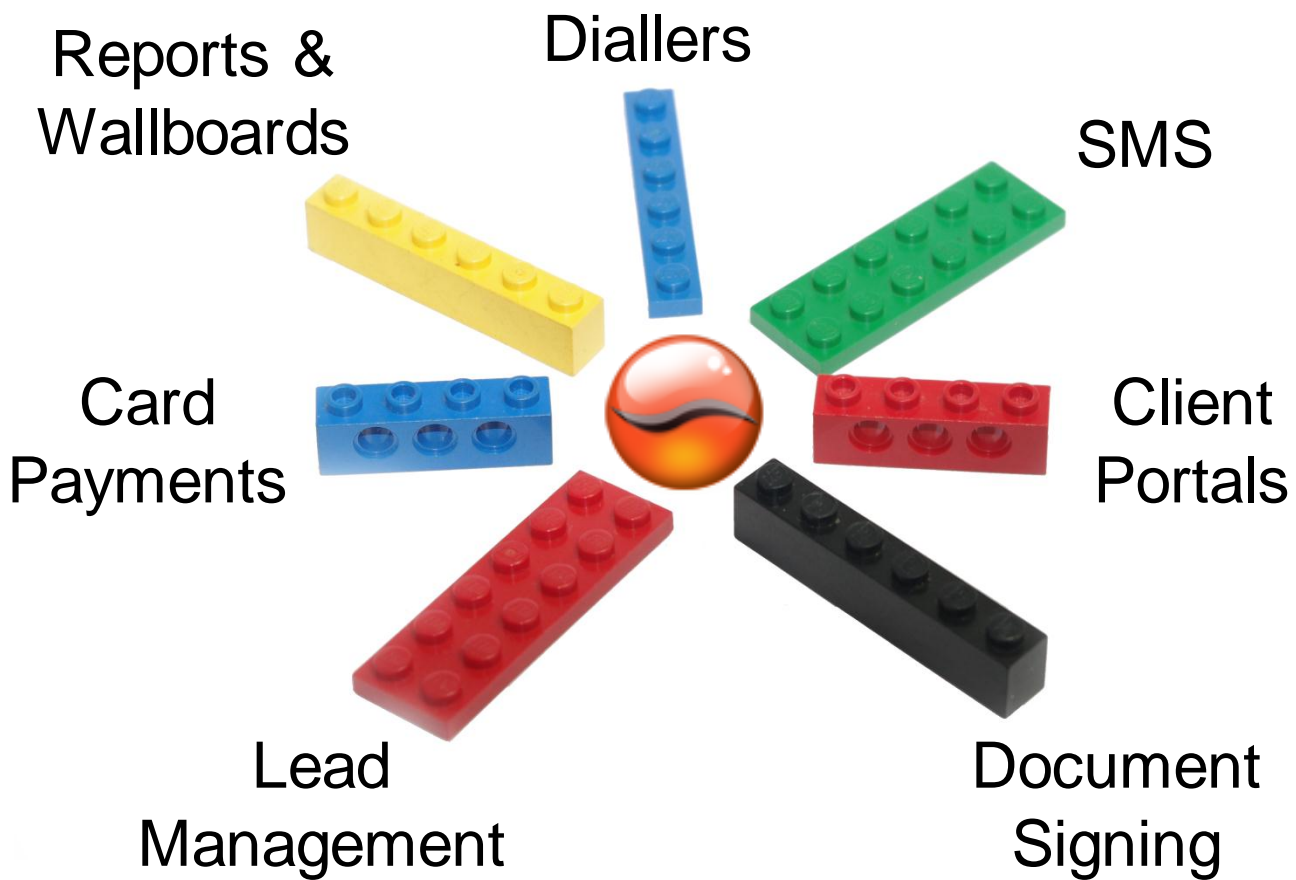




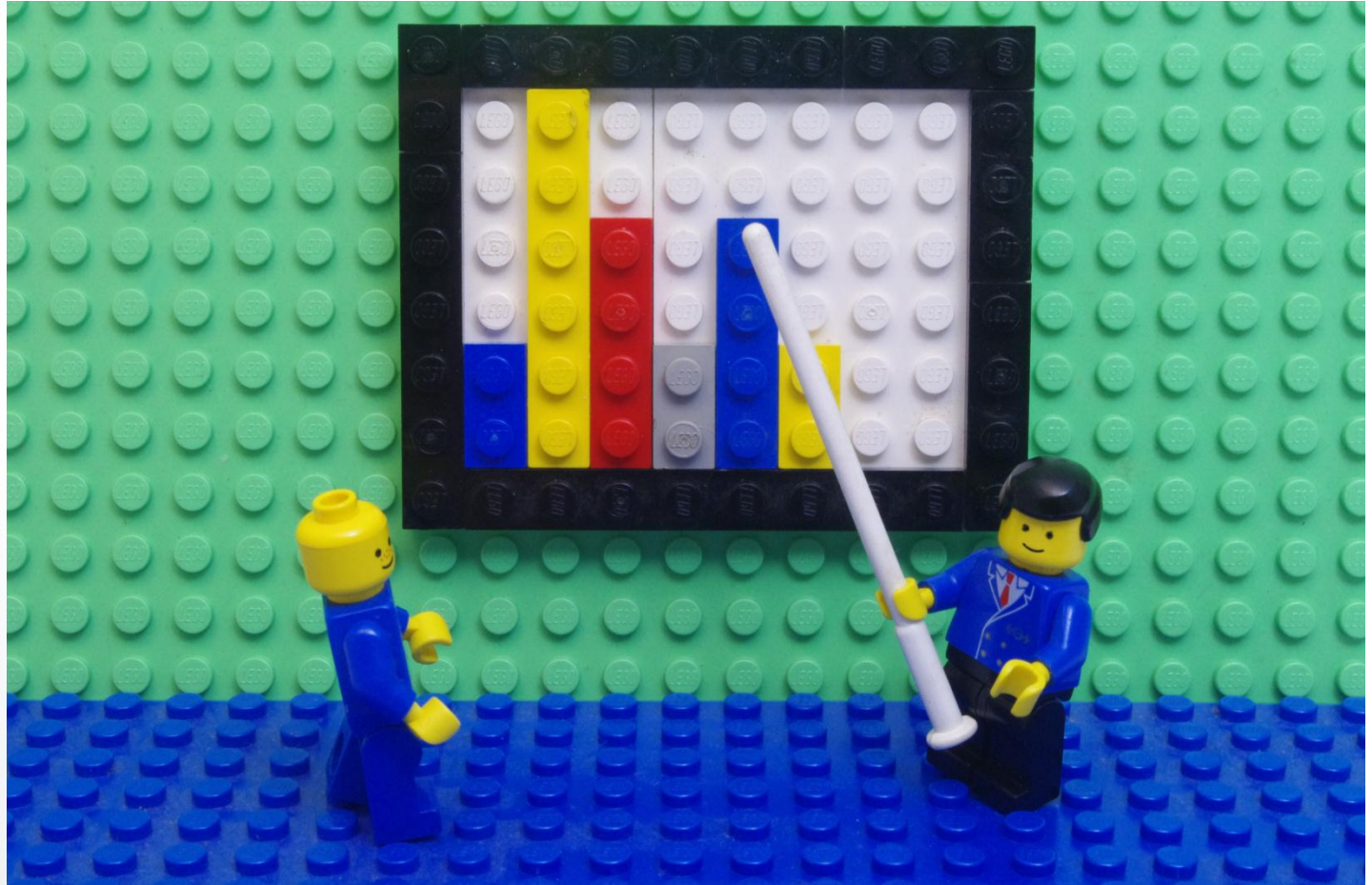
Steve Kelleher-Brown

Connectivity





Powerful Reporting Options



Great Technical Support



Make More Money



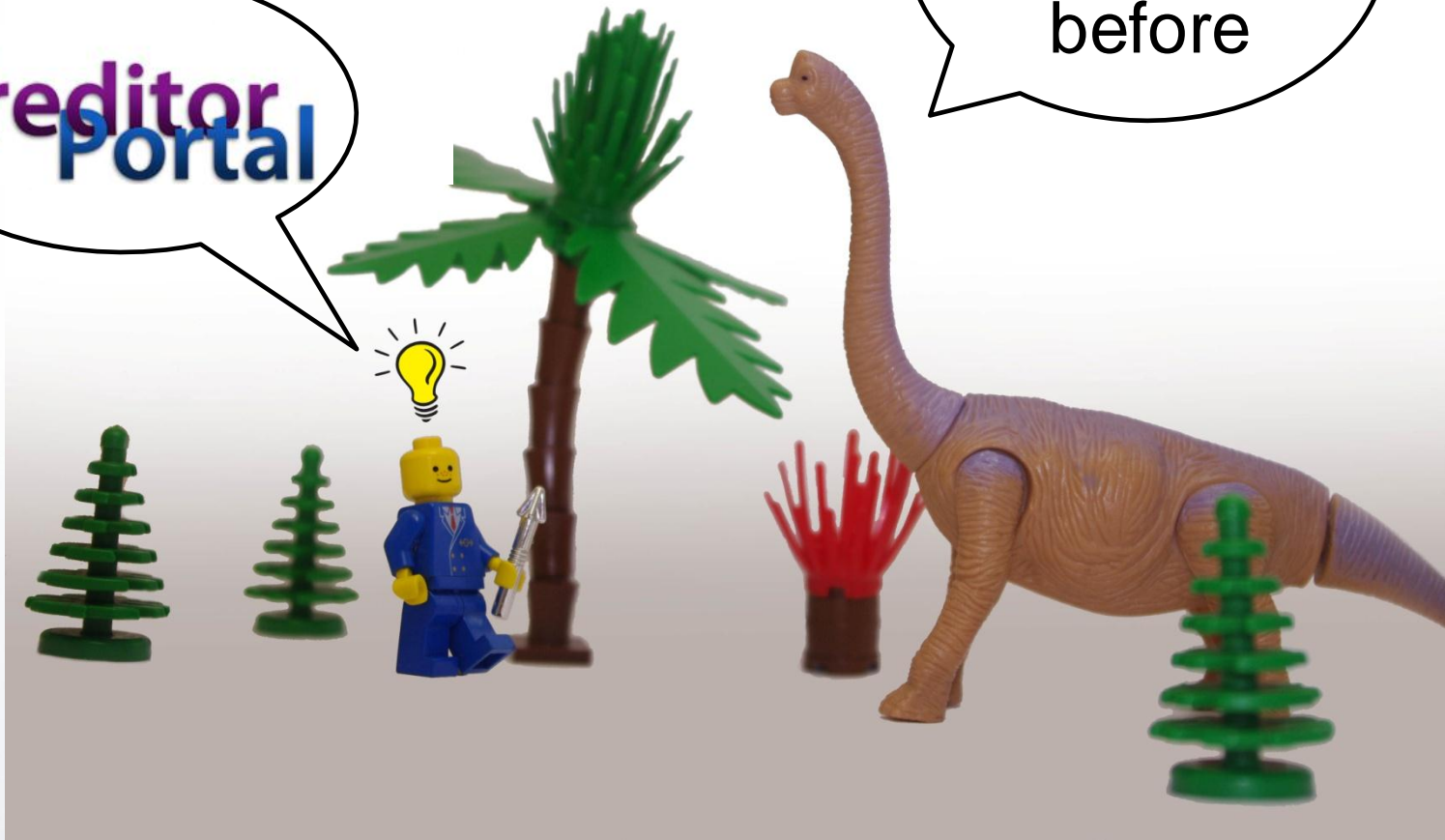
Too Much Creditor Post !

