CHAPTER 1 INTRODUCTION (Q1-Q6)

Q No.	Consultation Question	DRF response
Q1	Do the Foreword and Introduction (including Annexe A) set out the scope and purpose of the guidance sufficiently clearly?	Yes, DRF believes it is clear that the consultation applies to all areas of debt advice (including debt counselling, debt adjusting, credit information services and those who, additionally, provide credit brokerage as a debt consolidation service. It is also clear it applies to those who advise consumers on debt, including charitable advisors and insolvency practitioners.
Q2	Is the definition of who the guidance applies to clear and adequate?	Yes. It is clear it applies to all those who advise or provide services relating to consumers in relation to personal debt, including charitable, creditor-funded and government funded advisors, insolvency practitioners, lead generators and introducers and, in part, claims management companies and creditors.
Q3	Have we set out our approach to the assessment of fitness and potential risk sufficiently clearly?	Yes.
Q4	Are there any substantive aspects with which you disagree?	DRF is concerned that, where an organisation operates under a group licence (e.g. Citizen's Advice and Money Advice Trust), adequate provision may not have been made to ensure all those within those organisations have adequate training and experience – something more readily checked through individual licences.
Q5	Do you consider that there are any significant omissions?	No.

Q6	Do you have any other suggestions for improvement?	No.

CHAPTER 2 OVERARCHING PRINCIPLES OF FAIR BUSINESS PRACTICE

Q No.	Consultation Question	DRF response
Q7	Do you agree with the stated 'Overarching principles of fair business practice'?	Broadly, yes.
Q8	Are there any substantive aspects of this chapter with which you disagree?	DRF agrees that, by its nature, the provision of debt resolution services attracts consumers who are indebted and may be otherwise vulnerable. Further, we believe that no business will be successful in any sector if it does not, in the long term, act in the best interests of consumers. Whilst we agree businesses should not prioritise their interests to the "**detriment of the consumer"** (*page 13, 2.3*, DRF's bold) we would wish to understand more about the OFT's definition of detriment in this context as, for example, free advice may not always be in the consumers interests if it is not accompanied by action to gather in payments from consumers and manage distributions to creditors. We believe the OFT's statement (*page 15, "Fairness" – 2.5(a)***),**"All advice given and action taken is in the best interest of the consumer and appropriate to his individual circumstances", is adequate, specific and appropriate. It should be sufficient to achieve the OFT's purpose and that the earlier statement, which is unclear and non-specific, should be removed.
Q9	Do you consider that there are any significant omissions?	No.
Q10	Do you have any other suggestions for	Yes. DRF believes that (*page 16, "Redress", 2.6*) strong consideration

	improvement?	should be given to mentioning the complaints and redress schemes run by trade associations and detailing how these should fit into the context of an organisation's own scheme and that of the Financial Ombudsman Service.

CHAPTER 3: UNFAIR OR IMPROPER BUSINESS PRACTICES

Lead generation, direct marketing and personal visits

Q No.	Consultation Question	DRF response
Q11	Are the draft guidelines on lead generation, direct marketing and personal visits sufficiently clear?	DRF is concerned that the guidance may not have considered the circumstance where a publicly funded, creditor-funded or charitable debt advisor, covered by a group licence (and therefore exempt from certain requirements) is acting as a lead introducer to a fee-charging debt solutions organisation. As funding for non-fee charging organisations becomes scarce, so some are becoming lead introducers to fee-charging firms and taking introductory fees for statements of affairs in IVAs and, less commonly, introduction fees from potential DMPs. This may also affect the behaviours of organisations in Scotland who advise on Debt Arrangement Schemes but pass the case to a fee-charging company for administration and distribution of monies. We understand that Citizen's Advice now pass a significant number of their cases to CCCS, who collect monies and make distributions on CA's behalf. Citizen's Advice receives payments from CCCS for these cases. How does the new DMG affect this practice? Would debt solutions companies taking leads from an organisation covered by a group licence be able to rely on that licence to assure themselves of the fitness of the particular body from which leads are being received? Would the holder of the group licence be required to assure themselves of the fitness of their member to pass leads – and of their compliance with OFT DMG? Or would that be the

