

Annual Report 2020

Credit Services Association
118th Annual Report



Who we are



The only UK Trade Association for the debt collection and debt purchase industry

We have
265
member companies,

who employ approximately
11,000
people.

We hold up to
£60bn
in collections,

and return over
£4bn

to the UK economy.

Our three primary roles



Engage

To represent our members at the highest level with external stakeholders to **enhance the reputation of the industry.**



Support

To facilitate a collaborative environment to **share best practice** for the further improvement and **ongoing professionalism** of the industry.



Promote

To promote **excellence and integrity in standards and culture** across the industry.

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Credit Services Association Limited

Company registration number:
00089614

The Board of Directors

Lord Tom Chandos (Chair)
Nick Cherry
Andrew Bunting
(appointed March 2020)
Joanne Cowens
Denise Crossley
Stewart Hamilton
Craig Hinchliffe
(appointed March 2020)
Frank Horvath
Dr David Hutchinson
Chris Leslie
(appointed December 2020)
Yvonne MacDermid OBE
Eddie Nott
(resigned March 2020)
Ian Rea
John Ricketts
David Sheridan
Sara de Tute
(resigned March 2020)
Peter Wallwork
(resigned July 2020)

CSA (Services) Ltd

Company registration number:
05055685

The Board of Directors

Lord Tom Chandos
Nick Cherry (Chair)
Peter Hayle
(appointed July 2020)
Craig Hinchliffe
(appointed July 2020)
Dr David Hutchinson
Chris Leslie
(appointed December 2020)
Fiona Macaskill
Yvonne MacDermid OBE
David Sheridan
Peter Wallwork
(resigned July 2020)

Registered office of both companies:

2 Esh Plaza
Sir Bobby Robson Way
Great Park
Newcastle upon Tyne
NE13 9BA

Auditors

Robson Laidler LLP
Statutory Auditor
Fernwood House
Fernwood Road
Newcastle upon Tyne
NE2 1TJ

Note on report

The report is in the main written to describe the activities of the Association during the calendar year 2020 although the Finance Report and the financial statement refer to the Association's financial year, which runs from 1 July 2019 to 30 June 2020.

Chair update



Tom Chandos
CSA Chair

Looking back at last year's Annual Report, it is hard to conceive that such a profoundly turbulent twelve months would have occurred since then. The Covid-19 pandemic has fundamentally changed both UK society and the economy, upending business models across numerous sectors and challenging assumptions we used to have about debt sustainability and repayment affordability.

Both collections agencies and debt purchasers have been impressively resilient, adapting ways of working and providing substantial forbearance over and above the mandatory payment deferrals required. At some point during 2021, the Government is likely to withdraw the safety nets currently provided to individuals, families and businesses, which will present further challenges for creditors, as well as revealing the true extent of any structural long-term scarring of the economy.

I was very pleased to welcome Chris Leslie as our new chief executive in the summer. Despite the various lockdown and other restrictions, he has already built powerful new connections across our sector and ensured the CSA remains well placed not only to inform policy-makers of the consequences of their decisions, but to shape the future regulatory agenda too.

Although we all miss face to face contact, notably as a result of the cancellation of the 2020 UKCCC, the CSA has adapted well to online networking, offering a myriad of events and workshops of most relevance to members, providing excellent value. On the Learning and Development side as well, the move to predominantly online training and apprenticeships has been very well executed. We welcome all the new members who have joined during the year and their participation in the association's activities, as well as for their commitment to our standards.

We intend to take the opportunity in 2021 to be front-footed on policy; improve our evidence-gathering to convey increasingly high quality data on collections and debt purchase activities; and continue to provide our widening range of services on a member-led agenda.

I want to place on record my appreciation to the whole team at the CSA who have stepped up magnificently throughout this most difficult of past years. The team was led, prior to Chris Leslie's appointment, by Peter Wallwork, who stepped down as chief executive after over ten years in post. He showed the same wholehearted commitment and dedication to the CSA in his final year as in the prior period, during which he made an exceptional contribution to the development of the association. We wish him every success in the future.



Chief Executive report



Chris Leslie
CSA CEO

Since my appointment as the new CSA chief executive in the summer I've been immensely impressed by the dedication and specialist knowledge of our Newcastle-based team, who've sustained our activities through what most surely be one of the most testing periods in the CSA's long history. I'm grateful to Board members for maintaining our focus throughout the year and particularly grateful to my predecessor, Peter Wallwork, for shaping such a capable and well-governed trade association over the preceding decade. Against the backdrop of what was a -11% weakening of the UK economy during 2020, the CSA have delivered events and information to support our sector and reacted swiftly to significant regulatory change, especially wide-ranging forbearance requirements.

Dialogue with our member firms has continued predominantly online, and while often not able to meet face-to-face, we engaged regularly with members across a full range of issues, including safeguarding staff colleagues and considerations as the EU/UK transition period ended.

It was a privilege for me to meet over thirty member firms during 2020 and seeing for myself the commitment to customers and standards of service in collections and debt purchase. As you might expect, I've spent time since joining the CSA connecting with our full range of stakeholders, including the FCA, FOS, Cabinet Office, Treasury, BEIS, charities such as Money Advice Trust, StepChange and MALG, FENCA, the Insolvency Service, UKRN, SCOR and other trade bodies such as UKFinance, the FLA, CCUA and CIVEA.

We have made strong representations to the FCA that the business model of collections agencies works best based on the assessment of individual customer affordability rather than a 'one-size-fits-all' approach - and I have highlighted the inadequacy of the fees and advice levies structure which has scant logical methodology. With the onset of 'Breathing Space' and SDRPs in 2021, the CSA will work to safeguard sustainable collections practices while promoting the professionalism and specialist capabilities the sector has to offer.

I'm pleased that members have renewed at such strong levels in the past year, although we are conscious that the economic impact of adverse conditions will take time to work through the credit cycle. Our goal must be to continually prove the value of membership to CSA members, rather than rely solely on creditor requirements for adherence to the CSA Code of Practice.

Our learning & development activities remain in good shape in the face of difficult headwinds and we have maintained apprenticeship 'start' numbers and have renewed the CAI accreditation platform for 2021.

Several significant policy issues are looming large on the horizon and I look forward to engaging member firms in discussing and influencing these, including recoveries of Government-guaranteed 'bounce back loans', the ESG considerations for our sector, the proportion of operating costs required for regulatory compliance and innovations in maintaining effective payment plans.

While maintaining our ongoing strategies, my hope is that the CSA can improve information gathering from our sector and be more able to respond meaningfully to policy proposals that could affect our members. The level of impaired debt reported by creditors in recent months - including in the public sector - suggests that the skills of collections specialists will be more relevant than ever. The CSA will continue to champion the expertise that our member firms can bring in finding solutions for individuals and businesses.