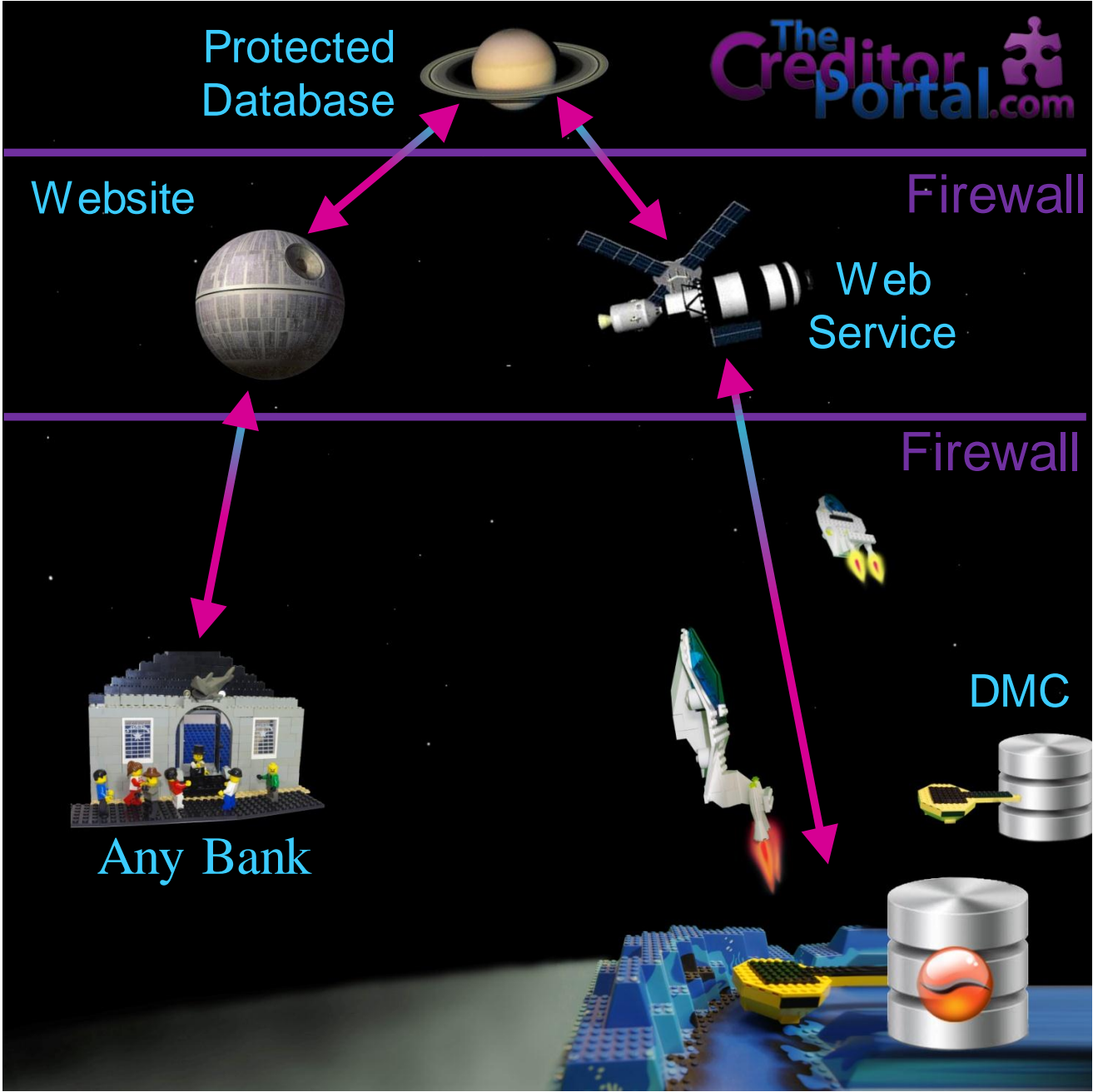




**Creditor
Portal**

I think it's
been done
before







Protected Database
The Creditor Portal.com
Website
Firewall
Web
Balance Requests
Scanned Authority Documents
Pro Rata Payment Offers
Financial Statements
Payment Offer Renewals
Ad hoc Messages
Any Bank
DMC
Payment Remittance Information



**Tigersolv**

**The
Creditor
Portal.com** 



Better Connected Software

David Mond

refreshments



David Mond



Universal Credit

Personal Budgeting Support

Felicity Ridgway
felicity.ridgway@dwp.gsi.gov.uk

Why do we need Universal Credit?

- we are **simplifying a complex system** of multiple benefits:
 - the current system has over 10,000 pages of guidance for advisors
 - it is expensive to administer
- we are **making work pay**:
 - more help for low income working families
 - claimants will keep more of what they earn
 - improving incentives to increase hours of work
 - simplified system will make moving to work feel less 'risky'

Simplifying a complex system

Current system

The diagram illustrates the simplification of the current system. On the left, a large grey arrow points from a list of current benefits to a blue box labeled 'Universal Credit'. Below this, a smaller grey arrow points from 'Disability Living Allowance' to another blue box labeled 'Personal Independence Payment'. At the bottom, three light blue boxes list benefits that will remain or are still under consideration.

Income related JSA
Income related ESA
Income Support (including SMI)
Working Tax Credits
Child Tax Credits
Housing Benefit

Universal Credit

Disability Living Allowance

Personal Independence Payment

Pension Credit, Child Benefit, Carer's Allowance (will remain)

Council Tax Benefit (Localised Council Tax Schemes)

Contributory JSA and ESA (still considering how these will work)

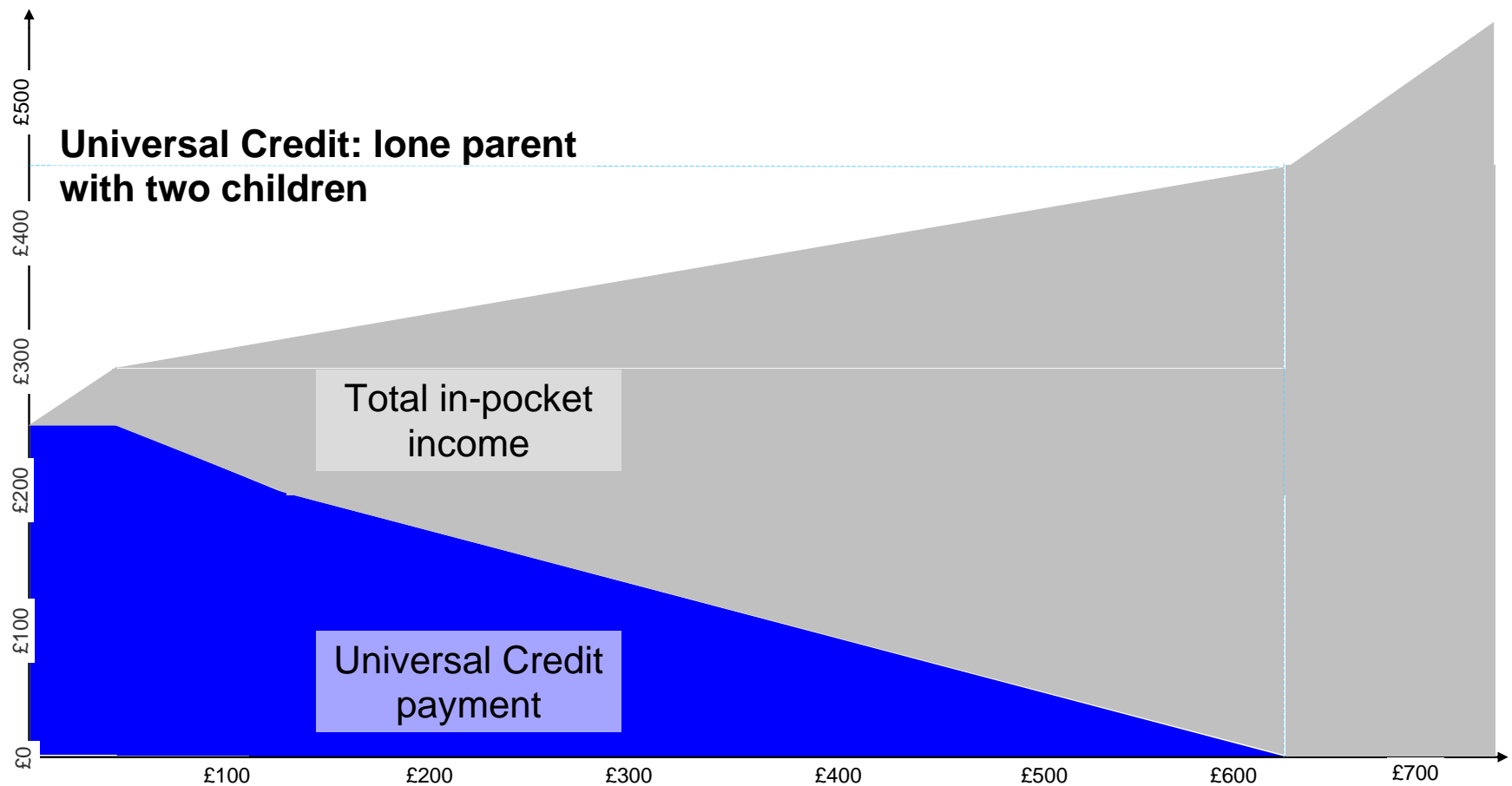
Making work pay

“Universal Credit will mean that people are consistently and transparently better off for each hour they work and every pound they earn.”

Iain Duncan Smith, Secretary of State for Work and Pensions

- The Government wants families to be able to manage their affairs in a manner that best reflects the demands of modern life, whether in or out of work.
- A key aspect of Universal Credit will be that it should mimic work and the receipt of a salary.
- Universal Credit is designed to ensure that it is always worth working by allowing people to keep more of their benefit in the transitional period back to work.
- Actual rates and tapers to be decided by Autumn 2012.

A simpler system with clear work incentives

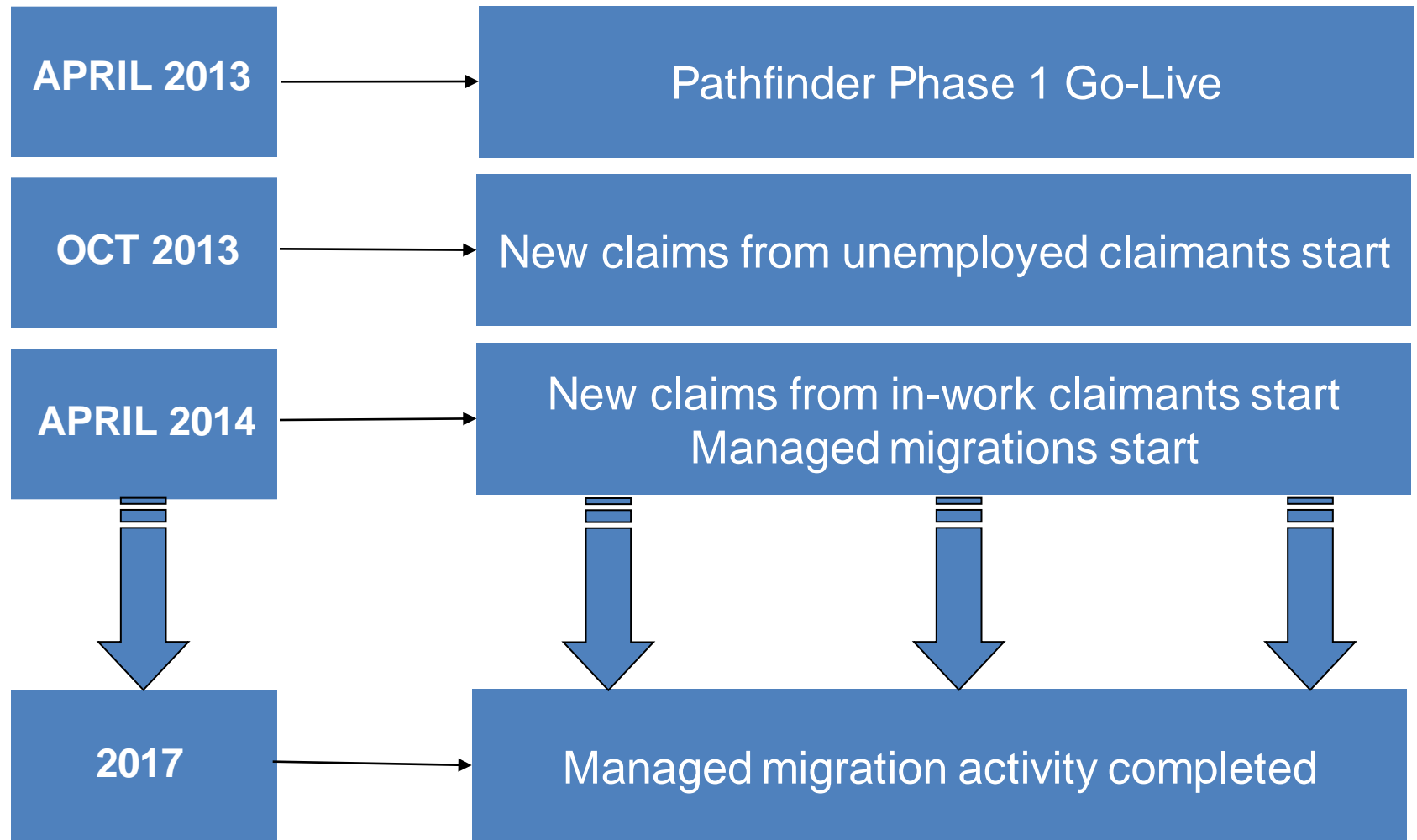


Universal Credit – implementation and transition challenge

Universal Credit supports people into work and continues support to ensure that work pays. To deliver this we need to:

