

Annual Report 2022

Credit Services Association
120th Annual Report



Who we are



The Credit Services Association (CSA) is the only national trade association in the UK for organisations active in the debt collection and purchase industry.

As the voice of the collections industry, **our vision** is to **build confidence** in debt collection by making the entire process **clear, easy to understand** and **less stressful** for all those involved.

As well as being a well-established industry trade body, the CSA* is also an **award-winning learning & development specialist** and an **Approved Apprenticeship Training Provider**. It supports its member firms, and employers in wider sectors to train, improve and assess their workforces in our specialist areas of credit, collections, compliance, counter-fraud, and debt advice.

We want to ensure that professionals working in our industry and related sectors, have **access to the best quality, up-to-the-minute training** and development opportunities.

**CSA Apprenticeships are provided by CSA (Services) Ltd as a subsidiary of the Credit Services Association (CSA).*

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
James Appleby
Andrew Bunting
Joanne Cowens
Denise Crossley
Craig Hinchliffe
Frank Horvath
Chris Leslie
Yvonne MacDermid OBE
Kathryn Morgan
Jane Peacock
Ian Rea
(resigned February 2022)
John Ricketts
Sarah Whiteley
(appointed February 2022)

CSA (Services) Ltd

Company registration number:
05055685

The Board of Directors

Lord Tom Chandos
Nick Cherry (Chair)
Peter Hayle
Craig Hinchliffe
Dr David Hutchinson
Chris Leslie
Fiona Macaskill
Yvonne MacDermid OBE
Kathryn Morgan
Jane Peacock

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 2022 although the Finance Report and the financial statements refer to the Association's financial year, which runs from 1 July 2021 to 30 June 2022.

Chair update

It has been my privilege to chair the Credit Services Association Board during 2022 and I am grateful to my fellow Board Directors for once again providing such sound stewardship for the organisation as we fulfil the mandate as our industry's trade association. As we reflect on the work of the CSA during 2022, I am clear that our objectives have guided our work well, with ongoing positive engagement across the sector, great networking opportunities, tangible influence demonstrated on external regulation, and a strong voice provided for member firms.

The CSA has offered important support to members especially as the FCA's new Consumer Duty obligations were being developed and prepared for during 2022 with dedicated workshops involving the relevant FCA policy team. Our representations to Government, highlighting some of the unintended consequences of the proposed 'Statutory Debt Repayment Plan', have been heard and Ministers have now paused progress on the draft regulations to reconsider the matter.

It was a pleasure to attend last September's UK Credit & Collections Conference (UKCCC) in Manchester. We had great cross-sector participation, speakers on panels and at our plenary sessions with first class specialist knowledge, and an Awards Dinner with guest speaker Paul Sinha providing memorable entertainment. My thanks to all who attended making the event such a success, following the previous year's conference leading the reopening of industry gatherings following the pandemic.

Significant expertise and efforts have been invested in the development of our CSA Learning & Development services during 2022. We were delighted that Ofsted gave their 'good' rating to our apprenticeship provision and we delivered tailored collections-focused training through our Collections Learning Initiative (CLI). While we are supporting apprenticeships across a range of companies and sectors (including the public sector and local authorities), we want our courses to be embraced especially by the collections sector and so we would

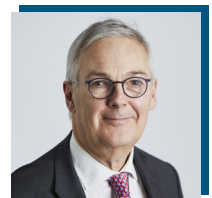
welcome all feedback about the sort of skills support the CSA could develop further.

2022 represented a year of recovery from the COVID pandemic, which continued to cast a shadow across the CSA's finances as apprenticeship uptake lagged in line with the sluggish economic backdrop - with prudent cost control being a priority. The Board and executive team are conscious of the need to maintain our services and rebuild financial reserves and we are grateful for the support of member firms especially as inflationary pressures required an increase in fees during the year.

I was glad that 2022 has seen the reformed Data Gathering Initiative put into practice so that our head office team can have improved insight into the trends and dimensions of activity in the collections and debt purchase sector. This provides vital evidence in presenting our case to policy-makers. The data we derived from our Opinion public attitudes opinion poll in the summer of 2022 also illustrated how the public take a more realistic and understanding view of the work of the collections sector than is sometimes portrayed in the media.

I would like to show my appreciation to the whole staff team for their dedication to the CSA during 2022. My thanks also goes to all the CSA Board members - noting in particular that 2022 is the final year of service for two of our most long-standing Board members, Denise Crossley and John Ricketts, who have offered unwavering help and support as the CSA has evolved over this time. I hope that in 2023 the CSA will be well-placed to rise to the challenges facing our sector and we can continue to demonstrate to member firm customers, the public and policy-makers how significant the contribution made by collections is to a healthy and well-functioning economy.

Tom Chandos
CSA Chair



Chief Executive report

2022 was the year in which high inflation emerged as the dominant challenge for the British economy. Changes in the labour market following the pandemic, supply chain disruption, the Russian invasion of Ukraine and market reaction to the Government's September mini-Budget have ended the era of 'cheap money' and driven interest rates significantly higher. Combined with a global economic downturn, 'stagflation' has eroded household savings and increased cost pressures for consumers and businesses alike – conditions that are filtering through to default rates and adding to the levels of forbearance already offered by creditors and collections agencies.

Ministers and regulators are looking to the financial services sector to maintain credit availability while simultaneously introducing new measures such as the Financial Conduct Authority's (FCA) Consumer Duty which, although not in force until mid-2023, has required firms collecting on consumer credit in our sector to begin significant preparations. The CSA has been able to work closely with the FCA as it developed its approach, clarifying the scope of the changes and sharing with member firms their latest thinking. We made representations about some of the design flaws in the Treasury's Statutory Debt Repayment Plan which have helped lead to a rethink. And our report on free debt advice provision urging greater transparency and measurable outcomes has been reflected in some of the policies taken forward by the Money & Pensions Service (MaPS).

Our mission as the UK's national trade body for the collections and debt purchase sector is helped by the strong participation of our member firms in our monthly Virtual Members' Meetings, Regulation Roundtables (now meeting again face-to-face), specialist workshops and of course our annual UK Credit & Collections Conference. Without members informing us of the conditions they are facing and the business realities on the frontline, we are unable to effectively articulate the policy changes we need to decision-makers. I would like to thank you

for your dialogue and feedback over the past year (especially to those member firms who have welcomed visits from CSA colleagues).

It was incredibly rewarding to have gained an Ofsted 'good' rating for our apprenticeship services, reflecting the hard work and dedication of our Learning & Development Director Fiona Macaskill and her team. It came against the sad backdrop of the death of our much-valued colleague Kim Macmillan at the start of 2022, whose contribution to CSA's Learning & Development had been so significant.

Like many other sectors of the British economy, collections and debt purchase have been evolving – and we have seen several mergers and acquisitions during 2022. We ask member firms to report to us their latest data on trends and volumes so that we can keep track of the market and make policy representations accordingly.

The CSA's Code of Practice continues as a crucial benchmark of the professionalism we aim to maintain, a level of standards sought by creditors working with our sector, and as a statement against which customers can hold member firms to account.

Many of our members are active across borders, so we have continued our membership of the Federation of European National Collections Associations (FENCA) where I have been elected to serve on their Board of Directors.

I hope that this report illustrates the value that CSA provide for our sector in proving the important function that collections play in the wider economy. I would like to thank all our staff and tutors who have shown such impressive commitment and dedication in 2022, and express my appreciation for the support offered by the CSA Board.