Chris Leslie

CSA committees

Chair's Committee

Tom Chandos (Chair)
Nick Cherry
Denise Crossley
Chris Leslie
Ian Rea

Audit & Risk Committee

Denise Crossley (Chair)
Tom Chandos
Joanne Cowens
Frank Horvath
Chris Leslie

Conduct Committee

Tom Chandos (Chair)
Chris Leslie

European Affairs Committee

Frank Horvath (Chair)
Andrew Bunting
Stewart Hamilton
Ian Rea
Chris Leslie

Nomination & Remuneration Committee

Tom Chandos (Chair)
Denise Crossley
Stewart Hamilton
Yvonne Macdermid
David Sheridan

Public Relations Committee

David Sheridan (Chair)
Tom Chandos
Chris Leslie
John Ricketts

Regulation & Compliance Committee

Ian Rea (Chair)
Andrew Bunting
Joanne Cowens
Stewart Hamilton

CSA (Services) Ltd Board

Nick Cherry (Chair)
Tom Chandos
Peter Hayle
Craig Hinchliffe
David Hutchinson
Chris Leslie
Fiona Macaskill
Yvonne MacDermid
David Sheridan

Audit and Risk Committee

With oversight of financial governance for the CSA, I am pleased to report that the Audit and Risk Committee met twice since our last AGM and that the financial performance of the association is good. Our external auditors Robson Laidler Accountants Limited continue to report that our financial statement gives a true and fair view of the company's affairs and are properly prepared in line with all requirements.

In May we met to review the CSA's budget and financial plans, reserves policy, insurance cover and risk register – and we met again in November to review the annual accounts and liaise with the external auditors. The pandemic will undoubtedly create challenges for member firms in the coming years, but the CSA is well placed to adjust to those circumstances and we have good processes in place to anticipate potential risks as best as possible and take appropriate steps to address them.

Denise Crossley, Committee Chair

European Affairs Committee

Whilst the CSA primarily represents UK based debt purchases and debt collections agencies, it is acknowledged that many of our members are part of pan-European organisations, or that they work across borders. Against this backdrop, the CSA has maintained its involvement with our Europe-wide federation of trade associations, FENCA, and it is pleasing to see them now begin to recover from an incredibly difficult period. The Board concluded that, for now, there remains a strategic interest for the UK sector voice to be heard around the wider European industry table and in part to continue to lead the debate, based upon the relative size and development of the UK industry compared to those in continental markets.

At this time, it is difficult to assess how the changing UK/EU relationship will affect the collections and debt purchase sector in the UK or cross borders. The transition period has masked much of the possible post Brexit impact and the true picture is likely to become clearer only during 2021. That said, at the end of 2020, we have surveyed our members about their potential information and support needs ahead of the end of the transition period so that we can provide adequate and appropriate guidance to them.

Furthermore, we are watching carefully policy developments across Europe – including speculation around the formation of government-backed 'bad banks' in the UK for non-performing loans and what the potential implications are for our member firms. In this regard, the experience of southern European and Irish markets after the last banking crisis is a useful guide to what might occur here.

We will continue to maintain close relations and an active watching brief on developments at a national and international level and represent member interests where we can.

Frank Horvath, Committee Chair

Public Relations Committee

As Chair of the public relations committee we look not only to react to events and defend the reputation of our sector, but also proactively promote best practice and help shape events.

Our online output in 'Talk Money Week' with our #5steps to help with your debt video was well received, and we are planning a series of policy interventions on key issues affecting credit markets, starting with our report on the Government's 'Bounce Back Loans' scheme and the need for policy-makers to use the skills of recoveries specialists to protect the taxpayers' interests.

As well as disseminating new 'key considerations' information for members throughout the Covid crisis, we have reacted to regulatory changes and publicly urged basing forbearance on the assessment of individual affordability.

Our CSA 'key messages' are now agreed and coordinated with the whole CSA Board each quarter and we are encouraging our executive team to get out and about, speaking, blogging and hopefully influencing the policy agenda for the better.

I'm grateful for the excellent feedback we received to our member survey on staff safeguarding and levels of abusive behaviour they can encounter, which will inform the support the CSA can offer for member firms next year.

David Sheridan, Committee Chair

Regulation and Compliance Committee

Ensuring that our member firms are fully appraised of key issues in the regulatory and compliance space has been at the heart of our agenda as a committee this past year. The committee has enjoyed many in-depth debates and discussions leveraging the knowledge and varied experience from across its membership to help members in their understanding and interpretation of new and emerging regulatory matters.

The Covid lockdown was accompanied by very significant regulatory changes including a prolonged period of payment deferrals and enforcement restrictions, and the CSA responded with a series of discussion events to help members focus on adapting to the new environment and with three 'key considerations' documents, initially in the Spring and again before the second lockdown this autumn.

We meet each quarter with FCA officials and represent the questions and concerns of members, including raising the issue of fees and levies and the need to support rather than impede a well-functioning competitive market in collections and debt purchase.

I would very much like to thank both the Committee members for their support and insight plus our head office team for responding to the dozens of policy changes and consultations from government and regulators during the course of 2020; they have strong specialist knowledge and I would urge members to keep in touch with the team so the CSA can stay alert to all issues on the horizon.

Ian Rea, Committee Chair

CSA 2020 timeline

March

CSA Virtual AGM

CSA ratifies Independent Chair and Vice Chair nominations

CSA Appoints 4 board members:

Andrew Bunting (new)
Denise Crossley (reappointed)
Craig Hinchliffe (new)
John Ricketts (reappointed)

Covid-19 lockdown announced

CSA press release:

Debt Collection body calls for even greater levels of customer forbearance

First **CSA Key Considerations** document in light of Covid-19 pandemic

May

CSA consultation response:

FCA: CP20/6:
Regulatory fee and levy rates 2020/21

CSA produces a member survey in conjunction with BEIS

CSA Key Considerations - A Way Forward - released

CSA L4 Counter Fraud Investigator Apprenticeship launches

January

CSA consultation response:

FOS: Our 2020/21 plans and budget and future strategy

February

CSA hold first **Learning & Development Conference**

- Championing People Development

CSA Appoints Process & Systems Project Coordinator

Colin Matthews

CSA Appoints Training Administrator

Sharon Wilkinson

April

CSA consultation response:

FCA: CP20/6:
Regulatory fee and levy rates 2020/21

Press release:

Debt Collection Trade Body urges organisations to come together in tackling debt crisis

CSA launches Debt Collection Diploma

June

CSA New Member Event:

Virtual Business Update Meeting

July

CSA responds:
**ABI: Draft GDPR
Code of Conduct**

**Peter Wallwork steps
down as CEO** after 10
years in the role.

CSA hold meetings covering:

- Mental health & wellbeing
- SMCR
- Business interruption insurance
- HR

CSA appoints Senior Learning Consultant

Kim Macmillan

September

CSA consultation response:

FCA: CP20/16:
Debt advice levy rates for 2020/21 -
additional funding

CSA responds guidance consultation:

FCA: GC20/3:
Guidance for firms on
the fair treatment of
vulnerable customers

CSA responds call for evidence: Cabinet Office:

Fairness in government
debt management

CSA cancels UKCCC 2020

CSA launches new
**virtual Wednesday
Workshop Events**

CSA calls on
**Chancellor not to prematurely end
support schemes**

November

CSA launches new
video: **#fivesteps to
help
with your debt**

CSA's Director of L&D
Fiona Macaskill
shortlisted
for **virtual
Women in Credit
Awards**