- Convert 12 million claims to 8 million household accounts
- Create a digital platform that both meets the needs of people who are used to managing their lives online, whilst helping claimants who need extra support to get online
- Ensure the right support for claimants
- Create a system capable of flexibility and continuous improvement

Migration - key dates



Direct Payments Demonstration Projects

Project purpose is to:

- Test the impact of various trigger points and safeguards on social landlords
- Test safeguards for different groups of people, e.g. trigger points for making payments to landlords, and test budgeting tools for claimants
- Evaluate claimant communication strategy and test landlords' strategies for maintaining financial viability

Participating Local Authority areas:

- City of Edinburgh Council and Dunedin Canmore Housing Association
- Torfaen Borough County Council and Bron Afon Community Housing and Charter Housing.
- Wakefield Metropolitan Borough Council and Wakefield and District Housing
- Shropshire Unitary County Council and Bromford Group, Sanctuary Housing, and Wrekin society.
- Oxford City Council and Oxford Citizens (part of the Greensquare Group)
- Southwark Council and Family Mosaic

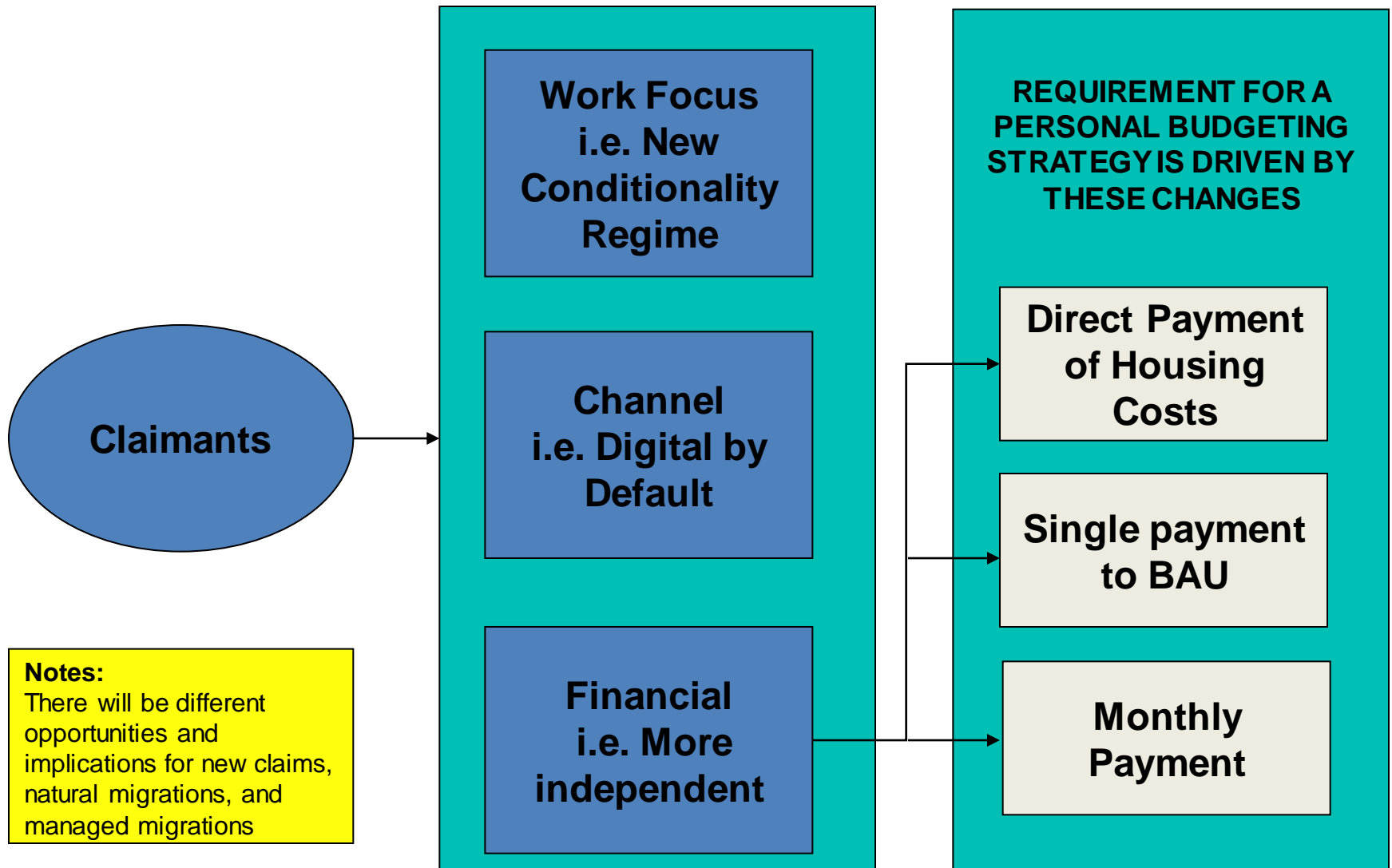


Digital services

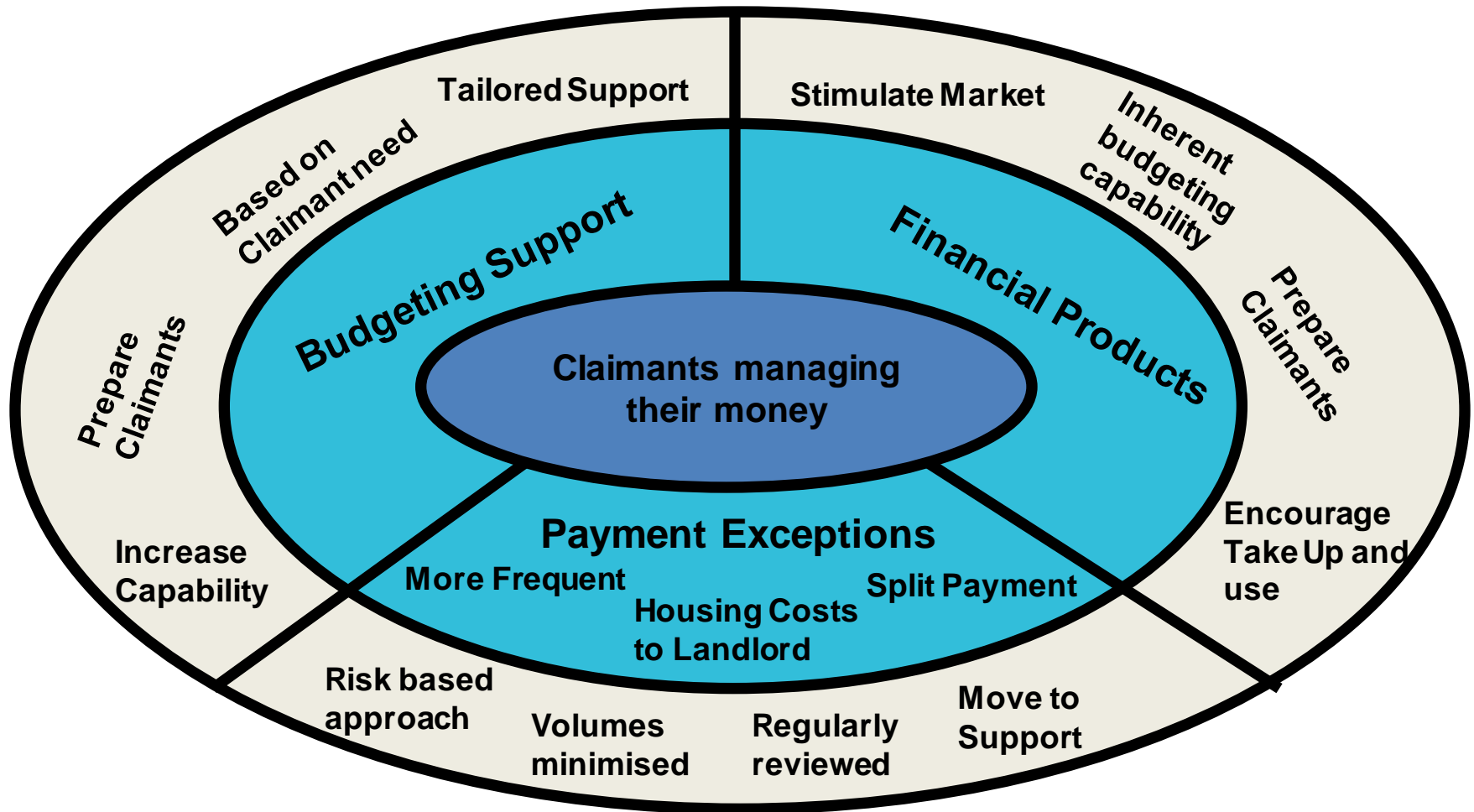
- The service will be **digital by default** because it is better for claimants, staff and taxpayers. It is:
 - **available**: not limited to office or contact centre hours
 - **flexible**: helping people navigate the system, showing them what they need to see, to do what they need to do
 - **responsive**: can be rapidly improved in light of user feedback
 - **informative**: giving a single, integrated picture based on up-to-date information, including latest earnings
 - **integrated**: developing over time to join up work and benefit services, and forming a core part of government's online offer
 - **accessible**: designed from the outset to meet the needs of a wide range of users.
- And it will be digital because **the future is digital**:
 - employers expect digital skills for almost all jobs
 - mobile devices are more prevalent and powerful
 - people can save money by accessing online services.
- But we recognise that some claimants will need help to use the online service - other channels will be available for the minority who need them, mainly phone, but also face-to-face or post.