Q No.	Consultation Question	DRF response
		responsibility of the debt solutions provider? Do the requirements of this section intend to modify the behaviour of charitable bodies, etc.,? For example, if a body acting under a group licence undertakes an advice call to a debtor and, acting on the information provided by the debtor, decides to recommend an IVA and pass the lead to an external provider, in the knowledge that it will receive a statement of affairs fee, does that become a "sales call" (3.6 (c) - box) and would the body be required to disclose the financial relationship? We understand that this does not currently always take place. If the body is publicly funded or charitable but is speaking to the debtor about an option that would require the case being transferred to a fee-charging provider, is the body entitled to continue to claim that it is charitable (3.6 (f))? Debt Solutions businesses frequently receive leads from internet affiliates who write articles or blogs about topics likely to interest people with debt issues. Those pages feature "click-throughs" to debt solution providers who pay for each lead generated. These affiliates are usually sole-traders and often hobbyists who write about a variety of topics and aim to make a small income from this. Are they lead introducers in the OFT's view – or would this activity be considered another form of direct advertising by the solutions provider? We would like to see clarification in relation to 3.6 (j) "failing to actively obtain the consumers informed consent before transferring the call or passing on his details to a third party". Often a lead is

Q No.	Consultation Question	DRF response
		obtained from a third party who has also obtained the lead from a further party. At what point should a lead introducer or solutions provider cease to rely on the original consent that has been obtained from the consumer at the point of original enquiry? We would like to see clarification of 3.6 (n) "failing to refer leads to service providers who provide services of a type consistent with that described in advertising…" Where a lead introducer has a licence in category E, what are its responsibilities to provide appropriate advice and how should it behave if a debtors needs are best met by a solution other than the ones advertised? NB: We note that section 3.3 seems to refer primarily to lenders and credit brokers and ask whether this wording is correct. Further, the box below 3.6 (k) refers to a "borrower". Was this OFT's intention.
Q12	Are there any substantive aspects of this section with which you disagree?	No.
Q13	Do you consider that there are any significant omissions?	No.
Q14	Do you have any other suggestions for improvement to this section?	DRF has introduced a category of membership for lead introducers in order to enable them to communicate and network with members. Lead Introducer members will have to assert that they meet DRF's code and standards. Optionally, they will be able to elect to be monitored by the IPA to the same standards as full DRF members. We believe that members should be able to rely on DRF's declaration that an introducer is compliant as sufficient due

Q No.	Consultation Question	DRF response
		diligence to meet the requirements of Chapter 3 and Annexe B. Does OFT agree?

Q No.	Consultation Question	DRF response
Q15	Are the draft guidelines on advertising and other communications sufficiently clear?	DRF understands that the role of the guidance is to provide principles that should be followed in spirit as well as by the letter. However, we are concerned that, especially in the area of internet marketing, the guidance does not display an understanding of how new areas, such as social networking, are developing and being used. The guidance in these areas, DRF believes, may actively prevent compliant companies from defending their brand against attack by unlicensed or non-compliant traders. DRF is also concerned that the guidance may not create a level playing field between fee-charging and non-fee charging debt advisers, especially as the latter are already engaged in trademark keyword targeting, for example.
Q16	Are there any substantive aspects of this section with which you disagree?	3.12 (b) (page 24): "*falsely claiming or implying that help and debt advice is provided on a free, impartial or independent basis":* DRF believes that this aspect of the guidance requires further careful consideration by OFT and should be drawn more specifically. First, if a licensee is compliant with the section in the guidance on "**Advice**", summed up by the OFT's statement (*page 15,* "Fairness" – 2.5(a)**),**"*All advice given and action taken is in the best interest of the consumer and appropriate to his individual circumstances*" then the recommendations made to consumers will, by their very nature, be impartial and will relate to the consumer's situation and needs and not on the licensee's motivation to sell specific services. Secondly, the vast majority (75%, according to DRF members) of advice calls from consumers to fee-charging debt advisers do not result in the sale of a specific service. However these calls (and there may well be more than one) are