CSA consultation response:

FCA: CP20/17:
Extension of Annual
Financial Crime
Reporting Obligation

October

CSA CEO blog
**on the prospects for consumer credit
as economic recovery stalls**

CSA responds to
'debt threat'
letter announcement

**CSA Key Considerations:
The next phase of economic recovery
from Covid-19 pandemic: Autumn
2020**
released

**CSA appoints
Sales Administrator**
Christina Collier

CSA consultation response:
HM Treasury:
Economic Crime Levy

December

CSA responds to
**European Data Protection
Board: Recommendations
on supplementary
measures for international
data transfers**

CSA responds to
**European Commission:
New standard
contractual clauses**

CSA launches
**Bounce Back Loans
(BBL) Report -
Squaring the Circle**

**CSA appoints
Digital Marketing
Executive**
Rebecca Clark

CSA ongoing strategies

Engage



Dialogue with and input from CSA members to improve our understanding of members' needs across a diverse range of events, workshops and conferences



Maintain a strong voice for our members and represent their views properly



Influence and network effectively across all key stakeholders



FENCA - play an active part to benefit members, raising relevant issues and feeding back

Promote



Continue to maintain the Code as the common denominator for debt collection



Promote the benefits of membership and communicate the value it provides



Address policy challenges through our committees and report their work



Support



Involve our Board and membership in forming our policies and communications



Provide our services as cost effectively and efficiently as possible



Tailor services and information to each type and category of member firm



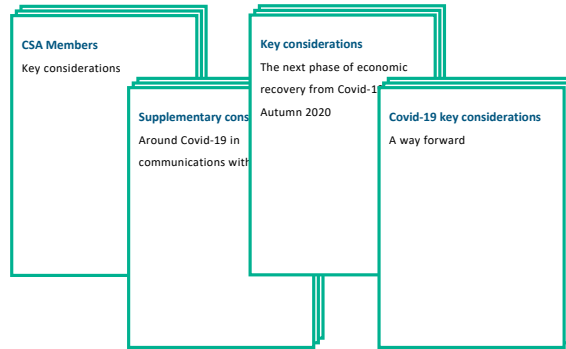
Grow our Learning & Development business and support the skills and professional development of our sector



Helping CSA Members navigate through the Covid-19 crisis

Throughout lockdown, the CSA provided a number of additional specific resources to help members through a very challenging period:

CSA publish Key Considerations documents:



Collaboration with and lobbying of Government and external stakeholders:



Meetings, surveys and industry briefing documents for stakeholders



Industry briefing document and member survey for BEIS



CSA Policy Paper: Squaring The Circle - setting the strategy for UK business 'Bounce Back' loans collections



CSA events moved to online format:

Compliance Meetings / Regulation Roundtables / Buyers' Meetings / Creditor Forum



Plus new CSA events launched:

Virtual Members' Meetings / CSA Workshops / Business Update Meetings

Member engagement:



Member contact calls



Dedicated Covid-19 area on website.



New weekly CSA Covid News email launched



This year the Learning and Development department achieved significant growth in its contribution to the association ending the year with over 200 apprentices now on programme in line with our plans at the beginning of the year.

New Apprenticeships

We introduced a new apprenticeship standard this year - Counter Fraud Investigation - which builds on our apprenticeship delivery in Regulatory Compliance and will continue our expansion into delivering apprenticeships in National and local government.

We also were due to support the launch of the new Debt Advisor standard which was due to launch on the day that we went into national lockdown. Although delayed, the apprenticeship still remains firmly on our radar to support our colleagues in the Debt Advice sector.

New staff

To support the planned growth, we have significantly increased our team of associate tutors and coaches ensuring we have strength in depth and the capacity to meet our ambitious growth targets.

We also welcomed Kim Macmillan as Senior Learning Consultant and Colin Mathews replacing John Graham in an expanded role in systems and processes alongside delivering CAI. In line with our strategy this investment has allowed us to take major steps in improving our systems and processes to allow us to continue to deliver high quality apprenticeship training across a growing number of apprentices.

Governance

CSA (Services) Ltd board continues as the board of governance for our apprenticeship delivery. The board itself has been expanded this year comprising of eight Directors. Effective governance is a major expectation for organisations which generate income from government funding. The CSA board provide challenge and oversight on finance, quality and compliance with a crucial focus on the implementation of Safeguarding and Prevent Policy and processes.

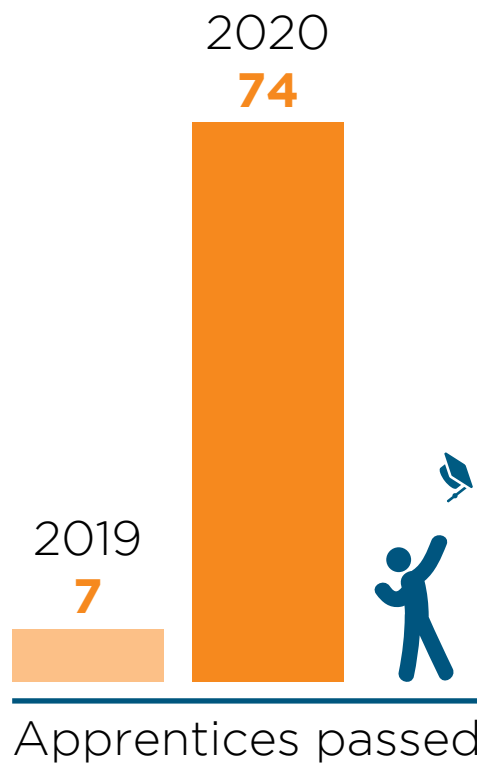
The Future

Although there has been a slight slowdown in recruitment due to Covid 19 the Department is still focused on the business plan goal of reaching 400 apprentices on programme in 2021.

We will be in scope for our first full Ofsted inspection visit in 2021 and focus our efforts on building quality in curriculum, training delivery, outcomes and progress of apprentices, and effective safeguarding policies to prepare us well for when they visit. The government is offering attractive incentives to business to recruit new apprentices as it sees Apprenticeship and skills at the heart of the Covid recovery plan. This will drive additional recruitment and we expect more non levy paying member firms to take up the apprenticeship option.

★ CSA Apprenticeships in the UK

As of December 2020:



Strategic Partnerships within L&D

Strategic Partnerships

Throughout this year CSA Learning and Development has continued to build on strategic partnerships and relationships with members to ensure that everything we do supports the overall objectives of the association and is in line with our vision of professionalising our sector and a positive career choice.

Examples include:

- our work with MAPs to identify ways we can support their Financial Education strategy through our programmes;
- our continued support of the Employer Steering groups for a number of apprenticeship standards;
- our work with People First promoting transferable skills across our sectors as the hospitality, retail and travel sector sees major job losses.

Fiona Macaskill our Director of Learning and Development has also been appointed by the Education and Skills Funding Agency (ESFA) as an Intermediary Ambassador with an opportunity to provide insight on the development of policy related to skills and apprenticeships.