Chris Leslie
CSA CEO





CSA committees

Chair's Committee

Tom Chandos (Chair)
Nick Cherry
Joanne Cowens
Denise Crossley
Chris Leslie

Audit & Risk Committee

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

Conduct Committee

Tom Chandos (Chair)
Chris Leslie
Yvonne MacDermid

International Affairs Committee

Frank Horvath (Chair)
Jim Appleby
Andrew Bunting
Chris Leslie
Sarah Whiteley

Nomination & Remuneration Committee

Tom Chandos (Chair)
Denise Crossley
Yvonne Macdermid
Kathryn Morgan
Jane Peacock

Public Relations Committee

Andrew Bunting (Chair)
Tom Chandos
Craig Hinchliffe
Chris Leslie
John Ricketts

Regulation & Compliance Committee

Joanne Cowens (Chair)
Jim Appleby
Denise Crossley
Craig Hinchliffe
Chris Leslie
Kathryn Morgan
Sarah Whiteley

Board & committee attendance

Standards and Quality Sub-committee
 Regulatory & Compliance Committee
 International Affairs Committee
 Chair's Committee
 CSA Board
 CSA (Services) Ltd Board
 Nomination & Remuneration Committee
 Audit & Risk Committee

Meetings held in 2022:	2	4	4	2	4	3	5	2
Jim Appleby	-	-	4	-	-	2	4	-
Andrew Bunting	-	-	3	-	-	2	-	-
Tom Chandos	2	2	4	2	4	-	-	-
Nick Cherry	-	4	3	-	3	-	-	-
Joanne Cowens	1	-	4	-	1**	-	4	-
Denise Crossley	2	-	2	1	3	-	3	-
Peter Hayle	2	3	4	2	4	-	-	-
Frank Horvath	1	-	3	-	-	3	-	-
Craig Hinchliffe	-	3	4	-	-	-	1	-
David Hutchinson	-	3	-	-	-	-	-	2
Chris Leslie	2	4	4	2	4	3	4	2
Fiona Macaskill	-	4	-	-	-	-	-	2
Yvonne MacDermid	-	4	3	2	-	-	-	2
Kathryn Morgan	-	1	4	1	-	-	3	-
Jane Peacock	-	4	4	2	-	-	-	2
John Ricketts	-	-	4	-	-	-	-	-
Sarah Whiteley*	-	-	3	-	-	3	1	-

Notes

¹ Figures indicate number of meetings attended where applicable.

² The PR Committee meets informally as required.

³ The Standards and Quality Sub-committee was formed in Autumn 2022.

* Joined Board in February 2022 - attendance is based from the date of 2022 AGM

** Joined the Chair's Committee from March 2022.

Committees review

Audit and Risk Committee

During the course of 2022 the CSA maintained good financial accounting practices and our committee met in the Spring of 2022 as normal to review the Association's financial and budget plans, risk register and reserves policy, meeting again in November 2022 to liaise with external auditors Robson Laidler Accountants Ltd and review the annual report and accounts for 2021-2022. During that financial year, although our learning and development revenues were below budgeted expectations, the Association performed well given the broader economic climate, risks are well-documented and anticipated and the executive team have shown adequate prudence in controlling costs as effectively as possible. I would in particular like to thank Peter Hayle our Director of Finance and Operations for his careful financial management of Association funds and the auditors for reporting again that our financial statement represents a true and fair view of the company's affairs and that they are also prepared correctly in line with all normal requirements.

Denise Crossley, Committee Chair

CSA (Services) Ltd

As Deputy Chair at the CSA one of my roles is to chair the CSA (Services) Ltd Board, a wholly-owned subsidiary of the Credit Services Association established to govern our commercial output, principally for our learning and development specialist products.

Our big achievement in 2022 was gaining an Ofsted 'good' rating in the Spring, with a positive report from the inspectors who explored the quality of education, leadership and management affecting our over 200 apprentices in training at that time.

Ofsted concluded that our apprentices "*develop increased confidence and expertise as a result of the high-quality training they receive from the CSA's experienced and knowledgeable tutors*" and that managers have established a "*culture of high expectations, characterised*

by ambitious curriculum content, high standards of integrity and professional behaviour". Importantly they also found our safeguarding arrangement to be effective. For a first-time inspection, the Board were really pleased with this outcome, which validates the hard work and investment of the CSA Learning & Development Director Fiona Macaskill and her team.

We have taken forward some of the recommendations on curriculum and teaching with the creation of a new Board sub-committee established in September 2022. Chaired by fellow Board member Jane Peacock, it is tasked with reviewing education quality questions and reporting to our quarterly CSA (Services) Board meetings.

The Board also oversaw the reapplication of our place on the Education and Skills Funding Agency's (ESFA) Register of Apprenticeship Training Providers.

We are eager to hear from member firms about the skills training and other services that the CSA could assist with in 2023. The Collector Accreditation Initiative (CAI) has been refreshed, and is a useful management tool and our digital learning content covers areas such as customers in vulnerable situations, regulation and legislation, and will cover Consumer Duty considerations in 2023.

My thanks to the CSA team and fellow Board members for their hard work in the past year.

Nick Cherry, Chair

"We are eager to hear from member firms about the skills training and other services that the CSA could assist with in 2023"

International Affairs Committee

During 2022 the International Affairs Committee considered policy questions including the potential implications for debt collection of the EU's Consumer Credit Directive review, the impact of the UK's Data Reform Bill on equivalence with GDPR rules, the European Banking Authority's (EBA) consultation on standardised information requirement to support non-performing loan (NPL) sales, and the wider European challenges of a high inflation environment.

It was good to see a number of international delegates attend our UKCCC conference in September 2022, and we would welcome dialogue from CSA international members on the issues and agenda we should focus on for the year ahead.

The CSA has remained committed to membership of FENCA in order to maintain the flow of insight and dialogue at a pan-European level, which is important for a significant number of CSA member firms despite the departure of the UK from the European Union. Indeed, we were pleased to support our Chief Executive Chris Leslie's nomination to the FENCA Board this summer, succeeding the Board post held until this point by our Head of Policy Henry Aitchison.

Frank Horvath, Committee Chair

“It was good to see a number of international delegates attend our UKCCC conference in September 2022, and we would welcome dialogue from CSA international members on the issues and agenda we should focus on for the year ahead.”

Public Relations Committee

Working with the CSA's HQ team, the PR Committee helps to ensure that the voice of member firms is well represented in coverage, reactions and proactive media comment throughout the year.

The PR Committee considered articles and campaigns and during 2022 a number of crucial topics have seen the CSA quoted in specialist and wider media. For example, we have considered commentary on the energy bill price rises and consequences for collections, environmental, social, and governance (ESG) issues facing financial services, financial fraud, the cost of living, regulation, and commercial collections.

The CSA has contributed blogs to various publications including Credit Strategy and Credit Management magazine, including on the policies of the Financial Ombudsman Service and our policy reports about Debt Advice and the emerging new technologies adopted by our sector. Perhaps most significantly during 2022, we commissioned an opinion poll survey which resulted in useful data about public attitudes towards collections.

We review the 'Key Messages' of the CSA at each full Board meeting so that the CSA's Chief Executive has delegated authority to react to media enquiries in an effective way, which has proved useful during 2022 in reacting to regulatory announcements such as the new Consumer Duty policy and the Government's decision to review the Consumer Credit Act.

