



CONSUMER FACT SHEET – INTRUSIVE COLLECTIONS

What our Code says

The CSA's Code of Practice is quite explicit when it comes to what behaviours it expects of its members, and what is and isn't accepted practice. In particular the Code states that members should:

- Not use oppressive or intrusive collection procedures
- Not bring unreasonable pressure to bear on the debtor
- Not act in a manner in public intended to embarrass the debtor
- Ensure all attempted contacts with debtors are made at reasonable times

The issues we face

In an industry that employs more than 25,000 people handling more than 21 million cases, there is always scope for something to go wrong. It is important to distinguish, however, between those cases where a debtor has a legitimate right to complain, and others where the collectors are acting within their rights and in accordance with the code.

A good example is the issue of 'acting in a manner not intended to embarrass the debtor', and 'to ensure that all contacts are made at reasonable times'.

It should be remembered from the outset that a debt has only been passed to an agency for collection because the debtor has ignored all attempts by the original creditor to recover their money. As such, correspondence that is then received from an agency should not come as a surprise, neither should it be unexpected.

If the debtor ignores an initial written 'contact', the agency may resort to 'phone, email (where applicable) or text. If the debtor is working, it may indeed be 'reasonable' to attempt to contact that debtor before 9:00am and/or after 5:30pm when they could be reasonably expected to be home.

Alternatively, it might also be reasonable to call the debtor at work in order for a successful contact to be made. Both are legitimate means of attempted contact, but can be easily 'spun' as appearing to be both 'oppressive' and/or 'intrusive'.

The various consumer advice bodies will all recommend the same thing: that debtors do NOT ignore contact from a debt collection agency. Indeed quite the opposite. Positively engaging with the agency is more likely to result in a positive outcome for all parties concerned.

Legitimate complaints

Things can and do go wrong. Companies do make mistakes. There will be cases where a debtor has genuine cause for complaint, and when the agency is clearly acting outside of the Code of Practice.

Their first contact should be with the agency itself. The debtor should make it clear to the agency that they have a complaint and on what grounds. Wherever possible, complaints should be made in writing, and addressed to the customer services team and/or compliance officer.

Most agencies have departments that specifically deal with customer enquiries and complaints, and indeed are obliged to have written procedures in place for dealing with such complaints. They also have compliance officers responsible for ensuring that the business complies not just with the CSA's Code of Practice, but also the OFT guidelines on debt collection, the Consumer Credit Act, and up to 15 other pieces of government legislation.

Typically, contact with the debtor will cease while their complaint is being investigated.

If, after the initial contact with the agency, the debtor still feels that their complaint has not been properly addressed, they should elevate their complaint to the Financial Ombudsman Service (FOS) (in the case of Consumer Credit Regulated complaints).

The FOS was set up in April 2007 and hold jurisdiction over all holders of standard consumer credit licenses, including debt collection agencies and those involved in debt sale (see separate fact sheet). It will act for the consumer in matters of unresolved disputes, although it is NOT a regulator and NOT a consumer champion.

In the event that a complaint is referred to the ombudsman, then every effort is made to mediate between the agency and the debtor to find a successful resolution. If, however, they find that the debtor's complaint cannot be upheld, then no further action can or will be taken.

Concurrently, the debtor should make their complaint known to the Credit Services Association (CSA) who may also be able to intercede on the consumer's behalf in order to expedite a satisfactory resolution.

FOR FURTHER INFORMATION PLEASE CONTACT THE CSA – 0191 286 5656

WWW.CSA-UK.COM