CSA also responded to the government launch of Kickstart, a scheme designed to help young people into employment as entry level jobs are limited by the continued impact of Covid-19 restrictions on businesses. Member firms have been hugely supportive of the initiative, offering over 90 Kickstart vacancies so far across the country.

“Throughout this year CSA Learning and Development has continued to build on strategic partnerships and relationships with members to ensure that everything we do supports the overall objectives of the association and is in line with our vision of professionalising our sector and a positive career choice.”

“CSA also responded to the government launch of Kickstart, a scheme designed to help young people into employment as entry level jobs are limited by the continued impact of Covid-19 restrictions on businesses.”

Collector Accreditation Initiative



collector accreditation initiative

The Collector Accreditation Initiative (CAI) is an affordable, online test that annually benchmarks an individual collector's knowledge and compliance to the highest standards our industry demands.

CAI is designed for members who want to differentiate their services, and show existing and potential clients that their commitment to best practice extends throughout the entire organisation.

The CAI is a benchmark for staff knowledge in our industry while also providing a key indication of a company's commitment to continuous development and delivering consistently high levels of customer service. Industry compliance and business cultures have changed over the past few years, and therefore the CSA continues to invest in the development of the CAI platform and its question bank.

This year we undertook a full review of the current CAI testing system as the current platform is now over 10 years old and we wanted to respond to requests from members for an improved level of Management Information and reporting. The new CAI platform was approved by the board and members will see the new CAI launched in the first quarter of 2021. Alongside this, we are also undertaking a process of enhancing and refreshing the content of the CAI to ensure that it continues to be a robust industry benchmark for the fundamentals of staff competence and consistency, and one which members, and their clients, can continue to rely on.

CAI Results: Year end 31 December 2020

3,817



Collectors who passed

58



Number of CSA member companies accredited

Membership and Sales



Mark Buckley
CSA Head of Sales

The last year has been a busy one for the Sales department through bringing in our Learning & Development enquiries, dealing with new membership enquiries and sourcing sponsors/exhibitors for our events as well as selling individual delegate tickets.

The main focus has been the Apprenticeships business in ensuring we have sufficient numbers to create cohorts. This has proven difficult over the Covid months where, understandably, some enquiries have been delayed until 2021. However, despite that, we're still on a par with the numbers generated last year, which is still giving us a good foundation to work from.

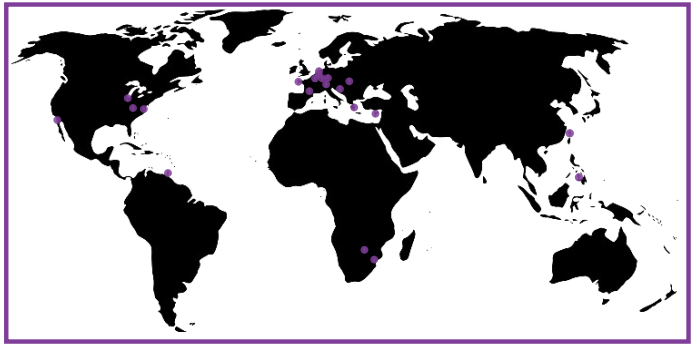
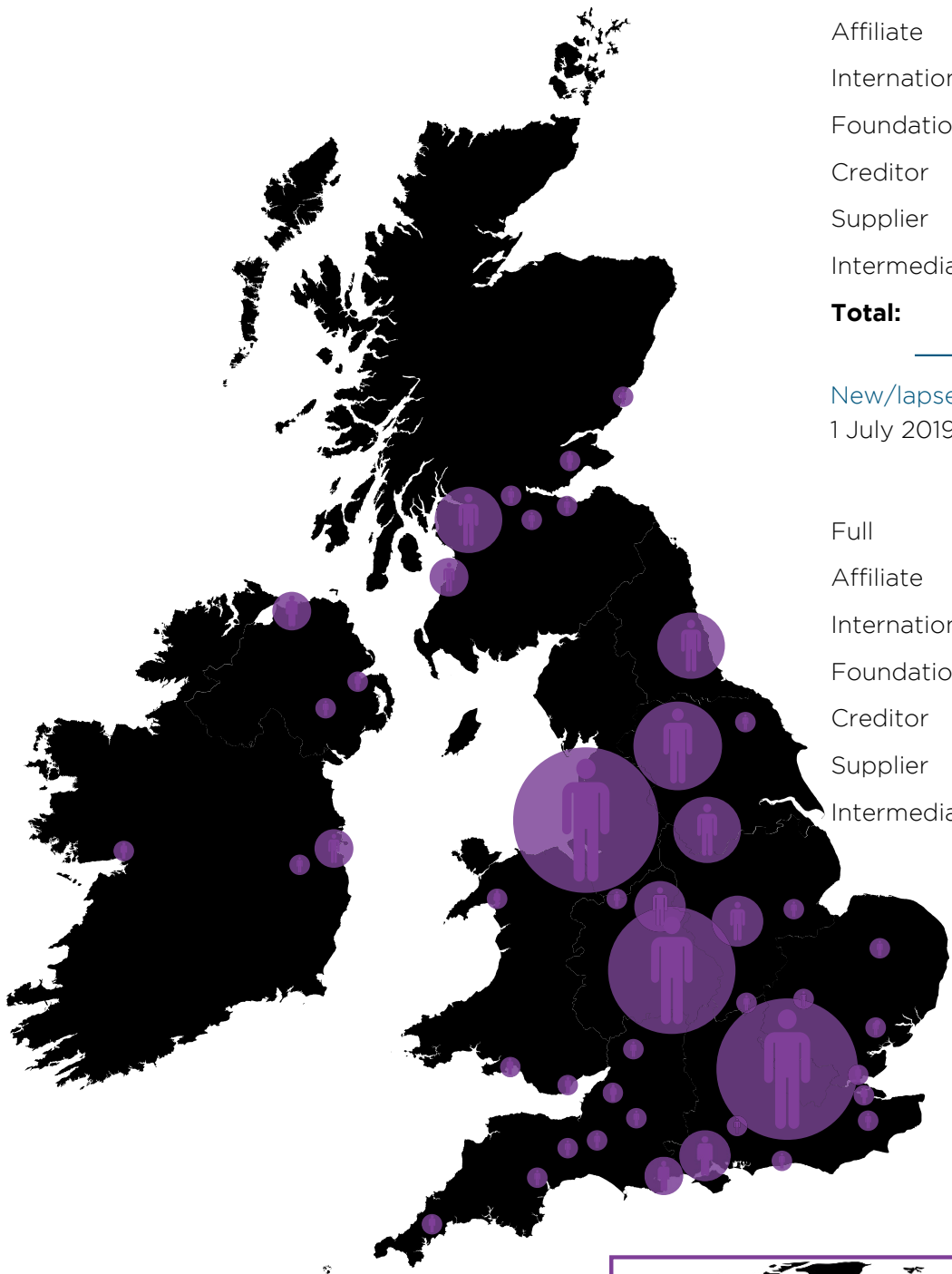
Membership enquiries have increased during the pandemic, which has been welcome, and there is a conversion rate of about 1 in 3 as things stand. The level of increase in sales activities and with an eye to the future, has also meant that a new administrator has been brought in to the team - Christina Collier - who started with the CSA in October.