Andrew Bunting, Committee Chair

Regulatory & Compliance Committee

Since taking on the Chair of the Regulatory & Compliance Committee, the dominant topic at many of our committee meetings has been the FCA's proposal for a new Consumer Duty, an obligation which can at first glance seem similar to the existing 'Treating Customers Fairly' model but which in fact goes further, with the requirement to provide 'fair value' and more explicit obligations for firms to take account of customer behaviours and vulnerabilities.

The new rules come into effect in summer 2023 and provide the FCA with much stronger routes to enforcement, especially as their 'cross-cutting' rules give the regulator a very wide remit. The CSA made strong representations ahead of the consultation deadline and the outcome reflected well some of our concerns, including the dangers of a private right of action for consumers to sue and the risks of CMCs exploiting this.

The Regulatory & Compliance Committee has met on several occasions in 2022 and as well as the Consumer Duty, we have deliberated on Consumer Credit Act reform, the cost of living pressures facing customers, the Statutory Debt Repayment Plan proposals and the Government's Financial Services Bill. My thanks to other committee members for their valuable input which also helps our executive team as they make representations to regulators, not least through our quarterly FCA meetings.

Joanne Cowens, Committee Chair

“..the dominant topic at many of our committee meetings has been the FCA's proposal for a new Consumer Duty.”

Standards and Quality Sub-committee

In Autumn 2022 we established a Standards and Quality Sub Committee to build on our Ofsted GOOD rating. This forum brings together the CSA's Executive and Directors with a specific focus on continuous improvement in our learning and skills offer for the sector. Our work concentrates on further enhancing governance challenge and support for the curriculum and teaching. The sub-committee met twice in 2022, in September and then again in November. The members of the committee in attendance at both meetings were Chris Leslie, Fiona Macaskill, Yvonne MacDermid, David Hutchinson and myself as Chair.

Jane Peacock, Sub-committee Chair

“Our work concentrates on further enhancing governance challenge and support for the curriculum and teaching.”

CSA 2022 timeline

January

CSA report:

The Outbound Contact Dilemma - understanding and overcoming the barriers to customer engagement

CSA member survey:

Consequences of digital and 'self-serve' customer dialogue.

March

CSA report:

Embracing Technology: the growth of digital communications in the collections sector

Cyber Essentials Plus

certification renewed

CSA (Services) receive 'Good' rating from Ofsted in first official inspection

May

CSA workshop:

Consumer Duty: It's Not Business As Usual

CSA named **Apprenticeship Training Provider Champion**

at Lincolnshire Apprenticeship Champion Awards 2022

February

CSA Skills Summit

CSA AGM

CSA appoints board member:

Sarah Whiteley

Collections Learning Initiative (CLI) launched

New online training product

April

CSA member survey:

Retained Consumer Credit Act Provisions

CSA report:

Wide of the mark? Assessing the delivery and value of free-to-client debt advice

June

CSA CEO Chris Leslie **Appointed to Board of FENCA**

CSA Financial Ombudsman Service workshop:

Prevention better than cure - Communicating effectively with FOS and complainants

September

**CSA UK Credit & Collections
Conference (UKCCC) & CSA Awards**
held at Radisson Blu Manchester Airport

Award winners

CSA Merit Award

Jaine Rowley
(Arvato Financial Solutions)

CSA Team Award

Data on Demand

CSA Innovation Award

Arum & Lloyds Banking Group

Kim MacMillan Award

Russell Collins
(ACT Credit Management Ltd)

CAI Awards

Controlaccount (<100 collectors)
Oplo Group (>100 collectors)

July

CSA report:

Modernising consumer
protection:
The case for reforming
& updating the
Consumer Credit Act

November

Meeting

between
CSA, Scottish members and
Skills Development Scotland

October

Opinion polling results:

Survey of public attitudes towards
debt collection

CSA workshop:

Consumer Duty:
Implementation plans
and key milestones

August

CSA article:

Collections,
fraud and mistrust -
the challenges facing
the sector

December

CSA Virtual Members' Meeting: Public Sector Partnerships

Speakers from Crown
Commercial Service,
HMRC, Insolvency
Service and DWP

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.

Federation of European National Collection Associations (FENCA) – play an active part to benefit members, raising relevant issues and feeding back.



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.

Support members' recruitment, retention and training needs through offering a range of specialist apprenticeship standards.



Promote

Continue to maintain the Code as the benchmark for industry best practice, assuring quality and professionalism in the services CSA Members provide.

Promote the benefits of membership and communicate the value it provides.

Address policy challenges through our committees and report their work.

For Association membership, 2022 was a year of acquisitions, amalgamations and growth for a number of our members. There was also an increase in the number of new members joining the Association, and I would like to extend a further warm welcome to our new members joining us in 2022.

Acquisitions

Although some acquisitions and amalgamations can have a negative impact on the Association in terms of number of members as well as a reduction in income from membership fees, seeing such growth in the sector is incredibly positive and underpins the importance of debt collection and debt purchase as a vital service to the UK economy.

For those members who have acquired another CSA member, I would like to remind you of the requirement set out in the Declaration of Compliance which states; *should a member acquire any other member firm of the CSA (or purchase its assets) that member agrees to notify the CSA and to pay the equivalent of nine months of the membership fee that would normally fall due for that member firm being acquired within the year following the acquisition. This will not apply where the acquisition results in a change in the membership fee to a higher fee band.*

It is also necessary for those members who have acquired another CSA member to move across to a group membership subscription. This does not affect the benefits of membership each member within the group is entitled to, however, it does create fairness to the voting system at our AGM, with the 'master' member having one vote which represents all those within their group.



Breakdown

1 January 2022 -
31 December 2022

Full	134
Sub-account	39
Affiliate	32
International	21
Foundation	7
Creditor	19
Supplier	14
Intermediary	4
Industry stakeholder	1
Total:	271

Renewals

In 2022, as well as an inflationary increase to membership fees there was also a rebalancing of the membership fee brackets, a task which has not been done for several years. I appreciate the cost of membership for 2022/2023 may have come as a bit of a surprise to some of our smaller sized members, particularly those in the 'under £500k' fee bracket. As with almost all of our members, our own costs have risen and it was necessary to increase membership fees to reflect this. The elected Board worked hard to find as fair an approach as was possible and reflect that the smaller the firm, the more keenly the member would be affected by the increase. The Board also deliberated at length as to how best to restrain the impact on the smallest of our members while still trying to strike a balance of apportioning CSA costs fairly throughout all levels of membership. Part of this involved simplifying the CSA's fee-band structure, which included the removal of the "under £500k turnover", therefore making the lowest fee band "up to £1million turnover". We do recognise that an increase at any time, but particularly now, is unwelcome for any member even though it was necessary from the CSA perspective given we're a not-for-profit organisation.



