



# Institute of Money Advisers Annual Conference & AGM 2017



Built to last: quality and sustainability in money advice



# Achieving Good Practice in Debt Advice

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# Background

- Feb 2017: MAS Best Practice and Innovation Debt Advice Conferences at 6 venues in England & Wales
- Peer Review Scheme workshop on good practice and overcoming barriers to good practice
- Outcomes:
  - Good practice toolkit
  - Good practice document – CoA letter template



# What we will cover

- The aim of this workshop is to build on those good practice workshops
- Some specific areas where there have been issues –
  - Financial Statements
  - Debt Relief Orders
  - Maximising Income
  - Checking Liability



# But first ...

## Advising on options

- Section 7.6 (Casework) (Section 3.12 Advice only) – ‘relevant options’
- FCA rules CONC 8.3.2(2) & (3) – explain why available options suitable and other options unsuitable
- FCA guidance – aim is to enable clients to understand available options
- Good practice – consider all options; discuss all available options; explain why any unavailable option(s) raised by client is unavailable



# Financial Statements

- CONC 8.5.1(1) – ‘accurate’, ‘realistic’, ‘sufficiently clear and complete’
- CONC 8.5.4(1) - ‘take reasonable steps to verify identify, income and outgoings’
- CONC 8.5.4(2) – ‘seek explanations of expenditure which is particularly high or low’
- CONC 8.5.5 – ‘use of expenditure guidelines needs to take into account the client’s individual circumstances’



# Debt Relief Orders (1)

- Intermediary Guidance Notes – Advisers must advise clients on:
  - All the qualifying conditions
  - The effects of a DRO, including the duties and restrictions on the debtor as well as the moratorium period and discharge from the qualifying debts
  - The possible consequences of providing false information or omitting information from a DRO application
  - The verification checks the INSS will carry out



# Debt Relief Orders (2)

- ‘It is the debtor’s decision to submit a DRO application. However, it is assumed AIs will already have completed checks, or be satisfied that those checks have been carried out, on the information provided by the debtor. These checks may include considering paperwork relating to the debtor’s income, assets and liabilities’



# Income Maximisation (1)

- An essential part of the debt advice process and part of the PR scheme (section 5 (Casework) section 3.2 (Advice only))
- Benefit checking is part of Income Maximisation
- Guidance on minimum expectations in relation to benefit checking

# Income Maximisation (2)

- In your groups, please consider the following questions and write your answers on the flip chart paper provided:
  - What areas of good practice have you encountered when maximising a client's income?
  - In what circumstances would you expect more work to be done on income maximisation?
  - What barriers might there be and how might they be overcome?



# Checking Liability (1)

- Another essential part of the debt advice process and part of the PR scheme (section 4 (Casework) section 2.9 (Advice only))
- No good practice in checking liability was identified in any of the GP workshops held at the MAS Conferences



# Checking Liability (2)

- In your groups, please consider the following questions and write your answers on the flip chart paper provided:
  - Is it sufficient to ask a client whether or not they agree they owe the money claimed by the creditor?
  - In what specific situations (debts/issues/areas) do you routinely check liability?
  - What barriers might there be and how might they be overcome?



# Next Steps

- Collate and type up the flip charts and circulate via the IMA
- Produce good practice guidance documents on Income Maximisation and Checking Liability



Thank you  
Enjoy the rest of the Conference