Despite Covid having a rather understandably dramatic effect on the UK in 2020, we've had a consistent level of enquiries from companies about becoming members of the CSA, representing a broad mix across all classifications of membership. At time of writing, we've had over 60 different companies express an interest in CSA membership over 2020 and, of those, 22 have signed up with a further 10 in active discussions to become members. These companies represent new Debt Collection Agencies (DCAs) in our Foundation category, more established DCAs in our Full category, as well as companies that fall into Affiliate, International and Supplier categories.

“The last year has been a busy one for the Sales department through bringing in our Learning & Development enquiries, dealing with new membership enquiries and sourcing sponsors/exhibitors for our events.”

“Despite Covid having a rather understandably dramatic effect on the UK in 2020, we've had a consistent level of enquiries from companies about becoming members of the CSA, representing a broad mix across all classifications of membership.”

CSA member map



Breakdown Year end 30 June 2020

Full	172
Affiliate	39
International	24
Foundation	1
Creditor	17
Supplier	8
Intermediary	4
Total:	265

New/lapsed 1 July 2019 - 30 June 2020

	New	Lapsed
Full	4	16
Affiliate	6	8
International	3	1
Foundation	8	0
Creditor	4	0
Supplier	3	3
Intermediary	0	1

Regulation & Compliance



Claire Aynsley
CSA Head of Regulatory Compliance Standards

Observations on the regulatory environment

The regulatory environment has been pretty much up-ended by coronavirus in 2020, with almost every regulator mirroring the government's approach and devoting substantial resources into responding to the crisis. The coronavirus has proven a test of not just firms' operational resilience but that of the regulators too. This has seen the publication of urgent guidance with little time for meaningful consultation and assessment. We will have to wait until 2021 and beyond to truly understand any unintended consequences from that guidance.

As a result of the pandemic, a lot of regulatory work has fallen by the wayside, postponed or delayed until the new year. For the FCA-authorized CSA members, this has seen the implementation deadline for some aspects of the transition to the Senior Managers & Certification Regime (SM&CR) being pushed back to March 2021, although conversations with members indicate that many were well-positioned to meet the original December 2020 deadline.

The FCA also delayed its interim report on the Credit Information Market Study until later in 2021. In light of the recent ICO notice against Experian, there will be widespread interest across the industry in the FCA's interim findings and any proposals they may be considering for the credit information market.

Despite delays to many pieces of work, the FCA did publish its guidance on the fair treatment of vulnerable customers, a document we welcomed as it served as a clear endorsement of many of the practices already employed by CSA members and provided helpful clarification of the regulator's expectations.

We remain concerned about the cost of regulation and continue to bang the drum on members' behalves on this point. This year alone has seen increases in the Financial Ombudsman Service (FOS) levy and additional funding to support the advice sector in its response to the pandemic, at a time when firms have incurred significant costs of their own in responding to the

crisis, not to mention the increased resource demand for many financial services firms in implementing the FCA's emergency guidance. In our response to the FOS funding consultation, we questioned the justification in increasing costs to firms whilst acknowledging their anticipated drop in complaints; this same point has even now been raised with FOS by the Treasury Select Committee. We continue to work with the FCA, HMT and the advice sector in rethinking the funding of debt advice to make it fairer and more proportionate.

With increasing costs (both regulatory and operational), the on-going challenges in responding to the pandemic, and the yet-to-be-seen economic and societal consequences of the pandemic, firms will continue to have their operational resilience significantly tested.

“The coronavirus has proven a test of not just firms' operational resilience but that of the regulators too. This has seen the publication of urgent guidance with little time for meaningful consultation and assessment.”



Henry Aitchison
CSA Head of Policy

Unsurprisingly, an early result of the pandemic was a dramatic shift in both Government and regulatory policy priorities that continued throughout 2020. Many planned activities were shelved or delayed with new policy initiatives focused on stabilisation, support and protection for individuals and firms, suspending or drastically altering normal activities across daily life and business.

Mandatory payment breaks, extended forbearance, protection from eviction or repossession of goods, customer vulnerability and so on were lent a new urgency. Nevertheless, we responded extensively across a wide range of issues from the FCA's multiple iterations of its Consumer Credit Covid-19 guidance to tackling the challenges of central and local government collection activity. We have also continued to lobby hard against the ever-increasing cost of regulatory overhead, a particularly poignant issue given that many members have faced stiff increases in the cost of simply doing business.

While the pace of consultations and engagement has not abated, we have additionally been active in less 'traditional' policy and lobbying spaces, engaging with Cabinet Office and the Department for Business, Energy & Industrial Strategy (BEIS) to press Government not to overlook the industry and to keep in mind both its importance to the economy and the skills it can contribute, whether as collectors or in some other capacity. And in late 2020, we launched our first 'research piece' exploring Bounce Back Loans and the challenges of collection.

The continuing disruption wrought by Covid-19 and the lack of clarity regarding the ultimate outcome of the future with the EU leave many uncertainties.

Debt, both personal and corporate, is certain to feature significantly over the next year which will greatly influence both broad Government policy and more focused regulatory policy. It is unclear whether the pendulum will continue to swing towards ever greater forbearance, appropriate or not, or a greater recognition that the economy cannot

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remain indefinitely in a state of suspended animation. The decisions that Government makes will shape the state of the economy and vice versa, and those decisions will in turn affect both collections and purchase activities both directly and indirectly.

Introducing a wider suite of debt 'solutions' will be a significant feature in the coming year. The Breathing Space scheme will begin in May 2021 and we are still awaiting Government's proposals for the linked Statutory Debt Repayment Plan that is expected to be available to consumers from 2022. Alongside this, the Scottish Government is continuing its review of the insolvency landscape and the Insolvency Service is undertaking a consultation of the eligibility criteria for Debt Relief Orders.

Regulatory fees will also be a key challenge with increases expected for the Financial Ombudsman, Financial Services Compensation Scheme, and the cost of court action to name some. It is also likely that although demand for debt advice was lower in 2020 than 2019, further additional demands for funding. The implementation of delayed regulatory initiatives may also drive either new direct costs or a need to adjust business models.

The collection of non-consumer credit debts will likely come increasingly under the spotlight, particularly those owing to central and local Government. We will lobby hard to ensure that the focus is properly on standards amongst those creditors, rather than further policing of a sector that is already well versed in treating customers fairly.

Horizon scanning – 2021 and beyond

- Brexit – monitoring implications particularly for data protection and cross-border activity/operations; subsequent trade deals and their implications
- Breathing Space implementation and plans for SDRP
- The cost of regulation – anticipated further increases; expansion of regulatory perimeter; further funding of advice sector
- Environmental reporting requirements
- Socio-economic Diversity Taskforce
- Post-Covid working practices
- Strong Customer Authentication requirements
- Remediation consequences
- ePrivacy Regulation
- Credit Information Market Study and Information Commissioner's Office (ICO) investigation into CRAs

“We will lobby hard to ensure that the focus is properly on standards amongst those creditors, rather than further policing of a sector that is already well versed in treating customers fairly.”