Personal Budgeting Strategy

Context - Claimant Preparation



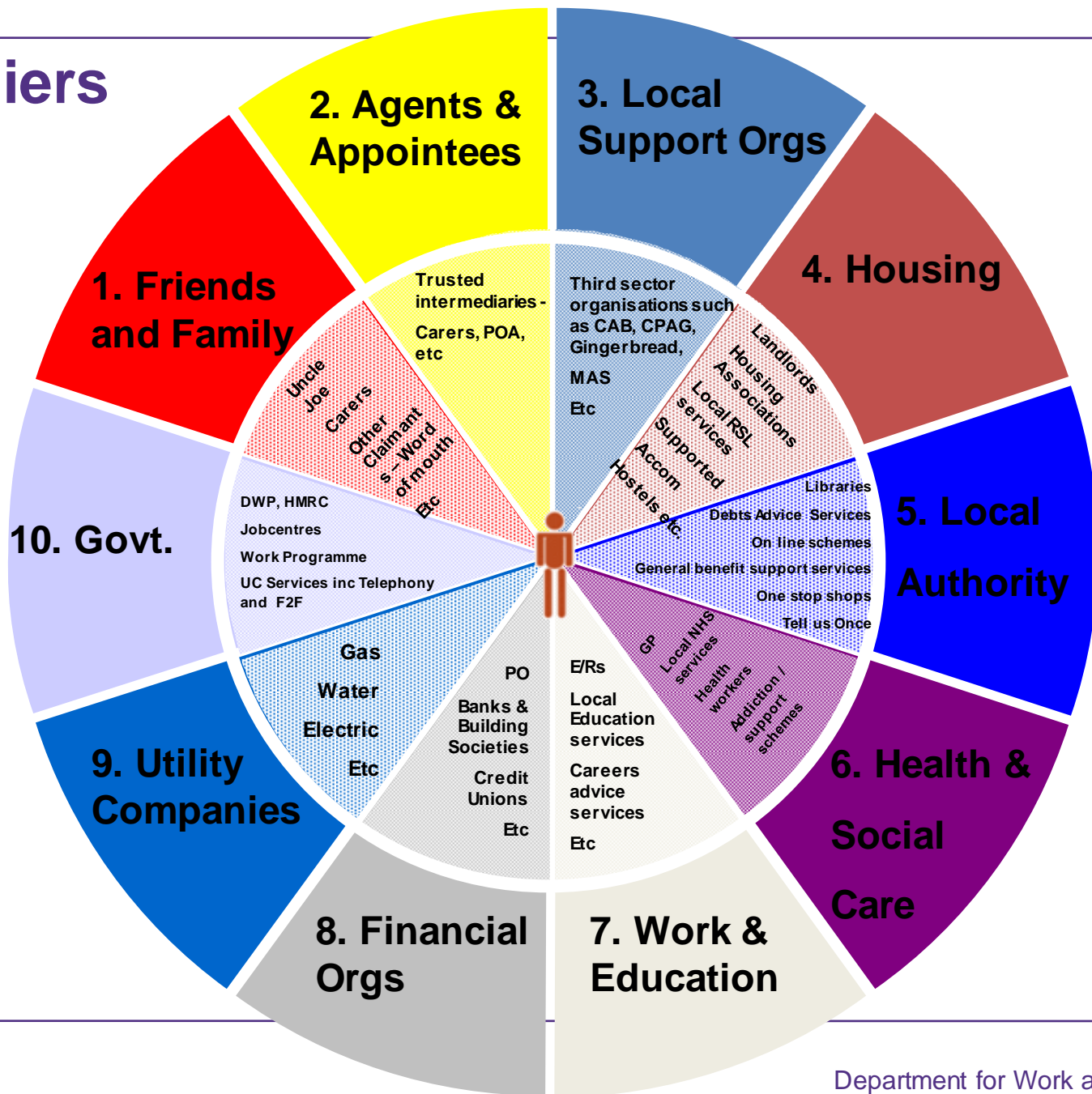
Overview



Strategy – Key Messages

- The requirement for a personal budgeting strategy is driven largely by 3 changes: direct payments of housing costs to tenants; moving to a single household payment; moving to monthly payments.
- To minimise the risk of a spike in non-payment of rent/bills or financial distress, claimants will need access to:
 - suitable financial products i.e. transaction accounts that allow claimants to receive income from work and benefits and to make payments such as rent and bills electronically;
 - and proper budgeting support, including "social responses", maximising support from friends and family, local organisations etc.
- For claimants who will not be able to succeed at the point of migration, we will also make provision for the minimum necessary volume of three main types of Payment Exception, i.e. Payments more frequent than monthly; Split payments; & Direct payments to landlords
- The key de-risking strategy is identifying riskiest tenants early, and putting them on the Housing Costs exceptions with an appropriate Budgeting Support plan and Financial Product.
- The remainder will be offered a level of Budgeting Support tailored to their support needs, summarised in the segmentation.
- All claimants identified as requiring a Payment Exceptions and/or a Budgeting Support need will also be offered access to a Financial Product with inherent budgeting capability

Suppliers



Segmentation

	Able (budget well on all 3 questions)	Mainly able (does not budget well on 1 question)	Unable (does not budget well on 2 or 3 questions)
Not worried (not worried about any aspect of changes)	1. Ready & Able	2. Ready & Mainly Able	7. Not Worried & Unable
Worried (worried about 1 aspect)	3. Worried but able	4. Worried & Mainly Able	8. Worried & Unable
Very worried (worried about 2 or 3 aspects)	5. Very worried but able	6. Very Worried & Mainly Able	9. Very worried & unable

NOTE - 'Ability' dimension defined at three levels:

Able – if regularly budget, do not run out of money all/most times, have not borrowed if they have run out

Mainly able – if they score poorly on one of the above aspects

Unable – if they score poorly on two or all three of the above

NOTE - 'Worried' dimension defined at three levels:

Not worried – if none of the changes will make it harder to budget

Worried – if one of the changes will make it harder

Very worried – if two or three of changes will make it harder

PE Financial and Vulnerability Factors

Tier One factors – Highly likely / probable need for a PE

Drug / alcohol and / or other addiction problems e.g. gambling

Learning difficulties including problems with literacy and/or numeracy

Severe / multiple debt problems

In Temporary and / or Supported accommodation

Homeless

Domestic violence / abuse

Mental Health

Currently in rent arrears / threat of eviction / repossession

Claimant is young either a 16/17 year old and / or a Care leaver

Tier Two factors - Less likely / possible need for a PE

No bank account

Third party deductions in place (e.g. for fines, utility arrears etc)

Refugees / asylum seekers

History of rent arrears

Previously homeless and / or in supported accommodation

Other disability (e.g. physical disability, sensory impairment etc)

Claimant has just left prison

Claimant has just left hospital

Recently bereaved

Language skills (e.g. English not spoken as the 'first language').

Ex Service personnel

NEETs - Not in Education, Employment or Training

Matching support to services & channels

		Type of support						
Segment	Support Needs	Advice on savings; economising tips; comparison websites	Financial 'health checks'; budgeting planning tools	Labelling, 'jam-jarring' support	Advice/assistance on setting up accounts, direct debits	Money management advice	Money management lessons	Tailored debt advice
		Online	Online	Online Tel	Tel F2F	Tel F2F	F2F	F2F
Not Worried/Able	Little/no support	✓						
Not Worried/Mainly Able	Minimal transitory support on budgeting/no support	✓	✓					
Bit Worried/Able	Little transitory support - reassurance/explanation of changes or no support	✓	✓	✓				
Bit Worried/Mainly Able	Little transitory support - both on reassurance/explanation of changes & budgeting help	✓	✓	✓	✓			
Worried/Able	Some transitory support to explain changes sustained for little longer	✓	✓	✓	✓			
Worried/Mainly Able	Some transitory support to explain changes sustained for little longer potentially with a little budgeting support			✓	✓			
Not Worried/Not Able	Some budgeting support potentially sustained to address current budgeting problems and avoid them getting worse			✓	✓	✓		
Bit Worried/Not Able	Some sustained budgeting support to address current needs and how to manage UC changes			✓	✓	✓	✓	
Worried/Not Able	Intensive and sustained support to improve budgeting and adapt to			✓	✓	✓	✓	✓

Universal Credit Personal Planner – what is it?

- A set of questions for potential UC claimants to see how ready they are for UC and to provide tailored information/actions to start preparing for the changes.
- Covers the key financial changes and claiming and managing UC online.
- Provides claimants with a good understanding of the changes and what they mean for them. They are signposted to links on the Internet e.g. how to set up a bank account, how to better manage their money, how to be secure online.
- Check out the link sometime to find out more :

<http://stg-secureonline.dwp.gov.uk/universal-credit-preparation/>

Already tested with claimants with positive feedback

Financial Products – latest position

- Issued a Prior Information Notice (PIN) and Press Release regarding our intention to stimulate a market for financial products with inherent budgeting capability (sometimes known as jam jar accounts).
- A supplier event was held 3rd October to engage with the market, and answer any questions they may have. We are undertaking ongoing stakeholder engagement and feasibility work to determine the issuing of an invitation to tender.
- The Credit Union Expansion Project (CUEP) has also recently communicated their Invitation to Tender and we are working closely with colleagues in CUEP to ensure we minimise any duplication and get the best out of these complementary investments.

Any questions?

David Mond





Zero-Credit Research

Emma Bryn-Jones

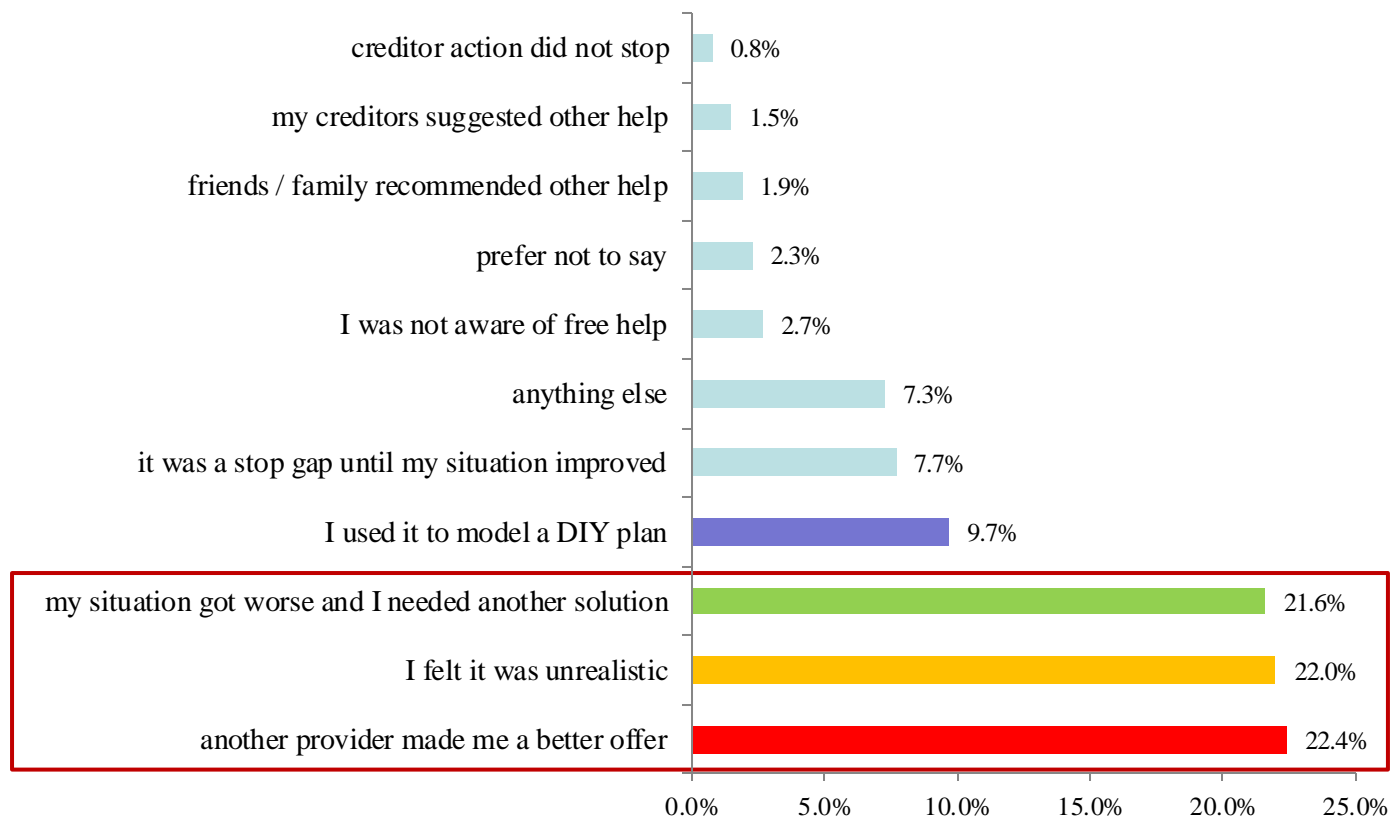
Best Advice versus Informed Choice

More than 97% of commercial DMP clients, who dropped out of a plan, were aware of free advice before starting it.