New/lapsed members 1 January 2022 - 31 December 2022

	New	Lapsed
Full	8	10
Sub-account	0	0
Affiliate	5	8
International	2	2
Foundation	1	1
Creditor	0	0
Supplier	5	0
Intermediary	0	0

New members

1 January 2022 - 31 December 2022



- Breal Credit Management Ltd (Full)
- CDER Group Ltd (Affiliate)
- CSS Credit Solutions Services (PTY) Ltd (International)
- Debtstream Solutions Ltd (Supplier)
- ExpertSource Global Services Pvt. Ltd (International)
- FieldConnect Ltd (Full)
- Firstsource Solutions UK Ltd (Affiliate)
- FIS South East Ltd (Full)
- Indigo Cloud (Supplier)
- Just Digital Marketplace Ltd (Affiliate)
- Medina Credit Management Ltd (Full)
- Perch Capital Ltd (Full)
- Perch Group Ltd (Sub-account)
- Phidex Ltd (Full)
- Recordsure (Supplier)
- Relational FS (Supplier)
- Rhino Credit Control Ltd (Foundation)
- TCN Inc. (Supplier)
- TM Legal Services Ltd (Affiliate)
- Trade Debt Recovery Ltd (Full)
- ZenAuto Ltd (Affiliate)

Data Gathering Initiative (DGI)

We made substantial changes to DGI in 2022, including the termination of our contract with Registry Trust Ltd, who had hosted the DGI platform for almost four years, allowing us to bring the process in-house. This allows us to quickly and effectively identify and remedy any anomalies in the data being submitted, which in turn gives us a greater level of confidence that the responses received are reliable and valid and collectively giving us a more robust, true picture of the shape of the collections and debt purchase market in aggregate.

The data is collected under strictly observed rules of confidentiality as set out in our Articles of Association with further safeguards in respect of the limited number of CSA staff able to have sight of the returns.

In July, at the point of membership renewal, we introduced an annual questionnaire (for Full and Foundation members only) as part of DGI, and it is with thanks to those eligible members that submitted data through the annual questionnaire that we are able to share, for the first time in a number of years, a high level summary of the aggregated data (see below).

In addition to the newly introduced annual questionnaire, in 2023 we will be reintroducing quarterly submissions for a small number of our largest members, commencing with Q1 2023 in April 2023. Further communications will be sent to those members.

The quarterly questions will still reflect those asked in the annual questionnaire around volume, value and number of, however will now include questions on repayment arrangements, i.e. are they generally remaining at the same, lower or higher rate, with the aim of telling us more about customer habits over time, as well as the impact of cost of living, for example.

As we are regularly asked to take part in panel discussions or media requests, having reliable data to hand will prove invaluable.

DGI was always meant to be a reciprocal arrangement with members – you put in, and we share the output. However, because of nervousness around the accuracy of the data, we haven't been able to reciprocate, however with a more manageable process in-house giving more confidence in the data, we will be able to share more insights with the membership on a regular basis.

DGI data


1 April 2021 - 31 March 2022


£30bn of consumer debt was held for collection representing some 25million+ accounts.

£4bn of commercial debt was held for collection representing over 1.5million+ accounts.

£46bn of debt was owned by purchasers.

£2.3bn of debt was purchased.

 Over 11,000 staff were employed in the UK.

 Complaints recorded on 0.2% of accounts, with uphold rate of 30% by member firms.

Complaints

Although our Code complaints are, in the context of complaints as a whole for the sector, a tiny fraction, it is interesting that the uphold rate for CSA Code complaints is not too dissimilar to that of either the Financial Ombudsman Service (FOS) or firm-handled complaints. This appears to be a consistent theme, and supports what FOS itself has said about the sector not typically being of concern compared to other consumer credit markets (or even wider financial services markets).

237 CSA Members sign-up to the CSA Code of Practice and are covered by the Complaints Process.



156 complaints were received.

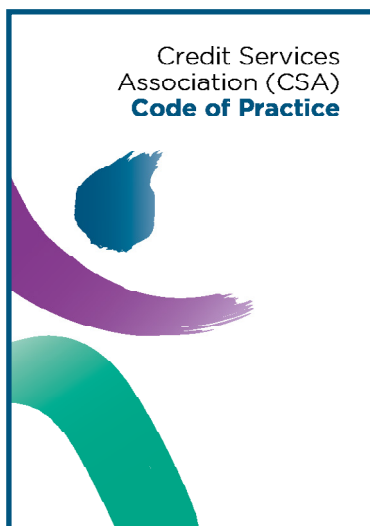
Of complaints closed...



32 were upheld.



59 rejected.



Regulation Roundtable Insights

The first half of 2022 continued with virtual Regulation Roundtables, however, acting on feedback from members and regular attendees of the meetings, we reintroduced face-to-face regional meetings for the second half of the year. Thank you to all those that represented their organisations at the sessions throughout 2022.

Discussions at these meetings are invaluable for understanding members' concerns and facilitating the exchange of best practice. In 2022 discussions included: the cost of living crisis and forbearance; the incoming Consumer Duty and the impact on members; customer vulnerability; diversity and inclusion; FCA reporting; FOS and challenging their charging; consumer forums/template letters; new technology in the sector; recruitment; and the impact of the Credit Information Market Study interim report.

Regional face-to-face Regulation Roundtables will continue in 2023.

Stakeholder engagement

We continued to strengthen our relationships with stakeholders throughout 2022, including: quarterly meetings with the Financial Conduct Authority (FCA) which allow both CSA and FCA to share insights and discuss matters of concern; FOS Trade Association (TA) meetings which is a platform for TA's to discuss common areas of interest with FOS; Input into the Government's Fairness Group, discussing debt collection in the public sector; HMT and Insolvency Service and providing valuable feedback on the introduction of the 'breathing space' scheme; representation at SCOR; and MALG bi-weekly meetings which are useful to understand the thinking of the advice sector and any impact on members.

Claire Aynsley
CSA Head of Membership
and Compliance





CSA Learning & Development

In memory of Kim Macmillan

I want first to pay tribute to our much-loved colleague and friend who we lost in January 2022. Kim was the life and soul of the Learning and Development team and in equal measure was a good friend and skilled and highly-valued colleague.

The tributes we received from across our partners and stakeholders - including member firms - were a great comfort to us and Kim's family. If you are in the north east at any time, please take some time to visit the memorial bench which was donated to the regional charity Beamish Museum to celebrate Kim's life. Thank you to everyone who contributed to the fundraising effort.

External validation by Ofsted

Following an extraordinary delay due to the pandemic, the CSA team were relieved when the much-anticipated call from the Ofsted Lead Inspector came in March 2022.

There are four possible grades resulting from an inspection and as an Independent Training Provider it is critical to maintain the right to deliver government-funded training by avoiding the lowest grade (inadequate). A grade 3 (requires improvement) can result in a freeze in recruitment of apprentices, seriously undermining the viability of the business.

Five inspectors were with us for three days and we were very proud of our final outcome where we were awarded a 'Good' rating as an apprenticeship training provider.

I want to thank everyone involved from the CSA in this successful outcome, but I would like to highlight in particular the contribution of Zoe Dellow and Harvey Watson before, during and after the inspection. I also want to recognise Ashleigh Johnson for her determined and thorough work during the last four years in ensuring that CSA fulfill its safeguarding and Prevent obligations to a very high standard.

Performance

CSA apprenticeships provide consistently high levels of assurance to employers, with over 80% (2020/21) of apprentices successfully completing their apprenticeship, which is 30% above the national average.

For levy payers and non-levy payers, investing the time and commitment in a CSA apprenticeship contributes to upskilling and directly improves staff retention at their firm.

All employers are experiencing challenges recovering from the pandemic as staff recruitment remains difficult. This also had an effect on apprenticeship starts which means our numbers remained steady, so it is good to report that there are some significant signs of growth in our apprenticeship numbers as we move into 2023.

Governance

It is expected that organisations who deliver government-funded apprenticeships set up robust governance to ensure the quality of provision and the protection of public funds. The CSA (Services) Ltd board meets quarterly and provides dedicated and exemplary oversight.

This year a new committee has been set up. Chaired by Jane Peacock - one of our specialist independent directors - it provides in-depth focus on the quality of the curriculum, content and delivery of apprenticeship training.

