

How Does Change Occur?

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Changes in Consumer Credit Collection

1. Pre - 2003

- Irresponsible/poor collection practices
- Customer not treated fairly
- 'Cash is King'

2. And in 2020?

- Excellent collection practices
- Customers treated fairly
- Many firms have exited the market

ALL BECAUSE FIRMS THEMSELVES WANTED TO CHANGE?

How did it happen then?

1. 2003 - Office of Fair Trading Debt Collection Guidance (updated 2006)

- Clear guidance provided
- Fines can be issued
- Licences can be revoked

2. 2008 – Office of Fair Trading Take Action

- Imposed Requirements on many firms
- Revoked Licences
- Refused Licences

FIRMS STARTING TO ACT IN FULL ACCORDANCE AND PUTTING CUSTOMER

2013 – THE FCA

1. How does the FCA compare with the OFT?

- Greater resource than the OFT
- Greater powers than the OFT
- Extremely proactive

2. How does change occur?

- Rules/Regulation
- Fines
- Revoking Licences

FIRMS PUTTING CUSTOMER FIRST

Changes in Local Authority Collection Practices

HOW DOES CHANGE OCCUR?

Rules/Legislation

A strong regulator

Ethical Collections Project

1. What is the Project?

- Collect unpaid Local Authority debts in accordance with FCA rules and the CSA 'Code of Practice'

2. LB Hammersmith - Council Tax Post Liability Debts

- 2017/2018 – Projected collections of 19%
- 2018/2019 – Projected collections of 11%
- 2019/2020 – No cases listed

3. Birmingham City Council Project – Adult Social Care Debts

- Paid in full – 24%
- Projected Collections 28%

Ethical Collections Project

Why do we receive very little referrals with those results?

- No desire for change?
- Cost budgets
- 'Cash is king'

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