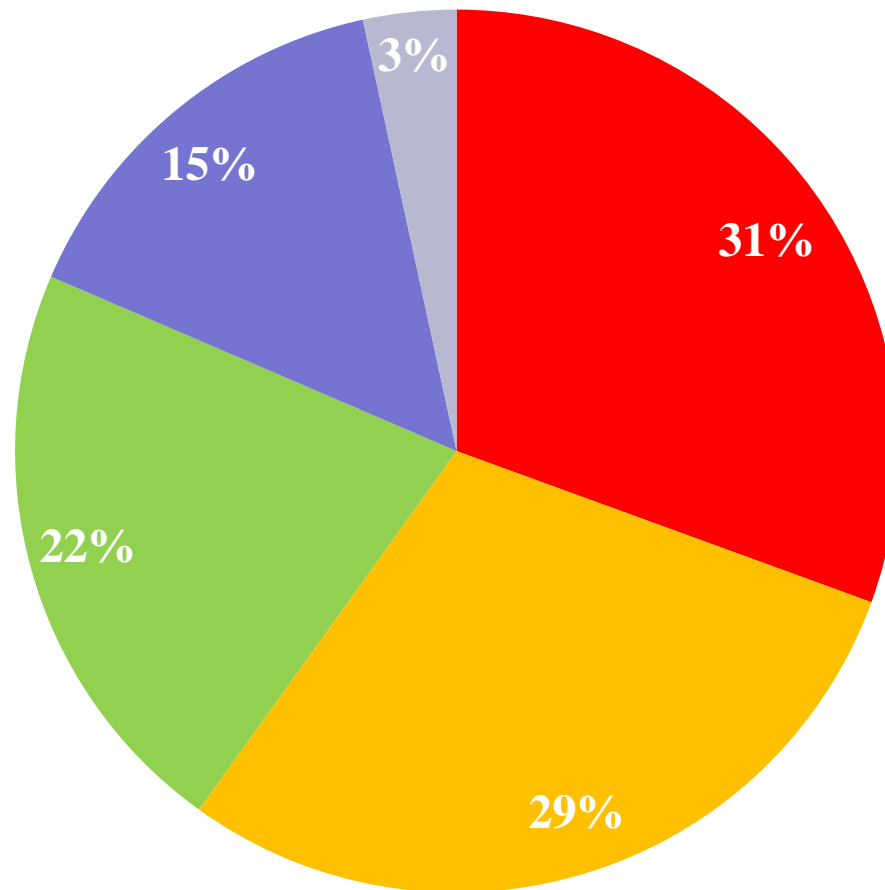


Image courtesy of Stuart Miles FreeDigitalPhotos.net

Almost two-thirds of those who dropped out of a plan did so because...



So where did they end up?



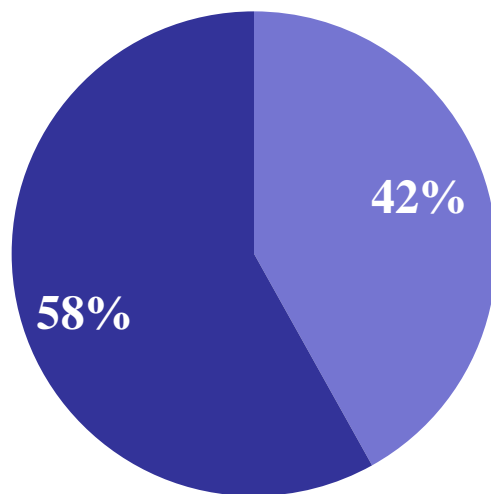
■ DIY plan ■ another DMP ■ insolvency ■ no solution ■ other

So, if best advice was given...

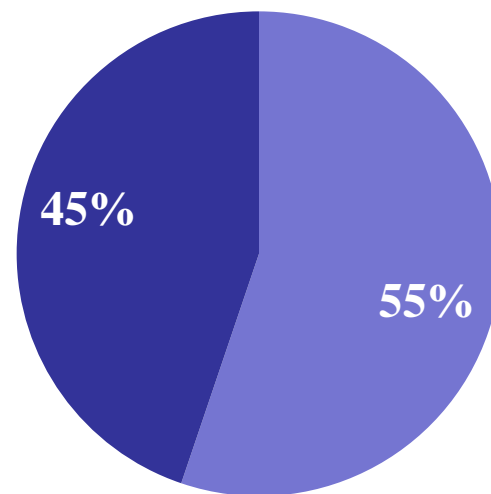


Was it the debtor?

DMP clients



DMP dropouts



■ advice sought ■ not sought

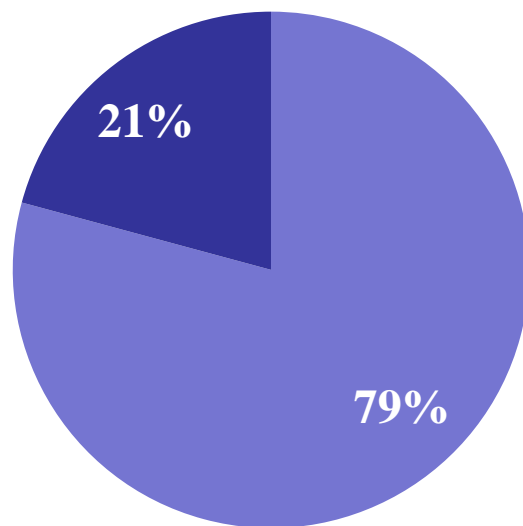
I just want to get it cleared

They were dealing with it, rather than me dealing with it

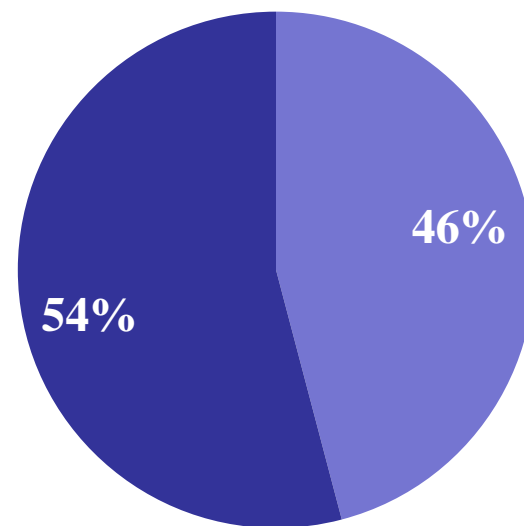
Probably, it was my mistake because I did not read all the terms and conditions, because I just signed it

Was it the creditor?

DMP clients



DMP dropouts



■ action stopped ■ action continued

...and I'm like "well this is the third time you've phoned me and the third time I've told you about the DRO, so no more phone calls please"

"No, we want proof". I said "What proof do you want? I've got the number here from Citizens Advice". "Oh no, that's not acceptable".

Or was it the adviser?

I literally got to the point, where I had the money, borrowed money and everything for the £500 and, of course, I just asked them one question “Is this going to affect my business?” and they said “Yes, it will”.

Well, I was a bit concerned about it, but they convinced me that I was wrong...

I just felt that he totally fobbed me off and I just remember coming off the phone, just really upset, not knowing where to go next.

I was thinking that this payment is going to take maybe ages for me and I don't want anything to affect my credit in the future.

I am aware of no fees at all.

I think they take fees out of what I pay back...



Thank You



David Mond

Sawfish Software and DebtFlow

- Recent News
- New Developments
- Future Plans

TDX Industry Solutions

- Independent Division
- Products and services to participants in the debt industry
- Improve decision making, efficiency and service

Impact on DebtFlow

- Investment
- Innovation
- New Products
- New Client Sectors

New Developments

- Creditor Portal
- Client Portal
- Modifications Module
- Portfolio Management

DebtFlow Benefits

- Reduce Costs
- Eliminate Errors
- Increase Case Performance
- Improve Compliance
- Automate the entire DM/IVA process

DebtFlow – Future Thoughts

- Data and information not documents
- Think large act small
- Integration
- Opportunities

Thanks for listening

Visit us for a free demo or to
answer any of your questions

David Mond





David Mond

mental health and debt: a 15 minute course for advisers

1st November



Chris Fitch
Research Fellow

Royal College of
Psychiatrists

Anthony Sharp
Chair

Money Advice
Liaison Group



ROYAL COLLEGE OF
PSYCHIATRISTS

www.rcpsych.ac.uk/debt
cfitch@rcpsych.ac.uk



OFFICE OF FAIR TRADING

Mental capacity

- OFT guidance for creditors

September 2011

OFT1373

of Psychiatrists and the Money Adv

ction and mental he
to improve recovery



liters and debt collection agencies
ey of 1270 frontline collections sta

RC PSYCH
ROYAL COLLEGE OF
PSYCHIATRISTS

The Lending Code

Setting standards for banks, building societies and credit card providers

bba
The voice of banking & financial services

Building Societies Association

THE UKCARDS ASSOCIATION

March 2011

NEW MENTAL HEALTH TRAINING FOR COLLECTIONS STAFF

How well is your organisation coping with new regulation on mental health?

Collections staff view customers with mental health problems as their most difficult challenge:

- half of staff find it difficult to discuss these problems, as they don't know enough about mental health
- one-third don't even ask basic questions – such as how a customer's ability to repay might be affected by a mental health problem
- because of this, many staff are not able to comply with industry codes, legislation like the Data Protection Act 1998, or wider guidance on treating vulnerable customers fairly and sensitively

Training solutions

We can help. We can provide standard and bespoke elearning solutions for frontline staff, as well as face to face training packages for staff and specialist teams. Brought to you by an award winning partnership – Royal College of Psychiatrists, Money Advice Trust, and Rethink Mental Illness - we understand mental health and the reality of collection and recoveries.

Treating customers fairly

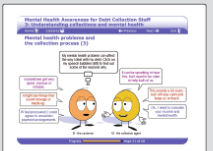
Treating customers fairly and sensitively is key – particularly if they have a mental health problem. Our training builds on this as a key principle.

Ensure compliance

The Lending Code (BBA, BSA, and UK Cards), the Lending Code (FLA), and the CSA Code of Practice require collection staff to be able to work with customers with mental health problems. The training covers the key points of these codes, as well as the Data Protection Act (1998) in regard to sensitive personal information about a customer's health.

New: E-learning

Accessible and interactive, this elearning module will help staff comply with industry codes and wider legal duties. Set at an introductory level, and developed in partnership with creditor and collection organisations, it comes with a PDF call-guide that staff can print and keep.



New: Face-to-face training

Our one-day course focuses in-depth on the practical skills and decision-making strategies that staff need. It covers the whole 'journey' from a customer reporting a mental health problem, initial assessments of the situation, recording sensitive data, collecting medical evidence, and making realistic decisions.

