

The Personal Debt Summit – national policy conference 21st January 2014.

The Personal Debt Summit was held as part of Debt Awareness Week, (20th-26th Jan 2014), and was organised by The Local Government Information Unit and Stepchange Debt Charity. The event, held in London, attracted some 170 delegates of which only 3 (myself representing DRF and 2 staff from DRF member Cleardebt) were from commercial debt management providers. The remainder were predominately representatives from Local Authorities with a handful of representatives from Payday Lenders, not for profit debt advice providers and the Utilities.

The event was billed as “a unique opportunity to get to grips with what needs to be done to help those communities struggling with personal debt,” which would ask “how can we deliver a fairer deal for consumers and help solve the personal debt crisis?” The conference had secured the speaking services of some notable people including 3 MP’s (including Stella Creasey and Paul Blomfield, Chair of the All Party Parliamentary Group on Debt and Personal Finance (the secretariat of which is provided by Citizens Advice), The Bishop of Derby , Adrian Harvey, (Head of Consumer Policy at Citizens Advice), and Caroline Siarkiewicz from the Money Advice Service. The morning session was chaired by Simon Gompertz, the BBC’s Personal Finance Correspondent.

The tone of the event was set by the first speaker of the day, Mike O’Connor, who took over as Chief Executive of Stepchange some 2 weeks before the event. Mr O’Connor noted that commercial debt management firms “very often provided poor quality advice” and not unsurprisingly suggested that only free to client providers could be trusted to give impartial debt advice. No evidence was provided to support these assertions. In the panel session your correspondent asked Mr O’Connor and other panellists what they thought the role of commercial debt advice providers should be in future, given that more people pay for Debt Management than receive it for free. No answers were forthcoming.

To try to sum up a day in a few paragraphs is not easy but there are some general observations which give a flavour of the event.

1. A visitor to the event who knew nothing of the UK personal debt solutions landscape could be forgiven for concluding that the only providers of debt advice were free to client providers. The commercial sector was mentioned rarely and then only in disparaging terms, (see above).
2. The lack of diversity in the background of the delegates led to an almost self congratulatory feel to the debate; the UK’s personal problems were probably intractable and if there was to be a solution for individuals it would come from Local councils and Face to face debt advice provided by charities or via Stepchange for those debtors who were more financially capable.

3. All debtors were perceived to be on low incomes or living in abject poverty all with a range of complex personal problems that needed to be dealt with.
4. Financial education in schools was seen as a panacea for preventing people getting into debt problems in the first place and was probably a cure-all for assisting them to help themselves out of debt in later life.
5. Payday loans are evil and people should use credit unions instead.
6. Local Councils are best placed to help solve personal debt problems as they have the skills and knowledge to identify people who are struggling.
7. People should be encouraged to get debt advice earlier. This is the holy grail of policy and debt advisers in the free sector. They expressed their dismay that people didn't turn to free debt advice sooner. The range of signposters to free debt advice was diverse and at times bizarre and ranged from the police, social workers MP's and GP's to the local housing department.

All in all the event generated more heat than light but for the uninitiated would have provided much insight into the views and mentality of many in the not for profit sector. Speaking personally I found the event somewhat depressing as the conference took us no further forward in terms of practical ways of assisting debtors and did not reflect in any way the UK's mixed economy of free and fee charging debt advice provision.

More information about the event is available at

http://www.connectpa.co.uk/conferences/debt_summit/index.html

Nick Pearson

Consultant

Debt Resolution Forum