

Draft1

COLLECTIONS INDUSTRY MOVES TO SUPPORT DEBTORS WITH MENTAL HEALTH PROBLEMS

The Credit Services Association (CSA), the body that represents the UK debt collection industry, has called for greater compassion and understanding from organisations chasing individuals for debt, especially those that may be suffering from mental health conditions.

And in support of the move it has also become the first of the major associations to issue clear Guidance Notes on Best Practice within the area of mental health to its 250-strong membership as an addition to its existing Code of Conduct.

“The CSA has been involved with a mental health working party that includes Citizens Advice Bureau and various money advice groups looking to establish a commonality of approach from creditors, collectors and advisors in respect of dealing with individuals identified as having a mental health problem,” explains CSA President Godfrey Lancashire.

“There is no verifiable data on the volume of mental health cases within our industry but both the regulators and the advice sector have a view that not enough is being done currently to deal with the issue appropriately, and clearly this is an area where we must take the lead,” he adds.

“We have therefore decided to issue Guidance Notes to our members, and recommend an internal review of their existing procedures to satisfy themselves that they are managing these sensitive cases in a fashion that reflects the spirit of the CSA’s Code of Conduct and which is acceptable to their clients.”

The new Guidance Notes state: Members should ensure they establish policies on how to deal with individuals with mental health problems. It is recommended that these policies include the following:

- Details on how to identify individuals with mental health problems
- A list of recognised authorities/individuals qualified to identify mental health problems
- Agreed procedures on actions that should be taken that should include hold parameters while requesting evidence, return of accounts to creditors in the case of contingency and write off/recourse agreements in the case of debt purchase.
- Reference to the clients’ industry codes as there may well be laid down policies that they will expect members to adhere to.

Members should take care not to pursue legal action in cases where mental health has already been identified as an issue as this could subsequently be used as a form of defence.

In terms of relevant legislation, members are advised to consult with the advisors to ensure they are compliant with:

- Mental Health Act 1983
- Data Protection Act 1998 (for sensitive personal data)
- Disability Rights Commission
- Human Rights Act
- OFT Debt Collection Guidelines
- OFT Debt Management Guidelines
- Disability Discrimination Act 1995
- Mental Capacity Act 2005 – this is particularly important in relation to the enforceability of the contract and the subsequent right to collect.

The Guidance Notes provide an overview of Best Practice in working with professionals to identify debtors with mental health problems, and particular difficulties they may experience/encounter, for example:

- Understanding the severity of the difficulty and its effects changing from time to time
- Difficulty with tasks such as filling in forms
- Difficulty maintaining an income, either through losing their job or through difficulties with benefits. They can often lose benefits due to difficulties filling in forms or delays in processing claims.
- Difficulty telling the difference between organisation and service providers. Customers may mistakenly believe they have already spoken to a particular organisation or believe they are being hounded by one organisation.
- Being vulnerable to aggressive selling techniques or buying products or services that do not suit their needs.
- Difficulty remembering personal identification numbers.
- Difficulties in communication, such as opening and responding to post, and answering telephone calls.
- Difficulty using call centres and systems where they have to choose different options.
- Being vulnerable to financial fraud being committed against them.
- Problems explaining their experiences.
- Lenders not understanding or being aware of their condition.
- People who have some kinds of mental health difficulties can spend money in very irregular patterns or severely over-spend.

The Guidance Notes also include a list of currently recognised professionals qualified to provide supporting evidence on behalf of debtors with mental health problems (see notes to editors).

“We have a responsibility to provide Best Practice to our members in all areas of debt collection,” Mr Lancashire concludes, “and that includes all members of our society, especially the most vulnerable. These Guidance Notes are intended literally as a ‘guide’ to our members, and as a prompt for them to review their existing procedures and consult the professionals who will be able to give them more detailed support.”

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Notes to editors:

PROFESSIONAL VERIFICATION OF MENTAL HEALTH ISSUES

Professionals qualified to provide supporting evidence on behalf of debtors with mental health problems (NB: This is not a finite list and members should be aware that there may be other individuals qualified to provide evidence)

Care Co-ordinator

A care co-ordinator is someone named as the main point of contact and support for a person who needs ongoing care. The care co-ordinator can be a nurse, a social worker or other mental health worker.

Community psychiatric nurse

A community psychiatric nurse (CPN) is a registered nurse with specialist training, who works in the community. Some are attached to GP surgeries, community mental health centres or psychiatric units.

General Practitioner (GP)

Although GPs can deal with most mental health difficulties without referring the patient elsewhere, they often work in teams with other professionals such as health visitors, nurses and mental health practitioners (MHPs).

Psychiatrist

Psychiatrists are qualified medical doctors who have taken further training and specialised in mental illness.

Clinical psychologist

Clinical psychologists have a degree in psychology and a masters degree in clinical psychology. They have also received specific training.

Approved social worker

An approved social worker (ASW) is a qualified social worker who has received further training and been approved by the local authority to carry out certain work. Under the Mental Health Act 1983: An ASW has a role in mental health assessment under the Act. These assessments are carried out with other medical professionals, and look at whether someone needs to be admitted to hospital under the Act.