Contact us for a free trial
training@moneyadvice-trust.org
Direct Dial: 020 7553 97 42

Credit Today Awards 2011
WINNER: MONEY ADVICE TRUST OF THE YEAR

Money Advice Trust

rethink

RC PSYCH
ROYAL COLLEGE OF
PSYCHIATRISTS

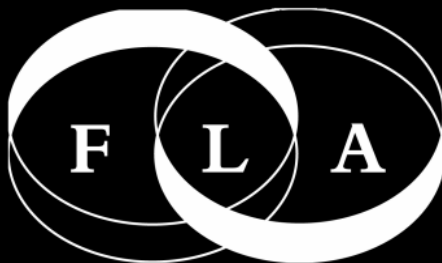
bba
The voice of banking & financial services

csa?
THE UKCARDS ASSOCIATION

Supported by:



**FRIENDS
PROVIDENT
Foundation**



Financial Services Authority



LOTTERY FUNDED

**Money
Advice
Trust**



*Department
of Health*



The voice of banking
& financial services

THE
UKCARDS
ASSOCIATION



credit services association

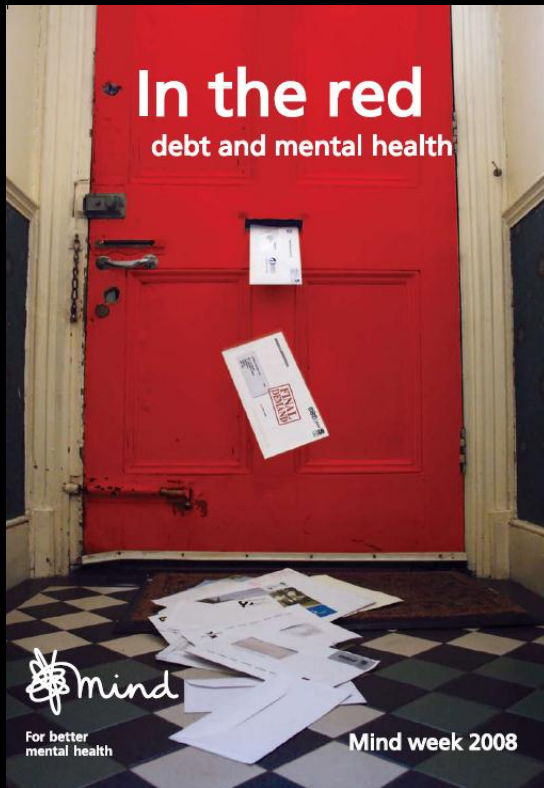


The Royal Bank of Scotland

today is about
advisers

abilities
Dissociative
Spirituality
Compulsive
Tardive
Panic
Health
Mental
attacks
Bipolar
Postnatal
depression
disorder
Problems
Schizophrenia
Dementia
Manic
illness
Psychotic
Smoking
Wellbeing
dysmorphic
Physical
loss
Schizo affective
Deficit
Suicidal
Disorder
Young
Paranoia
Obsessive
Pregnancy
stress
Anxiety
Borderline
ADHD
Attention
Addiction
Eating
Bulimia
panic
People
Sleep
dependency
mental
Affective
Obsessive-compulsive
Self-harm
Stress
Anorexia
Hyperactivity
dyskinesia
Alzheimer's
Traumatic
personality
feelings
Alcohol
Treatments
Drug
experienced
disorders
Phobias
affective
Personality
Schizophrenia
Dementia
Manic
illness
Psychotic
Smoking
Wellbeing
dysmorphic
Physical
loss
Schizo affective
Deficit
Suicidal
Disorder
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dyskinesia
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Traumatic
personality
feelings
Alcohol
Treatments
Drug
experienced
disorders

B. what advice clients
with mental health
problems
are saying about the
service they are receiving



C. simple protocol for advisers

- disclosure
 - DPA
compliance



D. a new tool for advisers to collect medical evidence

Only for completion by a health or social care professional

Debt and Mental Health Evidence Form (version 1)

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They have given their written consent for you to complete this form (this is enclosed).

Your evidence could really help the person.

- it will help the creditors make an informed decision about what action is appropriate
- this could improve the person's financial and mental health.

Person's full name:

Date of birth:

Address:

Office use only

Organisation:

Ref number:

Can you help? If you can, please follow the next three steps.

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☐ Other (please specify): _____
☐ I do not know the person (If so, please return this form in the envelope provided)

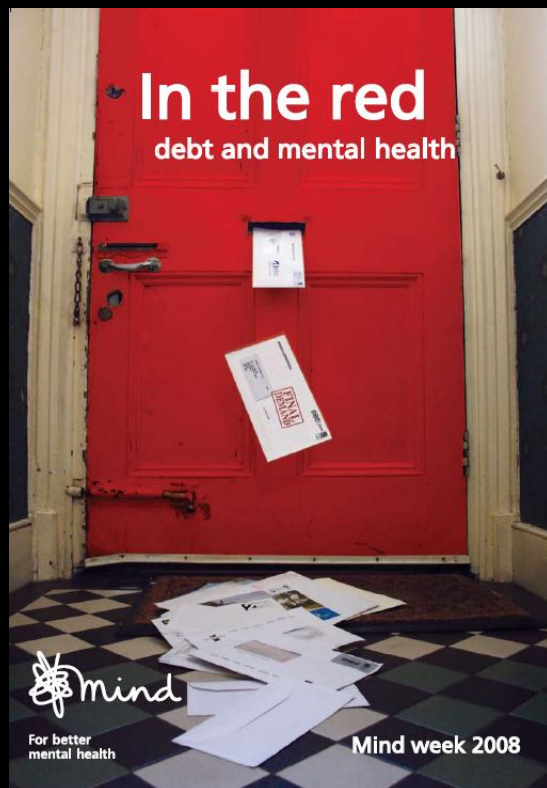
Q2 Does the person have a mental health problem?

☐ Yes ☐ No

No

If you answer 'No', please sign, date and return the form.

The DMHEF was developed by the Royal College of Psychiatrists and the Money Advice Liaison Group.
It has been endorsed by the Information Commissioner's Office as complying with the Data Protection Act 1998.



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“Members must have in place satisfactory provisions for dealing with vulnerable consumers.”

DRF Code and Standards

C1, P13

“Licensees will, from time to time, deal with individuals who may be particularly vulnerable. This may include those experiencing mental health problems and/or who have some form of mental capacity limitation”

“We expect the policies and procedures of licensees to make specific provision for, amongst other matters, the fair and appropriate treatment of vulnerable consumers such as these”


“All members must also comply with any and all other regulations which may apply, including...[the] Data Protection Act 1998

DRF Code and Standards

P2

recovery: process of getting back
something lost


[illegible]



which can disrupt work, relationships
and everyday life



that often last for some time



but can also 'come and go',
and may impact on physical health as well

negative changes in thinking,
emotional state or behaviour



which can disrupt work, relationships
and everyday **financial** life



that often last for some time



but can also 'come and go',
and may impact on physical health as well

everyday financial life

can be the result/cause of unemployment,
reduced salary and hours, or debt

may affect motivation, concentration,
communication, interaction and engagement

frequently affect the way people treat you

negative changes in thinking,
emotional state or behaviour



which can disrupt work, relationships
and everyday life



that often last for some time
(illnesses if they meet diagnostic criteria)



but can also 'come and go',
and may impact on physical health as well

depression

needs to be present for
a minimum of 2 weeks
(for a clinical diagnosis)



negative changes in thinking,
emotional state or behaviour



which can disrupt work, relationships
and everyday financial life



that often last for some time



but can also 'come and go' (**fluctuate**),
and may impact on physical health as well



bipolar

average patient will have
5-6 episodes over 20 years

if left untreated,
can last 6-12 months

in the year following an
episode, 50% will have
another episode

negative changes



which can **disrupt** work, relationships
and everyday life



that often **last for some time**



but can also '**come and go**',
and may impact on **physical health** as well

A2. what *isn't* a
mental health problem?

stress is not a
mental health
problem
in its own right

Stress is a
natural reaction
to too much
pressure.

Every day
pressure rarely
leads to a mental
health problem.

Stress is
usually
short-lived.

Mental health
problems are
often longer
lasting.

Stress can
cause tiredness
and tearfulness.

Mental health
problems
usually have
more severe
effects.



Mental capacity
does not mean
the same thing as
'mental health
problem'.



Mental capacity is a person's ability to make a decision.

Having a mental health problem can potentially limit a person's mental capacity to make a decision.

But the two are not the same.

A3. what is the relationship between
debt and mental health?

DEBT AND MENTAL HEALTH

WHAT DO WE KNOW? WHAT SHOULD WE DO?

Chris Fitch¹, Sarah Hamilton², Paul Basset³ and Ryan Davey¹



rethink

Money
Advice
Trust



¹Royal College of Psychiatrists,
College Research and Training Unit,
21 Mansell Street, London, E1 6AA
c.fitch@rcpsych.ac.uk

²Rublink, 9th floor,
89 Abart Embankment, London, SE1 7TP
³Stats Consultancy Ltd, Aylesham, Bucks

39,000 potential papers

‘boiled down’ to 49 studies

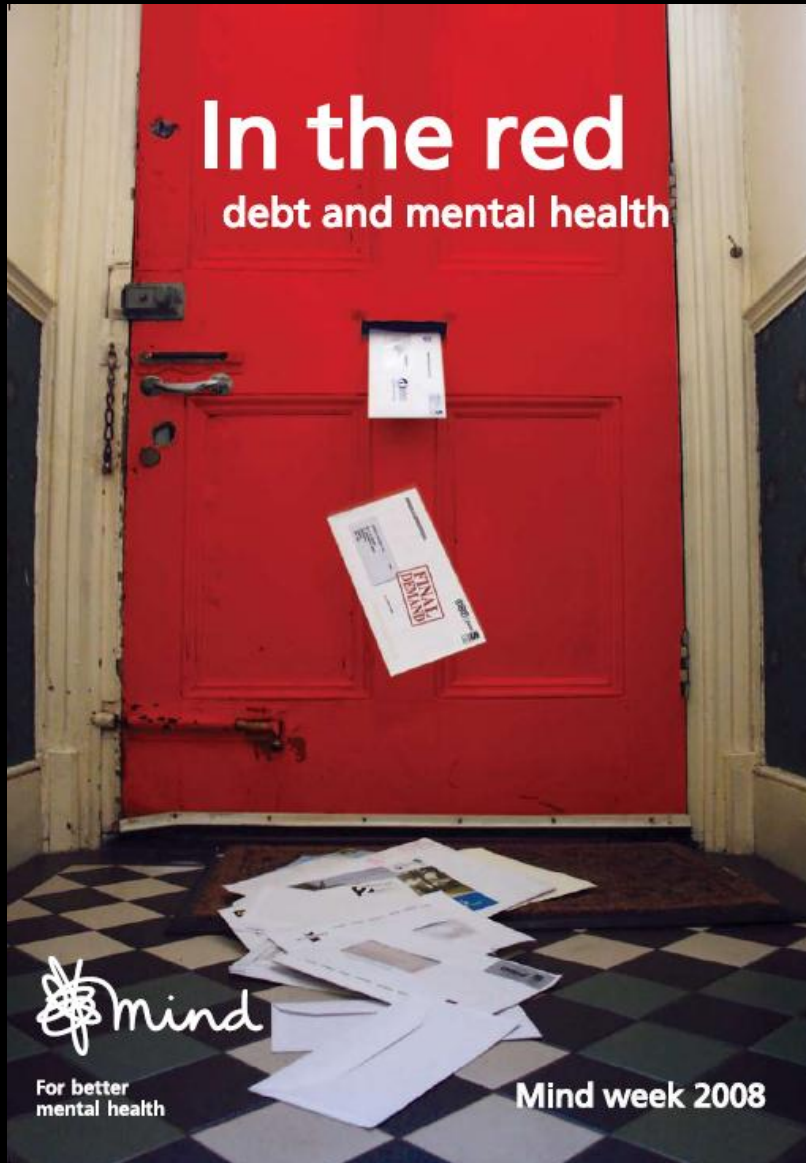
with the following conclusion

www.rcpsych.ac.uk/debt

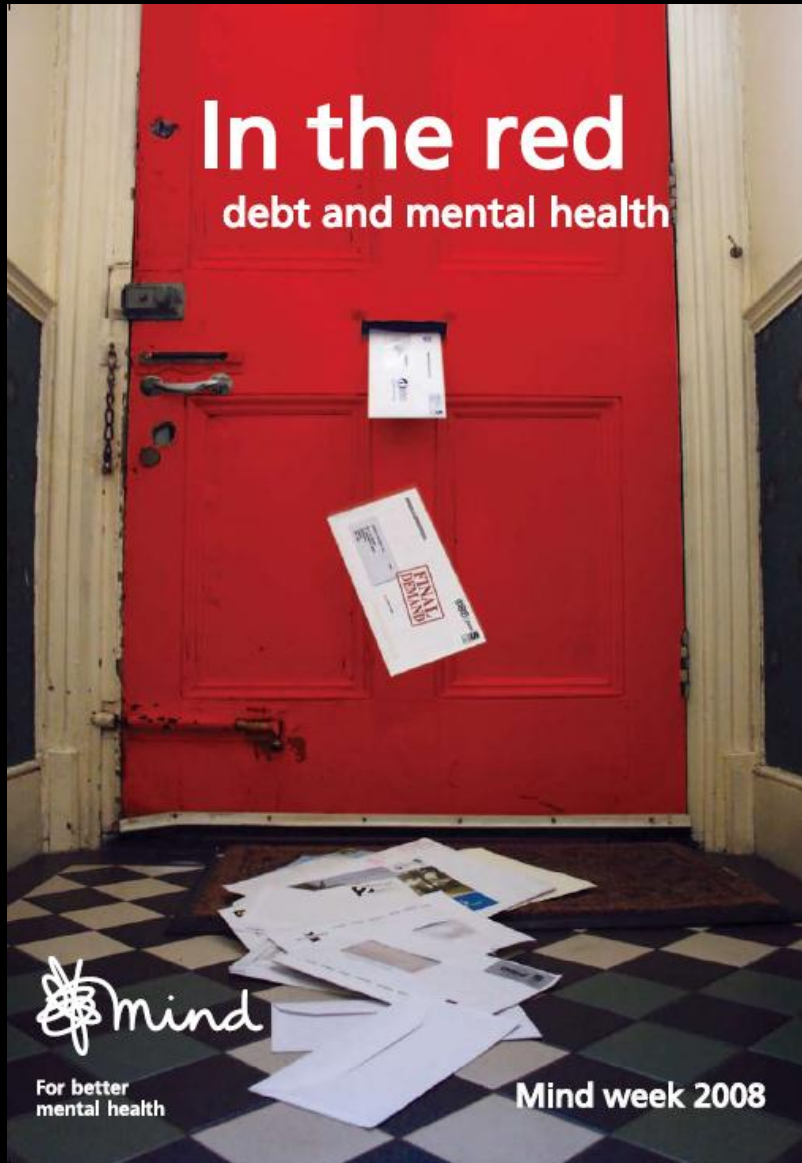
it can double your chances

while the effect of debt *alone* does not 'cause' mental health problems, it can substantially contribute to it