HR & Operations



Ashleigh Johnson
CSA Head of Internal Operations

The majority of CSA Head Office people have been working from home since the start of the first lockdown in March 2020 however have continued to operate 'as normal'. Three members of the team were furloughed for a short period of time however returned to full-time hours following the successful transition to virtual delivery of events and services.

Peter Wallwork stepped down as CEO in July 2020 after ten years' service. Former MP, Chris Leslie, joined as CEO on 1 August 2020.

The Learning & Development branch of the Association, CSA (Services) Ltd, continued to grow and is resourced appropriately in proportion to the demands of the delivery of the apprenticeship provision. Fiona Macaskill was formally appointed as a Director of CSA (Services) Ltd in 2019, and became Director of Learning & Development in 2020.

Senior Learning and Development Consultant, Kim MacMillan, joined the CSA as a full-time employee in July 2020, having previously supported the Association's apprenticeship delivery as an Associate Tutor. Kim continues to deliver training and, working alongside fellow Senior Learning & Development Consultant Zoe Dellow, continues to develop curriculum and manage an ever-growing pool of Associate Tutors.

Process and Systems Project Co-ordinator, Colin Matthews, joined the Association in February 2020 and his role is to manage and develop processes within the Learning & Development department. His appointment has already seen return on investment with the implementation of several IT systems designed to professionalise and improve reporting systems, and to assist with identifying further funding opportunities.

Director of Finance and Operations, Peter Hayle, joined the Association in September 2019 and continues to add value, having recently brought the management accounting function back in-house. Peter was also appointed as a Director of CSA (Services) Ltd in August 2020.

The Association has strengthened its Sales department with the addition of a Sales

Administrator, Christina Collier. The primary function of this role is assist with tenders and administration in relation to the provision of apprenticeships.

Digital Marketing Apprentice, Stu Sagar, left the Association in December 2020 having successfully completed his Level 3 Digital Marketing Apprenticeship. Digital Marketing Executive, Rebecca Clark, joined the Association in December 2020.

Susan Bowen, Training Administrator, retired from the Association in December 2020.

New CSA personnel - 2020



February

Colin Matthews
Process & Systems
Project Coordinator



July

Kim Macmillan
Senior Learning Consultant



August

Chris Leslie
CSA CEO



October

Christina Collier
Sales Administrator



December

Rebecca Clark
Digital Marketing Executive



Angela McClean
CSA General Counsel

2020 saw the CSA Legal department provide legal support on the internal operations of CSA - including:

- The rules on the operation of the furlough scheme and the legal and regulatory health and safety requirements for employees (both working from home and when permitted, in the office).
- Keeping up to date with and providing guidance to the L&D team on the changes to and dispensations from the Education and Skills Funding Agency (ESFA) funding rules for the operation of the apprenticeship business.
- Frequent regular meetings with the FCA on changing regulatory requirements and providing input on material being provided to members on changing regulatory requirements.
- Reviewing and providing updates both internally and for members on the government support initiatives for businesses e.g. Business Interruption Loan schemes and the Bounce Back Loan (BBL) scheme.
- Proposing alternative practical arrangements to hold the 2020 AGM virtually and arranging to obtain board approval and ensure members happy with the proposals.

Marketing & Events



Colleen Peel
CSA Head of Marketing & Events

The year started off on a high for our busy events department with our very first People Development Conference in February which replaced the Members' Meeting and Annual General Meeting (AGM), the AGM now being a standalone virtual event. The conference itself - the *CSA Learning and Development Conference: Championing People Development* - was well attended and welcomed a host of new faces to an event we will now continue on an annual basis due to the positive feedback received from attendees. It also gave us our first opportunity to congratulate our very first cohort of apprentices in a graduation ceremony. A first event of its kind for the CSA, we hope to build on the strong foundations of our 2020 event and keep pushing the key message that the future of debt collection should have people at its heart. Championing people development not only benefits the individual, but also adds value to the workforce and business.

The events team had to make big changes in 2020 due to the Covid-19 pandemic. All face-to-face events had to be cancelled however the team adapted quickly and efficiently to running a series of new (and old) events online. These were frequent and very well attended by members to offer support during a very challenging time. Unfortunately, we took the decision to cancel our annual conference, the UK Credit and Collections Conference however we continue to remain optimistic and look forward to hosting our face-to-face event at Crowne Plaza Newcastle in September 2021, following the success of our 2019 event at the same venue. Our popular Regulation Roundtables and Compliance meetings continued online.

Following the success of our #heretohelp video from 2019, which is still as relevant today and continues to be shared across various networks, we signed a retainer agreement with Media Partnership which saw us produce a number of videos throughout 2020. The pandemic making face to face filming days difficult meant that we decided to concentrate our efforts on producing animated videos as an alternative form of video content. Our first animated video, "#5steps to help with your debt",

was extremely well received from members who we encouraged to share across their networks and as part of theirs (and our) important ongoing engagement, reputational and educational work.

Our marketing team continues to support the various departments across the organisation in the production of various pieces of content to support Sales, Learning and Development, Policy, Compliance and Membership. We also continue to promote the important work the association carries out across our digital channels, our websites and our PR channels.



Virtual CSA events

1,271



total event registrations

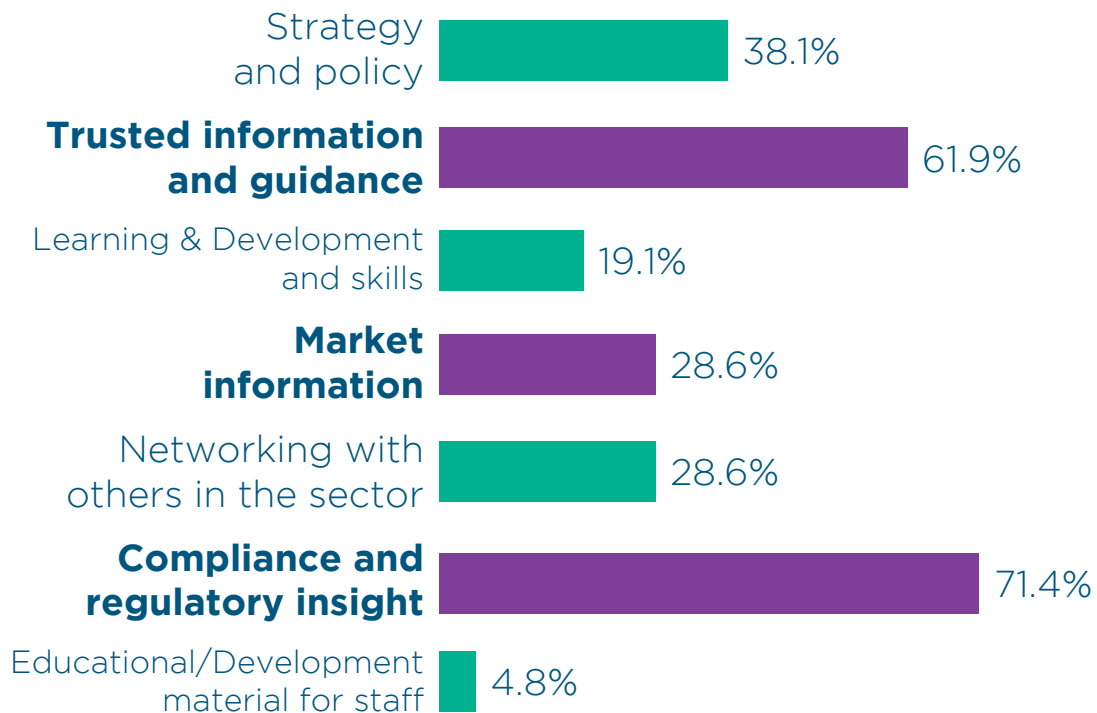
“All face-to-face events had to be cancelled however the team adapted quickly and efficiently to running a series of new (and old) events online.”