This provides additional support and challenge to the operational team and will continue to drive the continuous improvement of our apprenticeship delivery.

The future

We continue to work strategically with Trailblazer employer groups as they develop new apprenticeships, and review established apprenticeships. This includes the new Trading Standards Level 6 and Governance Officer Level 4. We have also contributed actively to reviews of Credit and Collections and Compliance and Risk apprenticeships.

We are anticipating launching the Level 6 Trading Standards Professional apprenticeship in the first half of 2023, building on our highly-successful Regulatory Compliance Officer Apprenticeship.

Alongside new apprenticeships, the CSA Learning and Development department are continuing to develop digital learning under the Collections Learning Initiative (CLI). This will include content to support members as they move forward with Consumer Duty regulation in 2023.

We continue to respond to requests from member firms for tailored and bespoke training to support the development of frontline, supervisors and compliance colleagues.

Strategic partnerships

We continued to build on historic partnerships and create new strategic relationships through the year. Working closely with the International Compliance Association (ICA) for professional qualifications, Northumbria University for delivery of court room skills training in Counter Fraud Investigation apprenticeships, the Chartered Trading Standards Institute (CTSI) for the development and promotion of apprenticeships. We continue to be represented in the DFE Intermediary Ambassador Network, and are active members of the Association of Employment Learning Providers (AELP).

We are also working to support members to navigate the skills-funding landscape in Scotland, most recently chairing a member event in Glasgow with presentations and discussions led by three representatives of Skills Development Scotland.

Fiona Macaskill
CSA Director of
Learning & Development



CSA Apprentices in the UK

As of December 2022:



Delivering to
195
Apprentices



Working with
99
employers



Including
34
Local
Authorities



63
Apprentices
passed

81%
CSA
apprenticeship
achievement rate*

*ESFA 2020/21

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 high standards our industry demands.

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.

CAI Results: Year end 31 December 2022

 Collectors who passed:	2,164
 Number of CSA member companies accredited:	62

2022 was another busy year for the Sales department covering the different areas of the CSA from dealing with L&D/Apprenticeship enquiries, new membership enquiries and membership engagement, as well as working on CSA events across the year.

The main focus has been on apprenticeships through generating leads and converting enquiries. We have seen a further increase in the number of enquiries during 2022 (in comparison to 2021) regarding all of the apprenticeship standards that we provide.

We have increased the number of new apprenticeships for companies, who are either using their own Levy funds or making use of the Levy transfer (companies with an annual payroll of under £3m). We have seen larger numbers of learners on our cohorts compared to last year along with the potential of long-discussed closed cohorts coming to fruition in the first six months of 2023.

We continue to receive membership enquiries covering all membership types and all sizes of companies, which shows the enduring interest in the Association.

“We continue to receive membership enquiries covering all membership types and all sizes of companies, which shows the enduring interest in the Association.”

This year’s UK Credit & Collections Conference (UKCCC) was held at the Radisson Blu Hotel at Manchester Airport and saw an increase in the number of delegates, exhibitors and sponsors against 2021, despite being very sensitive to the fact that the event occurred during the difficult period of national mourning following the passing of the Queen.

We received very positive and complimentary feedback from delegates, and we exceeded our targets for both exhibitor/sponsor revenue and overall event profit.

Next year will see us focusing on the continued growth of apprenticeship revenue, the updated version of CAI, expanding the CLI product range, bespoke training options, and working towards the UKCCC on 14 September, along with regular events such as the Regulation Roundtables (now returned to an in-person format), Virtual Members’ Meetings and others.

New Membership Applications & Acceptances

The number of companies enquiring about becoming members of the CSA in 2022 was 67 (2021: 85). However, these enquiries still represent a broad mix across all classifications of membership.

At the end of December, we had 21 companies (2021: 16) signed up with a further nine in active discussions to become members. These companies represent new DCAs in our Foundation category, more established DCAs in our Full Member category as well as companies that fall into Affiliate, International and Supplier.

I am confident that this will continue into 2023 and ensure that our member company numbers are maintained across the year.

Mark Buckley
CSA Head of Sales



The attempt to return the economy to ‘business as usual’ post pandemic was short-lived.

‘Turmoil’ doesn’t do the events of 2022 and how they have shaped the year justice: conflict in Ukraine, supply chains still in disarray following the pandemic, energy and other commodity costs driving a cost-of-living crisis, domestic political instability, and rising interest rates putting added pressure on consumers and firms as they try to reposition to deal with these.

Government priorities have changed and shifted, often quickly. The same was, and is, true of the challenges facing both businesses and their clients and customers.

The cost-of-living crisis has affected businesses and consumers alike. Higher energy costs and increased costs in borrowing as interest rates rise to pick but two, have driven up domestic and commercial costs. Operationally, that has led to greater challenges in tackling a broader swathe of potential financial difficulty and vulnerability while reducing ability to repay.

Again, we have been active in driving home the value of a highly skilled and efficient collections sector to the economy, both in consultations and in broader engagement. With budgets ever more constrained, creditors are increasingly in need of realising outstanding debts quickly, but with the cost-of-living crisis pressuring domestic and commercial debtors, the ability to pay is becoming potentially more of a challenge.

Underlining the effectiveness and efficiency of our markets in balancing these competing issues has been a constant theme in our engagement and we expect this will continue in 2023.

We have also actively engaged on a range of significant policy developments: the detail of the Consumer Duty, the development of the Standard Debt Repayment Plan, the nascent steps toward reforming the Consumer Credit Act 1974 that the Government is now consulting on, and more. But political instability has been disruptive. As ministers changed, new Cabinets had different priorities and conversations and relationships needed to be reforged.

Alongside the more conventional lobbying, we have continued to undertake thematic work to either stimulate debate or strengthen our hand in wider lobbying on behalf of members. Our exploration of the free-to-client debt advice sector achieved both, eliciting more support than criticism. It has helped open new lines of discussion as we campaign for a more sensible approach to both regulatory and funding arrangements, particularly given the wider pressures that are being experienced throughout the economy.

“Again, we have been active in driving home the value of a highly skilled and efficient collections sector to the economy, both in consultations and in broader engagement.”

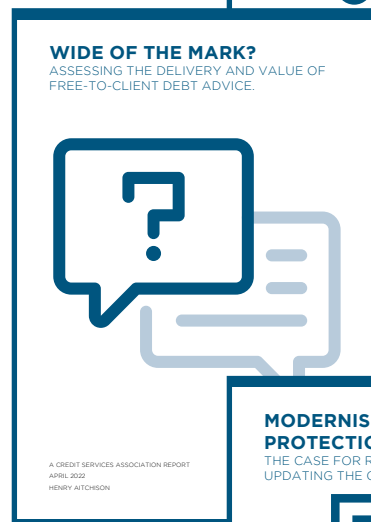
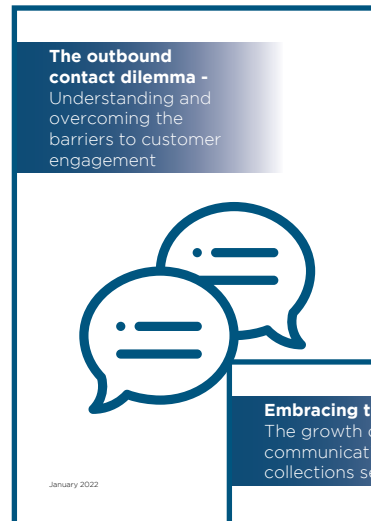
Looking into 2023, it is unclear what the current government's priorities might be. The deeply flawed Statutory Debt Repayment Plan, while a manifesto commitment, has been gently moved sideways to the Insolvency Service to resolve as part of its broader review of Personal Insolvency. The direction of travel on consumer credit appears to be the path of least resistance rather than genuine reform.