Q No.	Consultation Question	DRF response
		long, detailed and usually result in a clear recommendation for action whether this benefits the licensee or not. DRF believes that the fee-charging debt resolution sector provides a great deal of free advice to many thousands of consumers every year, which is of clear benefit to each consumer and to the country as a whole. DRF contends that licensees should be allowed to refer to the advice they give and the recommendations they make as free and impartial as long as they can demonstrate that the guidance on "**Advice**" is followed and that they make clear in all marketing communications, and in the context of and with equal prominence to any such claim, that they do charge for any service the consumer may choose, after the consumer has received advice. Please note that the DRF's members' code and standards is specific on this: 1. "Provide advice to debtors at the point when they are first contacted by them which is free of charge, impartial and designed to enable the debtor to make an informed choice as to the solution which is best suited to his/her financial and personal circumstances, irrespective of the area or areas of solution specialisation of the DRF member providing the advice." DRF believes it is important to distinguish between paid-for marketing communications and other social media content and that 3.12 (q) is insufficiently precise on this point. It is understood that statements made by a licensee should be compliant wherever they appear, but content on Facebook/Twitter and other social networking is not necessarily only marketing communication. It can also be conversational, informational or campaigning. We agree paid-for content should be distinguished as such and, on the internet, should link to pages that are fully compliant.

Q No.	Consultation Question	DRF response
		Within social media on the internet it is either common practice or required to provide biographies, terms & conditions, etc within profiles and on the user's own website. These perform a similar function to "terms and conditions" within other forms of advertising and being web-based, has the capacity to be fully detailed and easily updated to ensure currency. It seems to DRF that as long as profiles within social applications and content of linked pages are compliant, that there should be no reason to restrict licensee's use of these media. DRF also believes that to impose the requirement that any content on social networks should be identified, as a promotional statement would be inaccurate, unfair and a restraint of reasonable commercial freedoms and business practices. 3.13 – "*The OFT considers that search engine sponsored links and online messaging services which limit the number of characters are unlikely to be an appropriate means of providing consumers with sufficiently balanced and adequate information*". DRF believes this guideline is unreasonable. First, sponsored links are just that. Links. No one will enter any sort of arrangement with a debt resolution organisation unless they click on the link and obtain information from the page to which the pay-per-click advertisement is linked. If that page is compliant then there should be no issue. The same goes for promotional messages on character-limited social networking services. Consumer action is only precipitated if the link is followed and it seems fair to DRF that links from promotional messages of this type should be to compliant pages. In addition, it should be noted that any search links are contextual and therefore are targeted to the intent of the user, making them unlikely to be inappropriate.

Q No.	Consultation Question	DRF response
		We draw attention to our comments above that social and business networking sites on the internet are not only used for promotional purposes but also as networking tools for a variety of purposes and we believe a clear distinction needs to be drawn between paid-for social media and ordinary day-to-day use of social media by licensees. 3.14 (b) – "*Using false or misleading keywords and descriptive text, meta-tags, embedded links and website/webpage URLs when promoting or advertising online, including on internet search engines and in contextual advertising*". It is our view that aspects of this are unfair and/or unenforceable. For example (see appended screenshots) it is a regular practice of charities and free advice agencies to use pay-per-click advertisements targeted at fee-charging debt resolution companies and even to create optimised home pages that take advantage of keywords that reflect a fee-charging debt resolution company's brand. We do not believe the current guidance is clear enough to ensure a level playing field here. For example, it is common practice for fee-charging debt management companies to advertise against each other's brand name – and we believe that this promotes competition and choice. We do not believe that advertising against charities brand names needs to be constrained, because, if the pages linked to are compliant, those consumers will have full opportunity to assess the offerings of a variety of providers. Further, it is common practice for non-compliant debt resolution organisations to advertise against the brand names of well-known debt resolution firms and, sometimes, to pass themselves off as a different organisation.