Skapinakis P, Weich S, Lewis G, Singleton N, Araya R.
Socio-economic position and common mental disorders: longitudinal study in the general population



B. what are clients
with MHPs
saying about
advice services?



In the red

debt and mental health

survey of 878 UK adults
with experience of mental
health and debt problems

www.rcpsych.ac.uk/recovery

poor perception of how
advisers would
react to a disclosure

adviser disclosure

nearly half



65%

63%

65%

poor experience of how
advisers did
react to a disclosure

adviser disclosure

half



29%

38%

21%

31%

if advisers:

- do not know clients have MHPs
- do not encourage clients to disclose
- do not ask basic questions about the impact of a client's MHP on repayment

they will be missing
vital information and intelligence
and an opportunity to reassure
customers that this can be taken into
account

an opportunity to identify, anticipate
and manage any related challenges

an opportunity to refer clients
with complex needs to a
specialist team/staff member

which could result in...

- broken payment arrangements
- additional costs
- financial impact on the client

which could result in...

- worsening of customer health
- lower likelihood of engagement

and the wider penalties of failing:

- to abide with the law
- to comply with industry codes

what can be done to address this?



C. simple protocol for advisers

- disclosure
 - DPA compliance

C1. deal with disclosure: a basic drill

adviser disclosure

half



29%

- 71% of customers said they were not asked how their MHP affected their debt situation
- staff are missing vital information

Debt and mental health e-learning course

4: What can I do?

Home 

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Next 

Exit 

Think 'TEXAS': when a customer tells you...



In this section, you'll learn what to do when a customer tells you they have a mental health problem.

When a customer tells you just think 'TEXAS'.

Click each letter below to reveal the steps...

T

E

X

A

S

Thank them - acknowledging the problem is the first step towards dealing with it, and it will help you deal with their account better.

Explain how their information will be used this is a legal requirement.

eXPLICIT consent - legally, you'll need this before recording this information.

Ask them three key questions - you will be in a better position to recover the debt and help the customer.

Signpost them to internal and external help - this may be a staff member who specialises in mental health, or an outside agency for the health problem.

Let's explore each one in more detail now...

Thank them

“Thanks for telling me, as it will help us deal with your account better”

*Put yourself in the client’s position – it may have been a **big step** to tell you*

Remember that only a half of clients report telling their advisers due to:

Trust issues – what will you do with what I tell you?

*Belief issues – will you try to understand?
will it make any positive difference?*

Explain how their information will be used

“Let me explain how we’ll use that information, just so you know”

*It is a **legal** requirement (DPA, 1998).*

You must explain how their information will be used, stored and shared.

*Again, remember that only a half of clients tell their advisers due to **trust** issues*

e plicit consent

“I just need to get your permission to...”

The client must confirm they understand how the information will be used, stored and shared

The client agrees it is acceptable to do this and gives permission for this to happen.

*Clients **may tell you more** about their situation, if they are **reassured** about how **their** information will be used.*

Ask three key questions

Signpost to help (if appropriate)

*Who else might be able to help
the client?*

C2. collecting sensitive information (Data Protection Act)

adviser disclosure

half



21%

31%

- 79% not told how data would be used
- 69% not asked for consent to record
- staff may be breaching the DPA

Best practice in processing data from individuals with mental health problems under the Data Protection Act (1998)

BRIEFING NOTE 3 (OCTOBER 2012)

Executive Summary

- This Briefing Note provides 'best practice' guidance for creditors, their agents and debt advisers on how to collect and legally process data from an individual who discloses a mental health condition.
- It has been developed through close dialogue and discussion with the Information Commissioner's Office (to ensure compliance with the Data Protection Act 1998) and the Office of Fair Trading.
- The Briefing Note is complemented by the Money Advice Liaison Group's guidance document 'Good Practice Awareness Guidelines for Consumers with Mental Health Problems and Debt', and the Royal College of Psychiatrists and Money Advice Trust's 'Debt collection and mental health: ten steps to improve recovery'.

KEY MESSAGES

1. Organisations have a legal duty under the Data Protection Act to fully explain to individuals how information about their mental health problems will be processed.

The ICO says:

"If creditors want consumers to communicate with them and be open and honest about the difficulties they face in repaying their debts then they themselves will need to be upfront about how they will process the data which is volunteered to them... Getting a clear message out to creditors about the importance of being clear and transparent about how their customers' personal data will be processed is an extremely important message."

Practical implications: if organisations are able to explain how data are processed to individuals, they will need to establish a written policy which allows them to clearly communicate (a) how data about a person's mental health problem will be used, stored, and shared; (b) how long data will be retained;

organisations will gain,
if they explain

customers may not disclose
if they have concerns about
how their data will be used

- worrying how information will be used
- concern that it will affect future credit
 - thinking staff will not understand
- believing it would make no difference

creditors have a legal duty under the
Data Protection Act to explain to
customers

- fundamental requirement to process data fairly and legally
- one aspect requires telling customers how their information will be processed and used
- this duty to explain is strongest when the information is sensitive

- the DPA does provide an exemption:
reasonably obvious how data will be used
- as we have seen, this does not apply to
all customers with mental health
problems

evidence: not obvious to this group
condition and capacity: complicating factor
new development : not obvious

staff and organisations
need to be able to explain to customers

this may provide the opportunity
to revise (or create) a policy
on working with customers
with mental health problems

negative changes



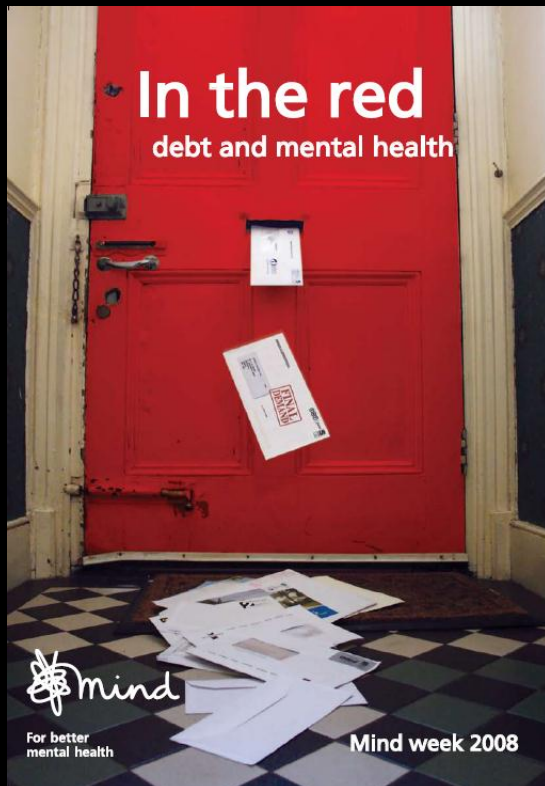
which can **disrupt** work, relationships
and everyday life



that often **last for some time**



but can also '**come and go**',
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Address:

Office use only

Organisation:

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☐ Other (please specify): _____

☐ I do not know the person (If so, please return this form in the envelope provided)

Q2 Does the person have a mental health problem?

☐ Yes ☐ No

No If you answer 'No', please sign, date and return the form.

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help is available from the
Royal College of Psychiatrists

our imminent
elearning training
for adviser staff

Practical strategies 4.2: customers who want to hurt themselves



Click on G's speech bubbles to find out what else G does when a customer says they are suicidal...

If the customer is threatening to do something today, seek support from a senior member of staff.

If you take a call from someone who is suicidal, talk this through with someone afterwards. If you feel upset when you get home you can call the Samaritans to discuss how you feel.

Explain that you are unable to offer the support they need but you can refer them to an appropriate agency.

Take them seriously.

Say, 'I can provide you with some numbers if you would like to talk to someone about your thoughts and feelings'.



Debt and mental health e-learning course

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[Practical strategies 4.1: customers who want to hurt themselves](#)

[Practical strategies 4.2: customers who want to hurt themselves](#)

[6: Recap and summary](#)

[Recap](#)

[Summary](#)

our face-to-face training for frontline
and specialist adviser staff and teams
provides the knowledge and techniques
to manage more complex situations

using real audio collections calls,
video clips, and exercises focused on
everyday practice

this course does not only 'teach' you about
mental health in general, but is unique in
focusing directly on
mental health in adviser situations

D. a new tool for advisers to collect medical evidence

Only for completion by a health or social care professional

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‘medical evidence’

information or data about a customer’s mental health problem provided by a nominated mental health or social care professional that knows the customer.

when should you
collect medical evidence?

we recommend that obtaining medical
information may not be necessary for **every**
customer who discloses
a mental health problem

when a customer discloses a problem;

where employees have already asked how this impacts on the customer's ability to repay or manage their debt;

where unresolved issues, complex circumstances, or doubts remain;

where additional information from a health or social care professional who knows the customer would help creditors;

where the customer gives their informed consent for this;

where the need for evidence is proportionate to the degree of flexibility being considered

Only for completion by a health or social care professional

Debt and Mental Health Evidence Form (version 3)

This form has been sent to you because the person named opposite:

- is in debt to one or more creditors
- has said they have a mental health problem that affects their ability to repay

You have been identified by this person:

- as a health or social care professional who knows them
- and who could provide medical evidence about their mental health situation

They have given their written consent for you to complete this form (this is enclosed).

Your evidence could really help the person.

- it will help the creditors make an *informed decision* about what action is appropriate
- this could improve the person's financial and mental health.

Person's full name:

Date of birth:

Address:

Office use only

Organisation:

Ref number:

Debt and Mental Health Evidence Form V3

Can you help? If you can, please follow the next three steps.

First step

Please complete this form.

⚠ The information you give will be shared with the person named above.

Second step

Please sign and stamp the form.

Third step

Please return the form in the envelope provided.

About the person

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☐ Psychiatrist ☐ Clinical Psychologist ☐ Occupational Therapist
☐ Other (please specify) _____
☐ I do not know the person (if so, please return this form in the envelope provided)

Q2 Does the person have a mental health problem?

☐ Yes

☐ No

No

If you answer 'No', please sign, stamp and return the form.

Only for completion by a health or social care professional

Debt and Mental Health Evidence Form (version 2)

This form has been sent to you because the person named opposite:

- is in debt to one or more creditors
- has said they have a mental health problem that affects their ability to repay

You have been identified by this person:

- as a health or social care professional who knows them
- and who could provide medical evidence about their mental health situation

They have given their written consent for you to complete this form (this is enclosed).

Your evidence could really help the person.

- it will help the creditors make an *informed decision* about what action is appropriate
- this could improve the person's financial and mental health.

Person's full name:

Date of birth:

Address:

Office use only

Organisation:

Ref number:

Can you help? If you can, please follow the next three steps.