At the same time, economic uncertainty will likely drive political and policy activity. The 'Edinburgh Reforms' are touting a streamlining and rebalancing of regulation but only time will tell whether reform is genuine and beneficial, or simply cosmetic. The economic outlook is similarly uncertain but high energy prices and wider inflationary pressures are likely to make the cost-of-living crisis remain a factor for some time. Vigilance will be needed to ensure that we are inputting as extensively as possible to avoid the unintended consequences of rushed and poorly costed policy proposals.

These, and other factors, can be expected to push an agenda that will encapsulate tensions between liberalising regulation and protecting those in financial difficulty. Tighter financial conditions will certainly drive calls, some well-reasoned and some less so, for more and greater regulatory intervention beyond purely financial services.

The challenge for the CSA in 2023 will be in continuing to underscore the breadth and depth of expertise amongst members, restraint in intervention and cost, and that change should be evidence led.

Henry Aitchison
CSA Head of Policy



2022 CSA reports
www.csa-uk.com/csa-reports

HR & Operations

Very sadly, Senior Learning and Development Coordinator, Kim MacMillan, passed away in January 2022 after a short illness. Kim's role has not been replaced, however, Lead Tutor, Harvey Watson, has offered additional support to the Learning and Development department during this difficult time.

The CSA continues to operate a hybrid working model, having implemented a new cost-saving, web-based telephone system to maximise efficiency of communications for remote workers. The continuation of home working has enabled the CSA to remain in its existing premises and a new 5-year lease was entered into in 2022 with no increase in lease costs. An additional car parking lease at Esh Plaza has also been terminated, contributing to further cost savings.

2022 has seen some staff turnover. Digital Marketing Executive, Rebecca Clark, left the Association in June 2022 to pursue a new opportunity. This role has not been replaced, however, the sales department has recently been strengthened with the appointment of Business Development Manager, Dianne Moralee. Dianne has been appointed on a fixed-term contract and will concentrate on developing new opportunities within the apprenticeship and learning and development space.

Independent Director, Jane Peacock, continues to support and bring expertise to the Learning and Development department and now chairs the Quality and Standards committee, as well as serving on the CSA (Services) Ltd board. At the recommendation of the Nomination and Remuneration Committee, the CSA Board has invited independent directors, Jane Peacock, and Yvonne MacDermid OBE to renew their appointment for additional two-years terms. The Board has also recommended that Independent Chair, Tom Chandos, be reappointed for a one-year term and the membership will be asked to ratify this appointment at the AGM in February 2023.

Ashleigh Johnson
CSA Head of
Internal Operations



The year started with a Law Group meeting held virtually in January. It was well attended and issues discussed included the proposed Consumer Duty; Civil Justice Council review of the debt Pre Action Protocol; the Non-performing loans directive (NPL Directive); volume solicitors/secret commission claims (Pengelly case related); CMCs and claims management activities of solicitors/barristers update; prescribed CCA notices and reform of retained provisions; and possible reforms in the area of lower limit for high court enforcement officers. The next meeting is being planned for the first half of 2023.

It has been good to return to in-person meetings. UKCCC was held on a much larger scale this year with interesting sessions from external law firms including on Consumer Duty and some of the Regulation Roundtables are again being held in-person. It has been very useful to be able to have the option to engage with members on legal issues both virtually and in-person. I am looking forward to spending some time with members on member visits in early 2023 as part of our drive for the whole senior management team to engage more closely with members.

“ I am looking forward to spending some time with members on member visits in early 2023 as part of our drive for the whole senior management team to engage more closely with members.”

There were various consultations throughout the year that touched on legal topics potentially affecting members including two Scottish initiatives: the Moveable Transactions (Scotland) Bill and the Scottish Law Commission: Major review of mortgage law: Discussion Paper on Heritable Securities: Default and Post-Default.

After several years in the pipeline the Directive on credit servicers and credit purchasers (the NPL Directive) was agreed and published at the end of December 2021 and member states will be required to adopt measures implementing the Directive by 29 December 2023 and to apply those measures from 30 December 2023. We will be monitoring the situation to see how various member states implement this. We have also been seeking member views on the European Banking Authority consultation on “Implementing Technical Standards on NPL transaction data templates;” and the EU Commission guidelines for a best-execution process for sales of non-performing loans on secondary markets.

Much of our attention has been focused, and will continue to be focused in 2023, on the Consumer Duty including the discussion of practical member scenarios with the FCA.

As well as consultations and new legislation/regulation an appeal case, of interest particularly to our debt purchase members, was concluded during the year (*Intrum v Baldwin*) which helpfully confirmed that a servicer acting through a debt purchaser/assignee can bring proceedings to recover a debt.

An area to watch during 2023 will be automation and artificial intelligence as members explore these options, not least to contain costs of business, and with increased regulatory focus on these topics by the FCA, Bank of England and the Prudential Regulation Authority (PRA).

Internally this year legal support provided has ranged from considering the sanctions regime and its possible application to international members to renewing the CSA Newcastle office lease. The legal support provided to the CSA Learning & Development team has been mainly in relation to apprenticeships including looking at the new subcontracting governance requirements under CSA's agreement with the ESFA and putting contracts in place with a number of partners both for the delivery of specialist elements of the apprenticeships we offer and the development of materials for new apprenticeship standards. We started to offer new e-learning modules this year through the new Collections Learning Initiative (CLI), with simple licence terms being drafted to support the commercial sale of this product.

We have updated our existing Competition Law policy with a new CSA Statement of Competition Law Compliance and information for members is now being included in all events communications. Refresher training on the importance of Competition Law in the context of the work of a trade association has also been provided to all CSA staff.

Following the CSA Board elections in February 2022, CSA achieved its original Women in Finance Charter target of women making up 50% of senior management (including Board Directors) by the end of 2022. CSA (Services) Ltd exceeded its target of increasing the gender diversity on its board from 0% to women making up a minimum of 30% by end 2022 in March 2021 when the percentage of women represented on its Board reached 40%. The challenge for 2023 will be maintaining these targets and/or setting new standards.

“Following the CSA Board elections in February 2022 CSA achieved its original Women in Finance Charter target of women making up 50% of senior management (including Board Directors) by the end of 2022.”

Angela McClean
CSA General Counsel



Marketing & Events

As confidence rose post COVID, and following our 2021 annual conference being one of the first major industry events in 2021 to be held as a face-to-face, we started to plan more face-to-face events as we entered 2022.

The 2022 Skills Summit (formerly the L&D Conference) was held virtually with it being promoted at a time when public confidence was low due to a rise in COVID rates. Our Monthly Members' Meetings also continued in a virtual format, and will do for the foreseeable future. We see these events as an important opportunity to engage with members on a monthly basis to discuss issues or challenges they may be facing without the need to travel. These continue to be one of our most popular member events.

413

total Virtual Members' Meeting registrants in 2022

Our Regulation Roundtables were held both virtually and face-to-face, with the first half of the years' events held virtually, and the second round face-to-face at member premises in Glasgow, Manchester and London. The majority preference is for these to be held face-to-face going forward. These events also form the contents of our CSA Insights documents (No 10 and 11 produced in 2022) which are shared with all members following each round of Regulation Roundtables. These post-event documents provide a useful summary of discussions at the roundtables and are an important resource for members who work in compliance and who cannot attend in-person but wish to be kept up to date on developments in this area.

