

The Institute of Money Advisers

MONEY ADVICE STATEMENT OF GOOD PRACTICE A Statement of Good Practice for Money Advice Organisations

1. THE OUTLINE

- 1.1 Money advice is delivered in a number of different ways, including face-to-face and by telephone, and may involve providing advice-only, a referral, self-help materials or a full casework service depending on the level of support required by the client and the particular circumstances of the case.
- 1.2 This document aims to be a broad outline of what is generally held to be good money advice practice by the members of the Institute of Money Advisers (IMA). It should be noted that not all the good practice points which follow necessarily apply either to telephone or self-help advice. For clarification, self-help debt advice services (which can be delivered face-to-face or via the telephone) provide people in debt who do not want or need an advice agency to represent them (that is, provide a case-work service which includes negotiating with their creditors on their behalf) with the advice, information and support they need to take control of their financial situation themselves.
- 1.3 It recognises that advisers are operating in a variety of organisations and that the organisations prescribe the tasks they will and will not carry out and the manner in which they will be completed. The IMA has neither the desire nor the ability to interfere in this relationship.
- 1.4 The Statement covers the relationships between adviser and client, and adviser and creditor. It aims to offer all parties a clear ethical framework within which to operate.

2. THE SERVICE PROVIDER

The service provider will:

- 2.1 Be licensed by the Office of Fair Trading under the appropriate category to provide debt advice unless exempt.
- 2.2 Have professional indemnity and public liability insurance or other appropriate arrangements in place.
- 2.3 Provide the service free of charge to the client at the point of delivery. Clients will not be charged for any part of the advice or service
- 2.4 Process all data held in line with Data Protection and Freedom of Information legislation as appropriate.

- 2.5 Comply with all Health & Safety, Equal Opportunities and Human Rights legislation.
- 2.6 Ensure, except where a service exists specifically to meet the needs of a particular community, the adviser will not discriminate between clients on the grounds of sex, marriage, race, colour, nationality, ethnic or national origin, disability, age, sexual orientation or religion.
- 2.7 Ensure the remit, boundaries and limitations of the service are explained to the client by an appropriate method.
- 2.8 Ensure that a written complaints procedure is in place and all service users are made aware of the process.
- 2.9 Provide unbiased independent confidential advice and take up social policy issues with authorities or organisations on behalf of individuals or groups as appropriate.

3. THE ADVISER

The adviser will:

- 3.1 Subject to conflict of interest checks being carried out, offer to provide advice to clients about the full range of options for resolving their debt problems according to their individual circumstances, including income maximisation where appropriate; explain the consequences of each option to enable clients to make informed choices and ensure that all advice given is in the best interest of the individual client.
- 3.2 Provide impartial advice and not seek to favour any particular creditor or group of creditors; except insofar as different methods of enforcement laid down by statute for different types of debt will be reflected in the priorities and repayments negotiated by advisers and/or their clients.
- 3.3 Explain clearly the potential consequences of non-payment of any particular debt.
- 3.4 Be non-judgmental, and give advice and assistance regardless of how debts have arisen.
- 3.5 Not knowingly aid or abet the continuance of fraudulent activity by a client, taking cognisance of current legislation and any protocol produced by the adviser's agency or organisation in this regard
- 3.6 Ensure that priorities in dealing with debts are those of the informed choice of the client, not those of the adviser.

- 3.7 Reserve the right to withdraw their case-work service from any client who wishes to pursue courses of action which could be detrimental to the credibility of their organisation and advise of the consequences of such courses of action.
- 3.8 Attempt to empower the client to take control of her/his own financial affairs and avoid unnecessary dependency upon the adviser and/or the agency.
- 3.9 Regularly update the client and her/his creditors of any significant developments in the case if offering case-work service, and record details of client enquiries and case developments in accordance with the adviser's agency or organisation's recording system.
- 3.10 Develop and agree with the client a course of action, where appropriate, which clearly specifies the methods, time scales and responsibilities for delivering the client's chosen course of action whether by the client or the agency and record this clearly in the client's case notes.
- 3.11 Carry out all agreed actions in line with their agency/organisation's service delivery standards or under accreditation if working within a quality standard.
- 3.12 Refer/signpost the client to an appropriate agency, where issues fall beyond the boundaries of the adviser's agency or organisation's service, with the permission of the client (where needed).
- 3.13 Inform the client where applicable that her/his case has been closed e.g. as part of a case-work service and warn her/him that s/he might now be contacted directly by creditors but that s/he can seek further advice and/or assistance from the adviser or refer to appropriate agency as necessary
- 3.14 Advise of the level of advocacy and support available and offer representation before appropriate bodies, e.g. the County Court where resources are sufficient to allow this. Where the nature of the service does not allow such services to be provided (e.g. telephone-only advice) refer the client to another agency which is able to provide these services as appropriate.
- 3.15 Ensure that all correspondence is written in plain language taking account of the need to comply with any legal formalities.
- 3.16 Ensure that they keep up to date with changes in relevant legislation, practice and policies which may affect their work.

4. THE CREDITOR

The service provider offers the creditor the following assurances: -

The adviser will:

- 4.1 Treat all creditors impartially at all times and not seek to give any creditor priority over any other in a similar position.
- 4.2 Take reasonable steps to verify clients' income and outgoings in order to authenticate the client's circumstances in accordance with the OFT's Debt Management Guidance, wherever possible.
- 4.3 Not discuss opinions or judgements of the client's behaviour with creditors.
- 4.4 Carry out all agreed actions in line with the adviser's agency/organisation's service delivery standards.
- 4.5 in case work services, inform the creditor when the client's case has been closed in the following circumstances: (i) the adviser has been unable to obtain instructions from the client for dealing with her/his case or (ii) the client has specifically informed the adviser that s/he wishes to carry on dealing with the case in person.
- 4.6 In self-help services, equip clients with the tools necessary to contact their creditors themselves and provide them with information to ensure they have access to further advice as to their options for dealing with their debts.

5. GENERAL

The adviser will:

- 5.1 Provide the appropriate level of support to enable the client to report examples of unfair or illegal practices to Trade Associations, the Office of Fair Trading, local Trading Standards Departments, the Financial Ombudsman or other Regulators where appropriate.

Transfer/copy papers relating to the case only with the client's written consent, when they choose to use another service or have been referred on to a more appropriate service.