② CSA end of year survey

★ **95%** rated the services provided by the CSA as **Excellent** or **Good**.

📄 **86%** access CSA materials or events **Quite a Lot** or **Occasionally**.

What do you find the CSA most useful for?



86% **'definitely would'** recommend CSA membership to a non-member firm.

Five steps to help you with your debt

In November CSA launched its latest video - #5steps to help with your debt.

Building on the central message from its 2019 #heretohelp campaign, the video explains the importance of engaging with those a customer owes money to and urges them to be as open and honest as they can in discussing their situation.

Voiced by Brad Burton, one of the UK's top motivational speakers, who was himself once £25,000 in debt, the animated video was designed to give people the confidence to engage with a debt collection company from the outset. It also stresses the help that these companies can provide in steering customers to further help and advice if they need it.

The video launch coincided with Talk Money Week, an annual awareness campaign run by the Money and Pensions Service to encourage everyone to open up about their money and pensions.

“Debt is one of those topics that can often be ‘off limits’, and it can be hard to talk about. But we want to reassure people that debt collection agencies – our members – are there to help them along the road to becoming debt free.”

Chris Leslie
CSA CEO

- 
- 1 Get in touch
 - 2 Engage and share information
 - 3 Watch #heretohelp
 - 4 Create a plan to pay off your debt
 - 5 Get further advice if you need it

 View more videos on the CSA YouTube channel:

 Credit Services Association

CSA Learning & Development Conference 2020

A first event of its kind for the Association, which took place prior to lockdown, and gave us the opportunity to celebrate the hard work and achievements of our learners at a Graduation Ceremony. We celebrated individual apprentice achievements in front of their employers, their families, their tutors and coaches who have supported them on their apprenticeship journey. The ceremony was also attended by learning and development managers, HR professionals and industry leaders who were able to acknowledge the success and opportunities apprenticeships brings to businesses.

The conference programme included a host of expert speakers and shared knowledge and insight on industry-related qualifications. It looked beyond the delivery of apprenticeships and into the wider area of people development as the Association strongly believes that people development is vital to the future success of our Members and the industry.

A dedicated stream for businesses around leadership and business culture was offered, with industry experts giving insight into the best ways to create and support a more productive and compliant working environment, and approach behavioural change to unlock business potential. It also looked beyond the training and development of employees to promoting the wellbeing and mental health in the workplace, including stress resilience and how to embed behavioural change to enhance workplace wellbeing.

The event was very well attended and welcomed a host of new faces. We hope to build on this success of the 2019 event and continue the event on an annual basis.



CSA **LEARNING & DEVELOPMENT**
CONFERENCE
CHAMPIONING PEOPLE DEVELOPMENT



View more videos on the CSA YouTube channel:



Credit Services Association

Finance report



Peter Hayle
CSA Director of Finance & Operations

As referenced throughout the Annual Report, the last few months have been unusual to say the least, and this is reflected in our financial performance for the 2019/20 year, though our underlying business remains resilient.

We made a deficit of £110k compared to a break-even position for the previous year; there are a couple of specific factors which have caused this relating to CAI and recruitment and these are detailed below. Note our budget setting process aims to generate a surplus each year to ensure that our financial strength is maintained and that remains our approach for the year ending June 2021.

Membership income

Membership income is the most important source of income for the Association and key to us being able to provide the range of services that support our members. Revenue remained consistent year on year, and we have also seen a very high level of renewals into 2020/21, with no increase in the price of membership.

Conferences and events

The conferences and events that we put on every year continue to be well supported. In addition to the UKCCC, we held our inaugural People and Development conference in February 2020 which proved a successful event and we would hope to increase attendance in future years. The popular run for member peer-groups continued to break-even at modest additional cost to members. Note that with the onset of Covid 19 we took the decision to cancel UKCCC for September 2020 but the financial impacts will be shown in next year's results and were anticipated in our budgeting.

Education and training

Learning & Development has shown tremendous growth in the year with revenue up 45% against prior year. We have a flexible and scalable model with our tutors and were able to respond quickly to changes brought on by moving to on line teaching, but we have added some back office resource in terms of our quality, compliance and project management capability.

The Collector Accreditation Initiative (CAI) was badly impacted by Covid with numbers of people taking the tests falling sharply in the first months of lockdown. They have now recovered to what we could consider a more normal run rate but we have seen an adverse impact of around £33k against last year. In the current year we are looking to further invest in CAI by making it more user friendly, improve the reporting of results and expand the range of questions to make them more current.

The apprenticeship programme has gone from strength to strength in the year as the number of apprentices grew from 132 in June 2019 to around 200 at June 2020. Against a background of uncertainty, we have continued to recruit new learners across a range of employers and apprenticeships. The apprenticeships that we offer are specifically in line with the objectives of the Association and promote a positive image of the industry for Members and those who come into contact with them. This year we were able to launch the Counter Fraud Investigation Apprenticeship and continue to look at opportunities to add more such as in Debt Advice.

With regards the apprenticeship levy which started in April 2017, any unutilised levy payments are simply lost and in effect become another payroll tax so we would urge Members, even those who are not levy payers, to review the courses offered by the Association to ensure they make cost effective use of the training that is available.

Other Income

Other Income includes supplier memberships, which continue to be popular with members not in the collections industry and we have a broad range of services available in this context.

Staff and promotional costs

Our people related costs were higher than for the prior year largely due to the recruitment of additional staff in Operations and L&D though by deferring some positions we did make a significant saving against budget. Note our investment in L&D is very much intended to support revenue generation and

is considered to be self-funding. It was also agreed with the Nominations & Remuneration Committee that no staff bonuses would be paid this year.

Establishment and overhead costs

The second half of the year saw a reduction in the level of travel and face to face meetings, including board and committee meetings, which has helped us control costs in a number of categories, including Irrecoverable VAT as we reduced our input tax. Cost control remains a key focus for all staff.

Professional and bank charges

Association accountants Robson Laidler have acted as management accountants to the Association, preparing monthly accounts, dealing with VAT and assisting with budgeting and additional analysis work as and when required. They also assisted us with introducing a new accounting system during the year. With the appointment of a Finance Director, that work has now been largely brought in house and we will see a saving in this category in future years.