We also held a number of chargeable virtual workshops in 2022 covering The Consumer Duty and Complaints, where we welcomed external speakers from both the FCA and FOS, giving members the opportunity to speak face-to-face with regulators/arbitrators respectively. These were both very well-attended and received positive feedback.

The 2022 UK Credit and Collections Conference was held face-to-face in Manchester at the Radisson Blu Manchester Airport. A bustling event which saw a 30% increase in delegate attendance, 40% increase in exhibitor attendance, and 55% increase in sponsorship. The event organisation was presented with some challenges late on, initially threatened by national rail strikes (announced to take place on the same day as the event itself), but these were then called off following the news of the Queen's passing. This also presented a number of never experienced before challenges, however, with some minor changes to show our respects, we decided to hold the event as planned.

★ UKCCC delegate feedback:

Conference:



Choice of sessions available:



Networking opportunities:



The CSA Awards welcomed Paul Sinha to the stage to help present and celebrate the outstanding work and commitment of staff and teams within membership organisations. The 2022 awards also saw the introduction of a new award, open to both CSA members and non-members, in honour of the late Kim MacMillan. Kim was the Senior Learning & Development Consultant and a treasured member of staff at the CSA, who sadly passed away earlier on in the year. The award commemorates Kim and her huge contribution and dedication to her learning and development work.

The evening also raised £700 towards the Pakistan Floods Appeal.

Marketing

In 2022 we decided for the first time in 15 years to bring our PR work in-house, and no longer procure the services of Gravity London. Throughout the year we steadily increased our media contacts as well as building our relationships with relevant trade publications. We continued to engage with regulators, Government departments, consumer groups and industry stakeholders through our public relations and policy work, and continued to see a steady stream of direct contact from media enquiries via our new contact form on the CSA website. We also continue to produce guest blogs authored by a selection of industry experts and senior CSA staff to offer expert opinions and thought leadership pieces.

“We continued to engage with regulators, Government departments, consumer groups and industry stakeholders through our public relations and policy work.”



Our digital marketing continues to be a healthy engagement tool for members, industry contacts, attendees at our events, and finally, as an educational outlet for customers of member companies. Across our social media platforms, we continue to grow our reach, with almost 3,000 followers on twitter and 5,000 followers on our LinkedIn page. Video content also continues to be a focus with a large number of informative videos launched in 2022, including the production of a brand-new suite of Learning and Development videos featuring some of our apprentices, CSA tutors, and external line managers. Our YouTube page which houses our video content attracted 3,684 views in 2022, which equated to 72.2 hours watch time. Viewing stats were up 81% from 2021, and watch time was up by 43% over the same period.

Email continues to be our main form of contact with members and it is encouraged to refer to these to fully maximise the value of their membership as they contain news, guidance and other resources. We now have three standing weekly emails - CSA Events, CSA Compliance Roundup and CSA News. We saw a healthy open rate across all three category of emails, and this pattern ran across our other adhoc emails which are sent to members as and when they are required. The member-only section of the CSA website also contains resources for members and is regularly updated.

“Across our social media platforms, we continue to grow our reach, with almost 3,000 followers on twitter and 5,000 followers on our LinkedIn page.”



Colleen Peel
Head of Marketing & Events

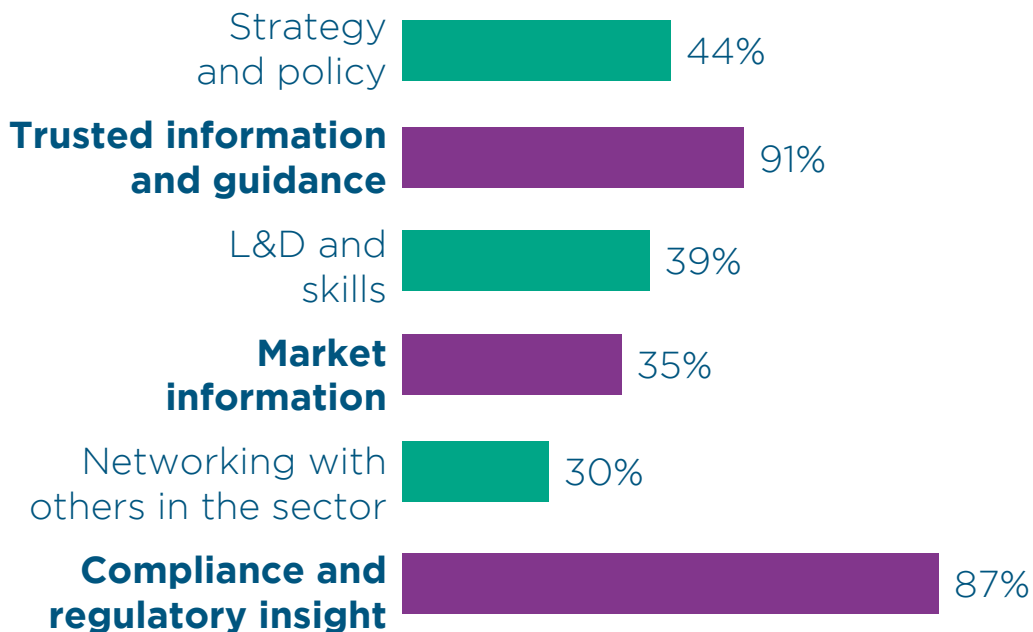


① CSA end of year member survey

★ **83%** rated the services provided by the CSA as **Excellent** or **Good**.

📄 **91%** access CSA materials or events **Regularly** or **Occasionally**.

What do you find the CSA most useful for?



* Respondents could select more than one answer

👍 **78%** **'definitely would'** recommend CSA membership to a non-member firm.

What are the top two reasons your company is a member of the CSA? **Reponses included:**



The wealth of relevant, important issues brought to member's attention...



Guidance/support on the interpretation and implementation of new and emerging regulation/industry best practice.



Ability to influence regulatory change through collective engagement.



Coordination and submission of member feedback to consultations in order to have a greater level of collective impact from the CSA members.



Desire to be part of driving up industry standards.



Credibility in the market.



Regular, timely and relevant updates on industry and regulatory developments.

Looking to 2023, what topics would you find it most useful for the CSA to focus on? **Reponses included:**



**Engagement
with
customers**

GDPR

**CCA
reform**

**Consumer
Duty**

**Statutory Debt
Repayment
Scheme**

**Focus on
smaller
members**

**Debt
advice
funding**

**Cost of
living
crisis**

Finance report

As referenced throughout the Annual Report, the last year has continued to be challenging in many areas, and this is reflected in our financial performance for the year to 30 June 2022. We made a pre-tax deficit of £98k following a similar deficit, £122k, for the previous year as detailed below. While the result is disappointing, as we aim to generate a surplus each year to maintain financial strength, we believe we should return a profit for the year ending June 2023. Indeed, we are trading profitably in the current year as at the date of this report and are well ahead of previous targets. We continue to have confidence in our business model of a vibrant membership organisation supported by an active training arm.

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 high level of renewals into membership year 2022/23.

