

KEEPING ONE'S HOUSE IN ORDER

It has been an extremely busy period for the Credit Services Association over the past few months as it looks to accelerate the momentum around its debt manifesto.

The manifesto, as was exclusively revealed in *Credit Today* last year, sets out our proposals to address the problems caused by excessive personal and commercial debt. The major change we are looking for is a requirement in law that would oblige borrowers to notify their creditors in the event that they move addresses. We estimate that in 2006 around three million address traces had to be carried out to 'find' people who had moved house or premises without informing organisations to whom they owed money.

A particularly fruitful meeting was held in January with the Labour MP for South Derbyshire Mark Todd, who has taken a special interest in debt-related matters. General feedback appeared to suggest a positive acceptance of what we were trying to achieve, and a similar acknowledgement that irresponsible borrowing was as much of an issue as irresponsible lending. But this was as far as Mr Todd was prepared to go. He believed that any change in the law could face strong opposition, despite the issues over mis-tracing that we were keen to highlight, and how the answer lies in greater access to data.

Like many MPs, and many in the wider media, there is an alarming naivety as regards the accuracy and relevance of the voters roll – the source continually dragged out and held aloft as the document that should make tracing a cinch. It is the document, we are constantly told, that makes our request for new legislation unnecessary. Until, of course, you realise that the voters' roll is (almost) not worth the proverbial paper it is written on.

Consider the facts: 37% of all voters opt out of registering on the voters roll. That means more than a third of all adults eligible to vote – and therefore eligible to run up debts if they so wish – are almost immediately 'un-traceable' and especially so if they decide to move house.

To many, that figure is astonishing. It certainly was to Mark Todd, so much so that he agreed to raise the question in the House: "To ask the Secretary of State for Justice, what proportion of registered electors in each Parliamentary constituency in England & Wales opted to be excluded from the edited roll in each year since 2002?"

The response came from Michael Wills MP: "The Ministry of Justice does not hold figures on the number of registered electors who opt to be excluded from the edited electoral register. However, the Office for National Statistics will, for the first time, be collecting this information based on the published electoral register of December 2007."

This is remarkable, and we await the figure from the ONS with great interest. Perhaps at last it will provide a definite opportunity of raising the tracing debate again in the proper context, where mis-information or just straightforward lack of information is not allowed to cloud the issue.

Elsewhere in Parliament (as they say in media circles) our lobbying of MPs and Ministers is having a tangible effect in highlighting the work of private debt collection agencies in recovering monies for the Child Support Agency. The row over Child Support Agency debt last year caused quite a stir, some within government finding it seemingly unpalatable that a private company would take a commission for recovering debt that they were otherwise happy to leave uncollected!

Mark Hoban MP, Shadow Minister for the Treasury, asked the Secretary of State for Work & Pensions on behalf of the Credit Services Association how many cases had been referred to private agencies and how much money had been collected. The results, reported in a response by James Plaskitt MP (quoting from a letter from Stephen Geraghty dated 22nd February 2008), are impressive: by the end of 2007, over 63,000 cases had been referred to two private agencies, and of those, debt had been recovered in 15,619 cases to the tune of £9.3 million. Of the 15,619 cases that did result in payment, more than 3,000 of those were settled in full.

Of course it is hard to fully interpret the figures being quoted. It is suggested that the cases referred were the most difficult to collect. Whichever way you read it, more than £9 million of debt recovered that would simply have been written off is a credible performance.

Dealing with government can at times be a tortuous affair, but has highlighted - and continues to highlight – how so many views and opinions in relation to debt are made out of sheer ignorance of the subject. We have now contacted more than 200 MPs to promote our manifesto, and a diary blocked out with meetings to discuss the issues in more detail. Only by continuing to work with Ministers, MPs and Civil Servants – rather than shouting from the sidelines - can we hope to make a difference.