

# DRF MEMBER NEWSLETTER APRIL 2012



## OFT DEBT MANAGEMENT GUIDANCE MARCH 2012

OFFICE OF FAIR TRADING

There weren't too many unpredicted issues in the new DMG, but the DRF has raised issues with the OFT and has been offered a meeting in early May to discuss these matters. In particular, clarity is required regarding internet marketing, social media and pay per click. Probably of major concern to many will be the requirements on working with licenced and unlicenced lead introducers and the risks these pose to members' own consumer credit licences. Members with additional concerns should let Gaynor know and she will ensure they are added to the agenda for the meeting.

## LEAD GENERATION

The DRF are in conversations with the OFT regarding Licensees' responsibilities when dealing with third party generators of client leads, referers or introducers. Members should be aware of the OFT's stance that DM firms must take responsibility for ensuring these firms are appropriately licensed. Failure to do so would be a matter of consideration of the licensee's own fitness to retain a licence. A recent email from the OFT to the DRF included this quote: *"We hope that the obligations on licence holders to undertake appropriate due diligence against those generating leads... will go some way to ensure that these businesses cannot operate"*.

## PROFESSIONAL INDEMNITY INSURANCE (PII)

All members are reminded of the DRF corporate standard of governance that all members should carry adequate PII. The DRF recommend the lower limit of indemnity should be 2.5 times the gross fee income for the past financial year, with a minimum of £100,000 for corporate bodies. Typically PII premiums range between 0.20% and 1.10% of a firm's annual turnover.

## DRF BOARD MEMBERS

The DRF board has recently welcomed two new board members: Mark Broadstock from Smooth Financial and Steve Slater from Release Money Group. Both have some great ideas and passion for delivering a great service to our members and we look forward to working closely with them. The DRF always welcomes members who want to play a more active role and there are lots of areas of activity you could become involved in. If you'd like to volunteer some of your time, please contact Gaynor.

### DRF CONFERENCE 2012—TICKETS NOW AVAILABLE

Our Annual Conference will take place on November 1<sup>st</sup> at the Renaissance Hotel, Blackfriars Street in Manchester. Book your tickets at the early bird rate of only £99.00 via our brand new micro site, to be launched in the next week or so: [www.Debtresolutionforum.org.uk/conference](http://www.Debtresolutionforum.org.uk/conference).

Many thanks go to Smooth Media (part of Smooth Financial) for creating the website.

### OFT NOTICES

Members are reminded that the OFT is barred by statute from revealing to anyone any correspondence they have with you, or the details of any proceedings they may take in relation to your CCL. The DRF wants to help members and is prepared to advise, without liability, on any issues you may have with the OFT. We can only do this if you send us any correspondence you may have had and if you agree to the DRF discussing this with the OFT. Many members, but not all, have done this already. You are therefore requested to send us copies of any formal contact or notices from the OFT. This is in your interest; the DRF can help and support any disputes or give advice on any areas of non-compliance. In addition, we understand that the OFT is advising all trade associations in this area that they should include a requirement for members to make the trade association a party to formal correspondence from the OFT. **If you have views on this, please let us know.**

### IPA INSPECTIONS

The majority of members have now been visited by the IPA and reports have been sent to members. Subsequent visits for 2012/13 are now being organised.



If you feel an early visit might provide you with independent verification of any changes that have been requested of you by the OFT, let us know and we will do our best to accommodate you.

### DRF MARKET SIZE AND CLIENT RESEARCH



Thank you to everyone who participated in the recent research. This is a vital project that will support our OFT code application and help build better relationships with MAS and the Insolvency Service. The overwhelming majority of you provided the data and we believe that those of you that did not have missed a golden opportunity in this area.

Those members that took part will have already received a confidential report benchmarking them against the other DRF members. A summary of the outcomes and recommendations has been presented to your Board and a summary will be circulated to all members as soon as possible.

## MENTAL CAPACITY TRAINING



In September 2011 the OFT issued guidance for creditors dealing with Mental Capacity. The new Debt Management Guidance also specifically mentions dealing with clients who may have some form of mental capacity limitation (Annex B, page 90). In response to this, most of you will be aware of the recent successful training events the DRF held in partnership with MIND, to assist your staff in identifying when they are dealing with clients who may have limited mental capacity. The DRF have been congratulated by MALG for pro-actively acknowledging this as an area to upskill employees.

The training costs £100 per learner, plus their own expenses. Each course can accommodate a maximum of 15 learners. Depending on interest shown, another training day will be organised. Please contact [gaynor.loughnane@debtresolutionforum.org.uk](mailto:gaynor.loughnane@debtresolutionforum.org.uk) to reserve your places.

## CertDR



Our members now have 168 employees who are fully qualified in all three modules. A further 253 are currently studying.

You may spot our advertisement in this month's and next month's Credit Today magazine. The new Debt Management Guidance specifically states that licensees should have adequate training in place for staff and its agents; the DRF is mentioned as providing accredited training courses.

New registrations can be accepted at any time. If you wish to enrol any of your staff, please contact [gaynor.loughnane@debtresolutionforum.org.uk](mailto:gaynor.loughnane@debtresolutionforum.org.uk)

## DRF MEMBERSHIP



We have 25 Full members, 2 Creditors, 3 Provisional members, 2 Affiliates, 1 Training and 1 Nursery member. We also have 27 individual members. We welcome compliant lead introducers joining the DRF and hope to provide some due diligence services for them, which will benefit both members and lead introducers. If you would like to recommend any companies for this category, please contact [gaynor.loughnane@debtresolutionforum.org.uk](mailto:gaynor.loughnane@debtresolutionforum.org.uk)

## DRF AWARDS ARE NOW LAUNCHED

We have now launched the DRF Awards 2012. Further to Advisor of the Year and CertDR Learner of the Year, three new awards have been created to offer a fuller portfolio of choices for members to participate in. Full details of the awards can be found on our website in the blog section.

### **Award Categories for 2012:**

#### **CertDR Qualified Learner of the Year 2012**

**DRF Advisor of the Year 2012** - nominations must be in by Monday 3rd September

**Business Partnership of the Year 2012** - **NEW** - nominations must be in by Monday 3rd September

**Investing in the Community, 2012** - **NEW** - nominations must be in by Monday 3rd September

**Debt Resolution Member Firm of the Year 2012** - **NEW** - nominations must be in by Monday 3rd September

Nomination forms and full details are available from our blog and conference website.

To have the chance to talk with our Event and Marketing Manager, Jacqueline Cohen, about the awards and how your company can take part, please ask your Marketing Managers to dial in to the Awards 2012 Conference Call, on Tuesday 24 April at 3pm.

### **Here's how to take part in this:**

- At 3pm on Tuesday 24 April dial 07953 953 953
- When asked for the organiser's phone number, dial: 0782 539 4179#
- Follow further instructions
- Participate in the Awards briefing and ask any questions you may have

Alternatively, queries can be emailed to [awards@debtresolutionforum.org.uk](mailto:awards@debtresolutionforum.org.uk)

## **WINNERS OF THE 2011 AWARDS....**