Q No.	Consultation Question	DRF response
		By denying the practice of advertising against brand names and trademarks OFT would be allowing non-compliant firms a greater chance to thrive and preventing compliant licensees from protecting their brand. We believe restricting the use of competitive keywords is unenforceable as it is difficult to detect continuing non-compliance and, as pointed out above, would be likely to provide unlicensed organisations with an the ability to attract consumers to non-compliant solutions without legitimate licensees having an opportunity to respond. Enforcing this restriction would leave commercial licensees without a legitimate right of neither rebuttal nor being able to defend company reputation. Further, it might restrict licensees' ability to communicate with clients of firms that have been taken over or from whom a back book or client details have been acquired. This could be of severe and immediate detriment to the consumers involved. Whilst search engines' policies on trade name bidding are currently relatively relaxed we are aware that they (in particular Google) will investigate complaints and take action if appropriate. Licensees have to be compliant with trademark law, etc., and, DRF believes that, as long as a licensee's search engine marketing is legal, that intellectual property and defamation laws are enough to ensure its proper use and that any further restrictions would be a restraint of trade. 3.14 (c) "*Online advice tools*" We are concerned by this section of the proposed guidance and would welcome further discussion concerning what is a "*sufficiently full assessment*". Further, we are concerned about the guidance's definition of what might be seen as "*encouraging a consumer to provide*

Q No.	Consultation Question	DRF response
		misleading information" As, despite appropriate caveats, this is often unpreventable. Consumers will try different combinations until they are offered a solution they feel is right: However, this is almost always dealt with if the consumer proceeds to an advice call. Further, we do not consider it inappropriate that a licensee's website should include a means for a consumer to register their interest in speaking to the licensee.
Q17	Do you consider that there are any significant omissions?	No.
Q18	Do you have any other suggestions for improvement to this section?	See Q16

Q No.	Consultation Question	DRF response
Q19	Are the draft guidelines on advice sufficiently clear?	Broadly, Yes. DRF believes that the guidance on advice is fundamental to the entire Guidance document. If licensees are compliant with this section, then this should ensure that they are able to make strong, accurate claims for their services through all means of marketing communications. DRF believes par. 3.16 (p. 35) is very unclear: *"Licensees should not **inappropriately** incentivise debt advisers (including staff, agents and third parties), for example, by way of targets, commission or any other incentive/disincentive/pressure such that they might be induced to target consumers with particular debt management options, products and services which may not be appropriate for the consumers given their individual needs and circumstances."* OFT emboldens "inappropriately" but does not define the term. DRF would welcome discussions with OFT in order to ascertain what "inappropriately" means. Par 3.21 (a) (p. 39) relates to: "*failing to take reasonable steps to verify the consumer's identity, income or outgoings*". DRF would welcome further discussion as to what might be considered reasonable at each stage of an advice process, given that the guidance makes it clear that, in some circumstances, estimates of spending are appropriate and given that, in many cases, debtors are unable accurately to state their debts. Par 3.23 (d) (p. 42) defines, as an unfair or improper business practice: "*dividing available income between debts in proportion to their size, even under circumstances in which it clearly may not be in*