First step

Please complete this form.

⚠ The information you give will be shared with the person named above.

Second step

Please sign and stamp the form.

Third step

Please return the form in the envelope provided.

About the person

Q1 What is your relationship with the person named above?

I am working with them as a:

- ☐ General Practitioner ☐ Mental Health Nurse ☐ Social Worker
☐ Psychiatrist ☐ Clinical Psychologist ☐ Occupational Therapist
☐ Other (please specify) _____
☐ I do not know the person (if so, please return this form in the envelope provided)

Q2 Does the person have a mental health problem?

- ☐ Yes ☐ No

No
If you answer 'No', please sign, stamp and return the form.

Q1. What is your relationship with the health or social care professional?

Q1. What is your relationship with the person named above?

Q2. Does the person have a mental health problem?

Q3. What is this mental health problem? If it has a name/diagnosis, what is?

Q2. Does the customer have a MHP?

Q3. Does the person have a MHP that affects their ability to manage their money?

Q3 Does the person have a mental health problem that affects their ability to manage their money?

☐ Yes ☐ No

If so, does this mental health problem have a name?
Please provide the main diagnosis in plain language.

How does this mental health problem affect the person's ability to manage their money?

Please consider any:

- condition-specific difficulties (e.g. delusion, mania etc)
- concentration difficulties
- motivation difficulties
- memory difficulties
- avoiding contact/ignoring debt
- time spent away from home (e.g. inpatient admission)
- job/income loss due to MHP
- receiving help from a 3rd party (e.g. Power of Attorney)

Q4 If the person is receiving treatment or support for this mental health problem, does this treatment/support affect their ability to manage their money?

☐ Yes ☐ No

Please explain how that treatment or support affects their ability to manage their money.

Please consider:

- effects of treatment or care
- medication or side effects
- periods of hospitalisation

Q5 When communicating with the person are there any special circumstances that a creditor needs to take into account?

☐ Yes ☐ No

If so, what difficulties do they have?

Please consider:

- understanding mental capacity
- which form of communication might be best for the person (telephone, text messages, email, letter, or in person etc)?

Q6 What was the approximate date when:

DD MM YYYY

- (a) this mental health problem first started
- (b) the first treatment was given
- (c) the most recent episode of this mental health problem occurred

Please consider:

if there is more than one diagnosis please refer to all relevant mental health problems, using the space in this box.

Q7 Is this episode currently ongoing?

☐ Yes ☐ No

Please sign and stamp the form. Please return it in the envelope provided.

Signature:

Print name:

Date:

Address:

Service/organisation stamp:

Q4. Does the person have a mental health problem that affects their ability to manage money?

Q5. If the person is receiving treatment or support for this MHP, does this treatment/support affect their ability to manage their money?

**Debt and Mental Health Evidence Form
Version 3 will be launched at the
MALG conference 28th November 2012
www.malg.org.uk/conference**

Thank you

Chris Fitch

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ROYAL COLLEGE OF PSYCHIATRISTS
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David Mond



Debt Advice Coordination

What does our role mean for the sector?

Caroline Siarkiewicz
Debt Advice Programme Manager
DRF Conference November 2012



the Money Advice Service[®]

- UK-wide service
- Provides free, impartial money advice online, over the phone and face-to-face



“People in financial difficulties know where, how, and are able to access effective, free, multi-channel debt advice services that deliver consistent and fair outcomes for them and their creditors”

Funding debt advice in the
UK – A proposed model

User needs from debt
advice: individual and
stakeholder views

Debt advice in the UK

**A better deal for
everyone**

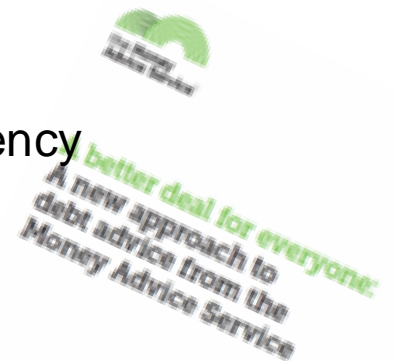
We will develop a new model from the point of view of people in need, not the process of delivery; one which

- has **Reach and Accessibility**
- is **Simple** to understand
- encourages **Self-help** whenever practical and
- **Addresses gaps in delivery** (without displacing or substituting for existing funding arrangements)



We will be focussing on nine key areas

- Increase and improve referrals from creditors
- Develop effective triage
- Continue to fund face-to-face advice; focused on those in most need
- The 'fair share' scheme should continue and expand
- Ensure other advice channels are available, including self-help
- Improved customer segmentation
- Introduce and promote common standards, training, codes of conduct, and monitor compliance in order to improve consistency
- Consistency and integration of data/evaluation
- Policy development and innovation for improved outcomes



- We are funding and coordinating Face to Face debt advice services delivered by Citizens Advice Bureaux, and Advice UK members.
- Working together to increase by 50% the number of people these projects can help (from 100,000 to 150,000)
- Increases arising through sharing best practice – e.g. spending more hours at outreach locations where there is high demand and empowering clients to help themselves
- Feedback from projects so far suggests this increase is realistic

If the delivery by the projects continues to progress well during this year, we believe there is a strong case for continuing our funding via these grant agreements in the future provided that:

- delivery is demonstrably at or above the reach set for face to face debt advice while maintaining quality standards;
- the Financial Services Authority approves the future business plan & budget for debt advice and we obtain the necessary funding; and
- both we and the Financial Services Authority are satisfied that the agreements demonstrate value for money.

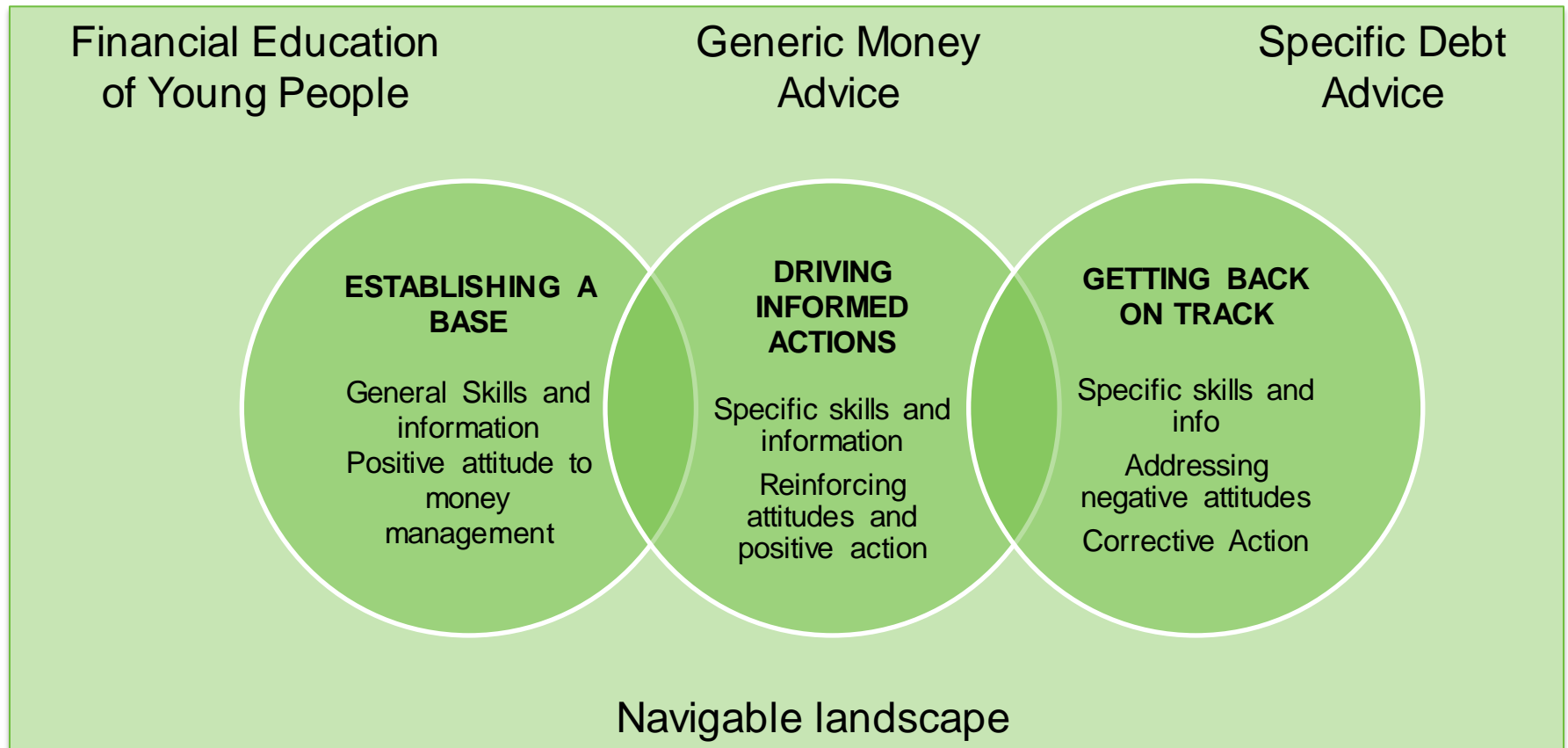
We are providing funding to increase advice and support advice infrastructure in **Scotland**:

- Scottish Legal Aid Board grant funding being put in place (£2.2m) and open for applications
- Agreements being put in place (£500k) with Money Advice Scotland, Accountant in Bankruptcy & Improvement Service

We are providing funding to increase advice in **Northern Ireland**

- Grant funding (£783k) will be available through DETI in Northern Ireland from July

- More people are enabled to find the right sort of help for their needs more quickly and easily
- Existing resources can be harnessed more effectively
- Debt advice provider standards are leveled up to the best
- Data is captured in a way that will inform continuous improvement
- Greater consistency and improved long-term outcomes for people in crisis debt



[**moneyadviceservice.org.uk**](https://moneyadviceservice.org.uk)



David Mond



David Mond



David Mond



Nick Howard

Director of Policy

The Insolvency Service

Petition Reform

- Replacing Court's role in hearing debtor bankruptcy petitions (i.e. self petitions) with an administrative system - an "Adjudicator" within the Insolvency Service
- Removes unnecessary work from the Court, allowing it to focus resources on areas where judicial input needed (though appeals and applications will still go to Court)
- Timing: In the ERR Bill, currently going through Parliament



Debt Management Plans

- Largest form of debt management in terms of volume; non statutory;
- very little information is known about them.

- **Key Concerns:**

(1) Profit vs sustainability of plan

(2) How can consumers make an informed choice about DMP provider?

- Govt preference is non-regulatory solution
- InsS has been working with a small steering group; creditors; fee charging providers; free to debtor providers; consumer representatives
- Aim: Protocol to be agreed by November 2012 – on track





David Mond

The Future of Debt Advice



David Hawkes, Advice UK

Paul Ross, BBA

Alex MacDermott, Nationwide

David Blocksidge, OFT

debtflow 



CreditToday
THE MAGAZINE FOR THE COMMERCIAL AND CONSUMER CREDIT INDUSTRY

CJP | COBLEY
JOHNSON
PARTNERS



 NOBLE SYSTEMS


hometrack


KINGSBRIDGE
Recovery & Insurance Solutions

David Mond

All over bar the shouting?





David Mond

DRF Awards

Certificate in Debt Resolution (CertDR)

Learner of the year

Highest Scores – (in no order)

Sophie Elworthy

Jamesons Insolvency & Business Recovery LLP

Ravi Dutt

Debt Free Me

Shona Laing

Money Plan

Advisor of the year

Nominations (in no order)



Cayli Barber

Debt Movers

Sarah Longsdale

ClearDebt Group

Rita Dagless

Ashley Park



Investor in the community award

Nominations (in no order)

Release Money Group –Walk in Clinic

ClearDebt Group – School project

The Debt Support Company –Fund raising

Winners



- Learner of the year – Ravi Dutt, Debt Free Me




- Investor in the Community – ClearDebt, School project



- Advisor of the year – Rita Dagless, Ashley Park





**Winners will be announced
during drinks, please now join
me in the V& A Lounge**

Thank You