



THE DEBT RESOLUTION FORUM NEWS

DEBT RESOLUTION FORUM NEWSLETTER DECEMBER 2008

With Christmas almost here members will be looking forward to a break and returning with renewed vigour in the New Year. It's a good time then to reflect on the achievements of DRF during the past 12 months and to look forward to our plans for 2009.

- Membership numbers have increased over the past 12 months;
- The Board of DRF has enlarged (see www.debtresolutionforum.org.uk);
- Developed and launched the EdExcel accredited Certificate in Debt Resolution;
- Secured a seat on the Ministry of Justice consultation on regulation of voluntary debt management plans;
- Made robust and strong representation to BERR on the withdrawal of the Draft Order for SIVA proposals;
- Made strong representation on the IVA Standing Committee and dogged pursuit of creditors operating hurdle rates;
- DRF comments robustly, in the UK Parliament's Speakers House, on the draft findings by the Personal Finance Research Centre (Bristol University) on Fee Charging Debt Management Companies.

INCREASE IN DRF MEMBERSHIP

This year we have increased the membership and have enquiries pending from numerous organisations both small and large; a number of whom have worked hard to achieve the successes listed above.

The DRF members conference, which was attended by 21 members and 44 non-members and representatives of creditor organisations, provided an excellent forum to communicate the benefits of having a strong representative body.

The outcome of the conference was that DRF received many expressions of interest in joining. As new subscriptions fall due in January 2009 it is anticipated that the new year will bring up to 10 signed up new members.

SUBSCRIPTIONS & RENEWAL NOTICES

The level of subscription to join as a member has been revised as follows:-

Level of members turnover	Annual Rate
Up to £500,000	£500
Up to £2,000,000	£1,000
£2,000,000 +	£2,000

It is clear that there is a demand from creditors, the government and others for effective regulation in our industry. DRF intends to become a trusted organisation in this area and to provide commercially pragmatic, but publicly acceptable and effective, regulation and standards. This will come at a cost, but it is likely that these charges will be on a per case basis for both IVAs and DMPs, with an upper limit, and that they will be recoverable as an expense of the case.

DRF is currently researching the cost of regulation and anticipates launching the fully-costed framework early in 2009. We consulted on our proposed standards before they were published in early 2008 and will be listening to the views of bodies such as the Insolvency Service, the Ministry of Justice and the Office of Fair Trading as we develop our regulatory framework. Our aim is to create a regulatory system that is of real commercial benefit to members because it is widely accepted as providing an effective guarantee of standards and the kite mark of choice that will be accepted by the creditor community.

Renewal notices will be sent to members in January 2009.

DRF BOARD MEMBERS

The DRF website www.debtresolutionforum.org.uk has now been updated with the board members details. The successes achieved to date are as a result of tireless effort from David Mond and Andrew Smith (ClearDebt), John Hall (previously of Invocas), Gill Wrigley (Tenon), Chris Holmes (previously One Advice), Neil Bowler (Gemstone Financial) and Ian Holland (Money Debt and Credit).

The new board members, Bev Budsworth (The Debt Advisor), Diane Dunion (rejoined as board member of Money Guiders), Nick Pearson (replacing Steve Brilus from Paymex Group), have already rolled up their sleeves - getting involved in promoting better communication and PR, increasing membership, rolling out Modules 2 and 3 of the Debt Resolution Certificate and supporting other members with regulation, building relationships with creditors and tackling unhelpful creditor behaviour.

View our board member profiles: www.debtresolutionforum.org.uk/director-profiles.php





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DEBT RESOLUTION CERTIFICATE

The launch of the Certificate in Debt Resolution at the DRF 'Upping the Game' conference in October has exceeded all expectations. Over 60 people will have begun their studies by January 1st and over 40 companies have registered to place people on the learning programme over the coming months.

Edexcel, the awarding body, have commented "the learning content is of the highest standard and we are not at all surprised it is having a great appeal".

If you or your firm are not registered yet please get in touch with Mike at mp@dsw.uk.net

MINISTRY OF JUSTICE CONSULTATION

The DRF has secured representation on the Ministry of Justice's key stakeholder group discussing the possible introduction of regulated debt management plans. This new group first meets in January 2009 and we will report back to members as soon as possible.

The consultation arising from this will be a major focus for the DRF in 2009 and, probably, 2010.

WITHDRAWAL OF SIVA PROPOSALS

The DRF found it impossible to understand why, just at the moment when more people need more help with debt than ever before, the government should decide to destroy years of work by the debt resolution sector, money advice charities and lenders by scrapping the simple IVA (SIVA).

We don't believe it is true to say that the Protocol Compliant IVA has made the SIVA unnecessary. Banks and credit card companies are still frustrating people's efforts to use their best efforts to repay as much debt as they can afford. The SIVA would have meant far fewer creditors would be able to stop IVAs by requiring over-indebted individuals to repay more than they can afford.

The DRF will continue to work within the IVA Standing Committee to gain creditor acceptance of the principles that a debtor should be entitled to an IVA if it is affordable, achievable and represents their best efforts - but a huge opportunity has been missed to offer affordable and well regulated debt relief to the hundreds of thousands who will need it as the credit crunch bites.

Accordingly, the DRF are investigating the possibility of seeking a judicial review of this decision and have sought advice from leading Counsel.

IVA STANDING COMMITTEE

The Committee have agreed to meet every 6 weeks or so and have established Technical Sub-Committees to discuss issues that occur from time to time. Your Chairman currently is the DRF's representative on the Standing Committee and is also the representative on the Technical Sub-Committee. The Technical Sub-Committee will meet on 14 January 2009 whilst the Standing Committee meet on 22 January and full reports will be circularised in the planned emailing Newsletter to be sent to member's regularly starting in January 2009.

PFRC DRAFT REPORT ON FEE CHARGING DM ORGANISATIONS

As many of DRF members will know the Money Advice Trust has commissioned a report into fee charging DM organisations which is being undertaken by the Personal Finance Research Centre "PFRC" at Bristol University.

On Tuesday 9 December 2008 Sharon Collard from the PFRC presented their interim findings to a packed audience of creditors and all sectors of the debt resolution community at Speakers House in the House of Commons.

David Mond was invited to comment on the draft findings, as Chairman of the DRF. You will note that David has volunteered that members of the DRF will provide random selections of clients to enable proper feedback to the PFRC on their experiences of fee charging DMP companies. It is hugely important that we engage in this. It is a vital opportunity to show that we provide an excellent and valuable service for both debtors and creditors with which the free sector simply cannot compete.

Click the following link to download the presentation file:

www.debtresolutionforum.org.uk/PFRC.pdf



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AGENDA FOR 2009

The overall focus for the DRF during 2009 is to become the recognised trade representative body for the debt resolution industry which has an approved regulatory framework, a recognised quality mark that guarantees appropriate advice and fair treatment for consumers, transparency and best returns for creditors, and which promotes and protects members' interests.

The groundwork has been done and we are on our way. A lot of hard work remains to be done by the DRF and its members. 2009 will be a challenging year for our industry and there will be many new entrants into our market place.

It is vital that DRF members strive to raise the level of training within their organisations, uphold the standards and regulations they have signed up to and demonstrate to creditors that our members operate professionally and efficiently and that we provide debtors with the most appropriate advice.

The DRF intends to fight hard to achieve respect and recognition for its members and we promise to communicate with you all more frequently. We are also going to continue to ask for help – so if you or your organisation are prepared to offer the DRF time or resources, please get in touch.

All at the DRF would like to wish all members a great Christmas and a prosperous New Year.