Q No.	Consultation Question	DRF response
		the consumer's best interests to do so." It goes on to give, as an example of best practice: "*For example, advice should take into account the fact that some loans may lose the benefit of a reduced rate of interest if payments are missed, or that there may be a benefit in settling a loan with a higher rate of interest sooner than one with a lower rate of interest*." DRF welcomes this complete re-definition of what a Debt Management Plan should achieve and how it should be operated as it would undoubtedly enable some debtors' situations to be resolved more quickly and at less cost to the debtor, for example by using the practice of "snowballing" debt payments. However, DRF is concerned that considerable detriment could be caused by attempting to meet this requirement against a background of creditor resistance and ask OFT how they will ensure creditors accept arrangements of this type. For example, we believe creditors are unlikely want to allow debtors to settle higher interest rate loans before lower interest rate loans, especially if payments below the contractual level are being offered to one party but not the other.
Q20	Are there any substantive aspects of this section with which you disagree?	In further reference to par. 3.16 (p. 35) – see Q19, above - It is DRF's view that, if a licensee is compliant with the advice provisions of this guidance, then only appropriate solutions will be offered and any incentivisation that achieves this will be appropriate. Relating to unfair or improper business paractices, par. 3.17 (b) (p. 36), states: "*failing to provide the consumer with, or actively signpost the consumer to, a source of impartial information on the range of debt management options available in the consumer's home*

Q No.	Consultation Question	DRF response
		country." In relation to par. 3.17 (b) (p. 36), DRF believes that, as long as the provisions of this chapter as to the quality and breadth of advice are met by a licensee, then the licensee will be giving impartial advice. Par 3.21 (a) (p.39) relates to: "*failing to take reasonable steps to verify the consumer's identity, income or outgoings"* . Footnote 58 is attached to this paragraph and states: "*This is primarily aimed at commercial debt advisers and debt management companies rather than the not-for-profit advice sector. While we would expect licensees to take reasonable steps to verify income and expenditure by appropriate means, what is 'reasonable' and 'appropriate' will depend on the circumstances and the nature of the service being provided in each case*". DRF is deeply concerned that this paragraph and footnote allows the non-feecharging debt advice sector effectively to ignore the entire chapter on advice, given that appropriate advice can only be given if there is a complete and accurate understanding of a debtor's circumstances. DRF urges OFT to strongly reconsider this area of the guidance as it could mean no recourse is available to debtors who obtain poor advice from non-fee charging providers and that it, further, provides no incentive for non-feecharging advisors to ensure their staff are appropriately trained and compliant.
Q21	Do you consider that there are any significant omissions?	DRF would recommend that strong consideration should be given to making requirements in relation to the expenditure guidelines mentioned in par 3.18 (pp. 38-39and

Q No.	Consultation Question	DRF response
		footnote 55). These are sometimes insufficiently updated and realistic and may also not be accurate (there are circumstances where, after several years of inflation, new CCCS guidelines make lower allowances for certain categories of spending than current CCCS guidelines). These guides, and the algorithms behind them need to be transparent between debtors, creditor and advice company (licensee) in order that debtors' and creditors' interests can be balanced. In the past, the basis for these guidelines has been made deliberately obscure so that debt advisors would be less likely to manipulate figures in debtors interests. This obscurity is unnecessary, because developments in creditors' relationships with debt solutions providers mean that they protect their interests adequately and it is more important for debt solutions advisors to be able easily to challenge guideline amounts and "trigger figures" when they do not relate to reality. Further, under the new OFT DMG, a compliant licensee will only be giving advice on the basis of it being in the debtor's best interests and also that it is accurate (manipulation of these figures is specifically mentioned as an unfair or improper practice at par 3.21 (h) (p. 40). therefore it is unnecessary for expenditure guidance to be less than fully transparent to all.
Q22	Do you have any other suggestions for improvement to this section	No.

Q No.	Consultation Question	DRF response
Q23	Are the draft guidelines on charging for debt management services sufficiently clear?	DRF would welcome clarification of the degree of detail required in the reference to fees within each area of communication mentioned in this part of the consultation document. For example, DRF believes that it is sufficient to: • Make it clear in a print or broadcast advertisement that fees are charged for services provided, without detailing the fees • Not mention fees in internet PPC search as long as the search advertisement links to a page where fees are mentioned prominently and detailed appropriately. In 3.29(b) 9p. 44) "*Failing to disclose the existence of any relevant commission or other incentive payable between the licensee and third parties"* it is not clear whether it is sufficient for the third party to make the disclosure or whether the disclosure must be repeated by the licensee.
Q24	Are there any substantive aspects of this section with which you disagree?	3.29(m) (p. 45) states: "*where it is identified that a consumer has received inappropriate/incorrect advice, charging an additional or duplicate fee for further/revised advice and/or failing to refund or credit the consumer in respect of fees already charged for that advice."* DRF understands from members that the most common cause of incorrect advice is the consumer's failure to disclose all the details of their situation, or misremembering the facts. A licensee cannot be held responsible for inappropriate or incorrect advice if this is the case. In most cases, debt resolution companies do not charge when the advice is changed due to

