

IMA Conference

Public Sector Debt Collection Panel Session

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 **Phoenix**
Raising expectations

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Group





Debt Fairly Collected

Phoenix Commercial are an enforcement agency collecting unpaid council tax, business rates and parking penalties on behalf of local authority clients. We also have a subsidiary FCA regulated debt collection company, PS&P, collecting debts which are not subject to a court order.



Phoenix are now part of the JBW Group. In 2019 JBW Group businesses returned £0.25bn of previously uncollected debt to the public purse and private creditors.

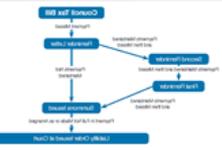


Local Authorities collected £28bn in council tax alone during 2017-2018 according to MHCLG report with an overall collection rate of 97.1%



Enforcement agencies are a vital partner to the local authority and central government collection model following the exhaustion of a detailed statutory process of approximately 56 days and incorporating 5 contact attempts.

Phoenix & JBW provide a comprehensive compliance stage service which extends beyond statutory requirements and is on average 28 days for a council tax debt and involves the use of CRA data and analytics to proactively identify vulnerability, utilises multiple contact channels and bespoke communications to encourage early engagement and successful resolution without an enforcement visit.



Debt Fairly Collected

Data collated by JBW Group in 2019 demonstrates that enforcement is both fair and proportionate. JBW itself made over 3 million contact attempts across 251,000 distinct customers. This figure does not include the activity undertaken by other group companies.

- These contact attempts included:
 - 1.3 million letters posted
 - 1.2 million texts sent
 - 350k outbound call attempts
- 40% of customers were identified as potentially vulnerable
- 55% of cases settled with only a compliance fee applied
- only 190 cases resulted in the sale of property during the year
- the average fees per Council Tax case issued was £65
- 70% of all conversations about payments are in respect of payment arrangements
- average arrangement lengths were:
 - 6 months for first time arrangements
 - 14 months where a customer has previously broken an arrangement

This data is collected and analysed as part of the JBW Service Quality Dashboard to ensure our collection strategy is fair and effective and is reviewed by our Independent Advisory Committee as part of our commitment to fairness and transparency.

Debt Fairly Collected

Fairness is at the heart of Phoenix and all JBW Group businesses.

We recognise each customer referred to us for enforcement action may be vulnerable or potentially vulnerable and our Vulnerability Strategy, aligned to FCA principles, has 5 core objectives from the start of the collections process:

Key components of our strategy to ensure fairness include:

- Affordability assessments using Standard Financial Statement
- 30 days voluntary breathing space
- Flexibility such as payment breaks, resetting arrangements, discretion in the provision of documentary evidence.
- Proactive arrangement management to prevent escalating costs (prompts and reminders)
- Clear process for referral to debt advice or return to creditor

1. Engagement Engage at the earliest opportunity to minimise distress and escalating costs	2. Identification Train staff to recognise signs of vulnerability and potential vulnerability promptly	3. Empathy & Flexibility Put the customer at ease and explain additional support is available	4. Referral Refer to the internal specialist team or external partners	5. Resolution Find a resolution that meets the needs of both customer and the creditor
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Our strategy has been updated to include Covid-19 impact on customers but our approach to handling these customers is the same and already embedded with acknowledgement that increased levels of forbearance and flexibility will likely to be necessary in the coming months.

Debt Fairly Collected

Phoenix and JBW Group are proud to deliver a fair and ethical service, that is fair to the customer (debtor), but importantly fair to wider society, ensuring that people meet their obligations and that the **cost of collection activity is not subsidised by those who are compliant.**

There is an important debate to be had on problem household debt and the future of public debt collection but I hope I have demonstrated that enforcement does play a vital role in the collection of public debt and can be fair, proportionate and effective.

Thank you!

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