Exceptional Recruitment costs

These relate largely to the external agency cost of recruiting our new CEO which our Auditors agreed should be treated as exceptional rather than as part of normal trading. As these were unbudgeted it has had a significant impact on the result for the year.

Balance sheet

Our balance sheet position remains resilient with £428k of cash at the year end. Our self-billing model means many members trigger renewal invoices shortly before the year end, with many paying fees promptly this helps support the cash balance; for these, in addition to those fee invoices which increase trade debtors, there is a corresponding offset within deferred income and accruals.

Note prepayments includes amounts in respect of apprenticeships where teaching has been completed but we have yet to receive funding from ESFA. As we grow our L&D business, so this balance will increase.



Consolidated income statement for the year ended 30 June 2020

	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Income						
Annual Subscriptions		854,251			854,535	
Conference and Events		171,075			168,322	
Education and Training		875,654			641,171	
Other Income		22,572	1,923,552		23,050	1,687,078
Less: cost of sales			673,616			446,573
Gross surplus			1,249,936			1,240,505
Staff and promotional costs						
Training	3,730			11,927		
Salaries	883,379			709,901		
Social security	55,812			79,225		
Pension	29,701			63,550		
PR, Marketing & Advertising	43,371	1,015,993		53,156	917,759	
Establishment and overhead costs						
Computer	24,231			22,453		
CSA Board, Meetings and Travel	56,985			82,975		
Insurance	11,873			11,290		
Irrecoverable VAT	45,847			54,394		
Maintenance, Leases and Equipment	5,572			6,496		
Printing, Stationery and Postage	9,794			8,237		
Rent and utilities	50,717			51,606		
Subscriptions	13,676			18,558		
Telephone and helpline	15,487			13,189		
Miscellaneous	16,982	251,164		17,393	286,591	
Professional charges						
Audit fees	6,213			5,960		
Accountancy Fees	10,736			9,482		
Legal and professional	7,511	24,460	1,291,617	11,966	27,408	1,231,758
Operating (Deficit)/Surplus			(41,681)			8,747
Bank interest receivable			1,331			440
Depreciation			(14,145)			(6,454)
Exceptional Recruitment costs			(61,749)			0
(Deficit)/Surplus on Ordinary Activities Before Taxation			(116,244)			2,733
Corporation Tax			6,003			(2,271)
(Deficit)/Surplus after taxation			(110,241)			462
Reserves brought forward			380,541			380,079
Reserves carried forward			270,300			380,541



Consolidated balance sheet at 30 June 2020

	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Fixed assets						
Leasehold property		1,946			3,046	
Fixtures & fittings		9,561			14,256	
Computer equipment		18,822			20,078	
			30,329			37,380
Current assets						
Stock				2,000		
Trade Debtors	393,601			423,988		
Prepayments	251,407			197,992		
Cash at bank	428,455			490,446		
		1,073,463			1,114,426	
Current liabilities						
Trade Creditors	(70,162)			(111,206)		
Other creditors	(4,833)			(18,300)		
Accruals and deferred income	(731,745)			(605,020)		
HMRC Creditor	(26,752)			(36,739)		
		(833,492)			(771,265)	
Current Assets Less Current Liabilities			239,971			343,161
Total Assets Less Current Liabilities			270,300			380,541
Capital & Reserves						
Retained Earnings			270,300			380,541



Policies, reports and points of interest

CSA Policy Paper:

Squaring The Circle - setting the strategy for UK business 'Bounce Back' loans collections

The final quarter of 2020 saw the publication of the CSA's report on the Government's more than £42bn Bounce Back Loan Scheme (BBLs). In it the Association considered the scale of the challenges facing the Government in recovering these loans and what lessons it could learn from emulating the experience and expertise of the industry. Amongst the various recommendations was an emphasis on actively drawing on the skills that CSA members have in realising the best possible return on outstanding sums while doing so in an empathetic and supportive way to maximise the returns for the taxpayer, and key in all of this would be maintaining an ongoing dialogue with borrowers.

The potential implications of Bounce Back Loans for both the economy and for collections and purchase markets drove the decision to focus this report on the topic. However, the CSA's intention is that similar 'research pieces' should become a regular feature of CSA activities in the future. Delving more deeply into issues of relevance or interest to our markets and members will help to better represent and support members in the future.

The report is available here: www.csa-uk.com/page/csa-reports

HM Treasury's Women in Finance Charter

The HM Treasury's Women in Finance Charter (the Charter) is a commitment by signatory firms to work together to build a more balanced and fair financial services industry. Credit Services Association Limited supports this initiative and became a signatory to the Charter on 19 December 2019 and our name was added to the list of Charter signatories on gov.uk on Tuesday 23 June 2020.

We recognise that a balanced workforce is good for our activities as a trade body and very important for our subsidiary's activities as a training provider. We also strive to encourage an inclusive culture for all our staff.

Certain of CSA's members already subscribe to the Charter and by subscribing to the Charter in our own name we aim to promote gender diversity in the financial services sector that we serve. The CSA's Women in Finance Statement including targets, can be found here:

www.csa-uk.com/page/women-finance-charter

Modern slavery statement

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

The Credit Services Association is making a voluntary statement on modern slavery and human trafficking relating to section 54 of the Modern Slavery Act 2015.

The CSA's voluntary statement on slavery and human trafficking can be viewed here:

www.csa-uk.com/page/human-trafficking

Safeguarding & Prevent

The CSA is an equal opportunities employer and is committed to ensuring the safety and wellbeing of its people and learners. We are committed to promoting open debate and free expression within our learning environments, while recognising the need to challenge prejudice, eliminate discrimination and prevent radicalisation. We aim to develop our learners, and our people, to be effective citizens in a democratic society. The CSA's Safeguarding & Prevent Policy can be found here: www.csa-uk.com/resource/resmgr/docs/general/safeguarding_and_prevent_pol.pdf

Mental health

The CSA wants to promote an environment of mental wellbeing in which the individual can realise their potential and can cope with the normal stresses of life; and be able to work productively and fruitfully, and make a contribution to their community.

The CSA's mental health voluntary statement can be viewed here:

www.csa-uk.com/page/mental-health-policy

Cyber Essentials

In December 2020, the CSA successfully renewed its certification under the Cyber Essentials scheme.

Cyber Essentials aims to help organisations implement basic levels of protection against cyber attack, demonstrating to their customers that they take cyber security seriously. Cyber Essentials is an independently verified self-assessment, where organisations assess themselves against five basic security controls and a qualified assessor verifies the information provided. These five basic controls, when properly implemented, help to protect against unskilled internet based attackers using commodity capabilities – which are freely available on the internet.

Since 1 October 2014, Cyber Essentials became a minimum requirement for bidding for some government contracts.



www.csa-uk.com



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[Credit Services Association](https://www.youtube.com/CreditServicesAssociation)



Credit Services Association

2 Esh Plaza
Sir Bobby Robson Way
Great Park
Newcastle upon Tyne
NE13 9BA

T: +44 (0)191 217 0775

E: info@csa-uk.com

W: www.csa-uk.com

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