Q No.	Consultation Question	DRF response
		improved knowledge of the consumers circumstances which has finally been obtained despite diligent efforts to ascertain full details of consumers' circumstances at the initial advice stage. However, where consumers' situations are different to those originally ascertained, and significant work has been done to put a solution in place, and advice is subsequently altered and a different solution offered as a result of new information, it seems unfair that the licensee cannot make an appropriate charge for the service provided prior to the point where a different solution was advised.
Q25	Do you consider that there any significant omissions?	No.
Q26	Do you have any other suggestions for improvement to this section?	No.

CHAPTER 7 PRE-CONTRACT INFORMATION

Q No.	Consultation Question	DRF response
Q27	Are the draft guidelines on pre-contract information sufficiently clear?	Yes.
Q28	Are there any substantive aspects of this section with which you disagree?	No.
Q29	Do you consider that there are any significant omissions?	No.
Q30	Do you have any other suggestions for improvement to this section?	No.

CHAPTER 8 CONTRACTS

Q No.	Consultation Question	DRF response
Q31	Are the draft guidelines on contracts sufficiently clear?	3.36 (a) (p. 54) states that the following is an unfair or improper business practice: "requiring consumers to sign a declaration stating 'I fully understand the requirements of the contract' or words of the same or similar effect." DRF is concerned at this: Licensed Insolvency Practitioners are advised by their regulators that, in IVAs, they should obtain a declaration of this nature following the debtor meeting stage. We would appreciate further clarification.
Q32	Are there any substantive aspects of this section with which you disagree?	No.
Q33	Do you consider that there are any significant omissions?	No.
Q34	Do you have any other suggestions for improvement to this section?	No.

CHAPTER 9 HANDLING CLIENTS' MONEY

Q No.	Consultation Question	DRF response
Q31	Are the draft guidelines on handling clients' money sufficiently clear?	We are concerned that 3.37 (p. 56) is insufficiently detailed and unclear concerning failures of a debt solution company where a going concern sale is achieved and plans kept in being and running in order to facilitate this: "*Any such monies, held prior to disbursement to creditors, should also be promptly refunded to the client (excluding any reasonable administration fees) where the client withdraws from a debt management plan or other debt solution."* The need to refund monies held prior to disbursement to creditors might disadvantage debtors who are in an informal plan – especially those who have been in a plan for some time. The same paragraph requires that "*Any interest earned on a client bank account should accrue to the benefit of the consumer, not the licensee"*. DRF agrees with this but points out that the usual solution to this is for a debt solutions company to ensure client funds are kept in non-interest bearing accounts. This is because the costs of administering interest as a benefit to the client are generally too onerous to make it worthwhile. Whilst interest rates are currently very low, this may not always be the case. If licensees were allowed to retain a portion of the interest earned, this might lead to future solutions that were to the debtor's benefit; e.g. a lower fee charged. DRF would also welcome clarity on the meaning of the term "distribution" in this section of the guidance. For example, if a licensee sends out money received by cheque by BACS when cleared (three to five days later) it hits accounts two business days later. So would a licensee be in breach if the funds had taken seven days to

Q No.	Consultation Question	DRF response
		complete the distribution cycle? If the licensee writes a cheque for distribution on day five then it will still take time to be received, banked, etc., – at what point is the distribution deemed to have been made?
Q32	Are there any substantive aspects of this section with which you disagree?	Concerning 3.37 (p. 56), DRF believes the requirement to have a ring-fenced bank account won't make safe the client monies, which seems OFT's desired outcome: The money in the account may be protected on insolvency but if the account does not contain the correct amount of funds to match to the client balances then there is still the potential for loss. Licensees should have proper documented procedures and systems to ensure money from the client account is dealt with correctly at all times and only withdrawn to distribute to creditors of the debtor or for fees validly earned at the time of any draw down. We would expect trade organisations like DRF/DEMSA to monitor their members procedures as part of their membership and also to ensure members are reconciling these client accounts on at least a monthly basis to ensure that there are sufficient funds in the account to meet client balances, creditor payments and fees etc., at the time of reconciliation. For example, insolvent debt management company Apex DCM had a separate ring fenced client account which was for the benefit of clients and protected their money from general company funds such that, on insolvency, creditors of the company could not have access to client money. Unfortunately the people handling the client account appear to have incorrectly drawn funds. This can lead to an overdrawn position being masked by large amounts of money built up over the years for un-presented cheques and suspense items returned.

Q No.	Consultation Question	DRF response
		3.38 "*Examples of unfair or improper business practices include:* *a. where a debt management plan or other debt solution has been entered into, failing to pay creditors at the earliest reasonable opportunity. In the OFT's view, this should normally be within five working days from receipt of cleared funds*[77] *b. failing to inform the consumer of the reasons for any delay in distributing payments to creditors in accordance with the contract, whether or not the delay is outside its control"* And footnote 77: "*We are aware of limited circumstances where consumer client's money may be held for longer than five working days without being disbursed to creditors. Where this is the case, the contract should specifically provide for this, the relevant contract term should be clearly brought to the consumer's attention prior to his entering the contract, and relevant creditors should be informed that monies will not be disbursed within five working days, prior to the expiry of the period of five working days following the licensee's receipt of the consumer client's first payment"*. DRF is concerned that licensees will need to amend contracts to cater for the possibility of not being able to distribute within 5 days if, for example, the BACS system breaks down , telephone systems fail, etc. We believe this requirement is unduly onerous, as there are occasionally circumstances (As noted above and also including bank holidays – especially unpredicted national occasions – etc.,) which could lead to distributions occurring a day or so late. In these circumstances a requirement to inform the debtor leads to undue cost. DRF does not disagree with the other stipulations around delay and believes these will

Q No.	Consultation Question	DRF response
		minimise the occasions where a delay takes place and ensures that, if a delay occurs it will be: • Minimal • Beyond the licensees control In these circumstances we believe there should be no requirement for the licensee to inform the debtor. 3.38 (d): "*where the delay was not beyond the licensee's control, failing to put the consumer back in the position he would have been in had the contract been fulfilled, including making good on any additional interest which would have accrued and on any default charges that have been applied to the account as a result of the delay*" DRF believes this requirement is unduly onerous. Creditors do not usually supply the information necessary to make the calculations required. Creditors do not provide debt resolution companies with regular balance updates to work out this information This would never be accurate even if licensees keep client balances on the system fully updated because licensees do not know whether, if the creditors having received funds through BACS, they apply the money immediately or spend time (possibly months) trying to locate the account with cleared funds sitting in their suspense account, or if the creditor rejects the payment and sends it back because they can't find the account at first attempt. DRF believes it would be onerous and probably unenforceable that a licensee could be liable for the failure of a creditor and its systems.
Q33	Do you consider that there	No.

Q No.	Consultation Question	DRF response
	are any significant omissions?	
Q34	Do you have any other suggestions for improvement to this section?	No.

CHAPTER 10 – DEBT MANAGEMENT SERVICES

Q No.	Consultation Question	DRF response
Q31	Are the draft guidelines on debt management services sufficiently clear?	Yes.
Q32	Are there any substantive aspects of this section with which you disagree?	No.
Q33	Do you consider that there are any significant omissions?	No.
Q34	Do you have any other suggestions for improvement to this section?	No.