Conferences and events

The events that we put on every year continue to be well supported. With Covid we had to cancel our annual conference planned for 2020 but were able to return to hosting in September 2021. This explains the increase in conference income comparing 2021 to 2020 though as one of the very first face-to-face events in our sector, attendee numbers, and hence profit, were down on previous events. However, we were delighted to see that the UKCCC 2022 was a much larger event (as covered elsewhere in the Annual Report) and we will see the additional returns from that reflected in next year's numbers.

Learning and Development

Learning & Development comprises our apprenticeship program, our Collector Accreditation Initiative (CAI), and also bespoke training. Our apprenticeship income was below last year as we saw learners completing their apprenticeships and not being replaced at the same rate against a continued background of uncertainty, which in many cases meant deferred decisions on

recruitment and starting apprentices. 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. With regards the apprenticeship levy it is worth noting that 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 (who only have to pay 5% anyway), to review the courses offered by the Association to ensure they make cost effective use of the training that is available.

We have a flexible and scalable model with our tutors and are able to respond quickly to changes such as the move to online teaching, but we have added some back office resource in terms of our quality, compliance and project management capability. The CAI remains an important resource for members as it provides independent verification of learning and knowledge of members' teams. We have invested in a new platform and overhauled the question bank in collaboration with members making it more user friendly, improving the reporting of results and expanding the range of questions. which we believe will further increase take up.

Staff and promotional costs

Our people-related costs remain by far our largest expense and were lower than for the prior year largely due to not replacing some positions which fell vacant despite bringing more services in house. We continue to scrutinise all staff-related costs very closely.

Establishment and overhead costs

Cost control remains a key focus for all staff and this is shown in the general reduction in overhead costs of 11%. We have seen an increase in travel and Board costs as we returned to more face-to-face meetings with the relaxation in Covid restrictions. Travel costs remain well below historic levels but we would expect this to slowly rise as we look for greater engagement with members and attendance at events, and move from a pure online model. Subscription costs were lower as last year and included a one-off £7k contribution to FENCA.

Professional and bank charges

Accountancy charges reflect work done by our external auditors Robson Laidler who continue to support us on payroll and tax computations. I can also confirm that we have received clean audit opinions on our Annual accounts for the year to June 2022.

Balance sheet

Despite the loss recorded we had a substantial cash balance of £363k at the year end. Our self-billing model means many members trigger renewal invoices shortly before the year end, and with many paying fees promptly this helps support the balance sheet; 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 Learning & Development business, so this balance will increase.

The Intangible asset represents the internal cost of producing the Collections Learning Initiative modules which has been capitalised. The leased property asset relates to the leasehold improvements for our Newcastle office which were written-off over the term of our original 10-year lease.

We will be looking to increase the strength of our reserves over coming years by continuing to generate modest profits and year to date trading is positive in this respect.

Other Information

Note I am happy to report that we received an 'Unqualified' audit opinion from our external auditors, Robson Laidler, and while these numbers represent a consolidated position, copies of the individual statutory accounts are available to members on request.

“We are trading profitably in the current year as at the date of this report and are well ahead of previous targets. We continue to have confidence in our business model of a vibrant membership organisation supported by an active training arm.”

Peter Hayle
CSA Director of
Finance & Operations





Consolidated income statement for the year ended 30 June 2022

	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Income						
Annual Subscriptions		925,265			873,443	
Conference and Events		99,822			8,685	
Education and Training		957,217			1,050,129	
Other Income		19,360	2,001,665		18,661	1,950,918
Less: cost of sales			756,824			668,955
Gross surplus			1,244,841			1,281,963
Staff and promotional costs						
Salaries	920,809			947,166		
Social security	100,774			102,622		
Pension	26,019			27,667		
Training	2,904			10,375		
PR, Marketing & Advertising	60,225	1,110,731		61,283	1,149,113	
Establishment and overhead costs						
Computer	25,937			24,925		
CSA Board, Meetings and Travel	12,793			2,669		
Insurance	13,361			15,576		
Irrecoverable VAT	32,009			47,950		
Maintenance, Leases and Equipment	5,536			6,338		
Printing, Stationery and Postage	2,187			2,997		
Rent and utilities	58,236			53,850		
Subscriptions	18,755			28,839		
Telephone and helpline	12,821			15,922		
Miscellaneous	13,806	195,441		20,102	219,168	
Professional charges						
Audit fees	8,085			7,420		
Accountancy Fees	1,362			3,675		
Legal and professional	14,887	24,334	1,330,506	13,559	24,654	1,392,935
Operating Deficit			(85,665)			(110,972)
Bank interest receivable			112			559
Depreciation			(12,590)			(11,532)
Exceptional Recruitment costs			0			0
Deficit on Ordinary Activities Before Taxation			(98,143)			(121,945)
Corporation Tax			4,274			14,630
Deficit after taxation			(102,417)			(107,315)
Reserves brought forward			162,985			270,300
Reserves carried forward			60,568			162,985



Consolidated balance sheet at 30 June 2022

	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Fixed assets						
Intangible assets			19,759		0	
Tangible assets						
Leasehold property	-			846		
Fixtures & fittings	8,477			9,526		
Computer equipment	7,113			16,720		
		15,590			27,092	
			35,349			27,092
Current assets						
Trade Debtors	366,909			300,639		
Other debtors/Prepayments	227,775			269,864		
Cash at bank	363,103			412,630		
		957,787			983,133	
Current liabilities						
Trade Creditors	(78,881)			(68,406)		
Other creditors	(4,985)			(7,476)		
Accruals	(13,596)			(11,829)		
HMRC Creditor	(32,623)			(28,055)		
Deferred Income	(802,464)			(731,368)		
Corporation Tax	(19)			(106)		
		(932,568)			(847,240)	
Current Assets Less Current Liabilities			25,219			135,893
Total Assets Less Current Liabilities			60,568			162,985
Capital & Reserves						
Retained Earnings			60,568			162,985



Policies, reports and points of interest

2022 CSA reports (all available at www.csa-uk.com/csa-reports):

The outbound contact dilemma - understanding and overcoming the barriers to customer engagement

This report highlighted the consequences of consumer wariness when it comes to receiving unexpected telephone contact from debt collection agencies and outlines some potential solutions.

Embracing technology: the growth of digital communications in the collections sector

This report found that firms expect to either explore or adopt new communications technologies in the coming years, which will afford customers a broader range of options to engage and discuss their debt.

Wide of the mark? Assessing the delivery and value of free-to-client debt advice

This report states that while consistent and high-quality debt advice serves a very important role in helping people navigate the challenges presented by financial difficulty, there are still outstanding questions in relation to value and efficiency.

Modernising customer protection: the case for reforming & updating the Consumer Credit Act

In this report the CSA drew attention to the mismatch between the requirements of the existing legislation and the needs of modern society and business, calling on new Treasury Ministers to prioritise reforms.

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 supports this initiative and became a signatory to the Charter in December 2019 and our name was added to the list of Charter signatories on gov.uk in June 2020.

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

Some of CSA's members already subscribe to the Charter and by doing so in our own name as an Association 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/women-finance-charter

Voluntary statement on slavery and human trafficking

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/human-trafficking

Safeguarding & Prevent Duty Policy

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 voluntary statement

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/mental-health-policy

Cyber Essentials

The CSA renewed both its Cyber Essentials Basic and Cyber Essentials Plus certifications in early 2022 and is underway with renewal for 2023.

Since 2019, CSA has held Cyber Essentials Basic accreditation, a self-assessed information security standard which is a minimum requirement for bidding for some Government contracts and is required by the Education & Skills Funding Agency for acting as an Approved Apprenticeship Training Provider.

In December 2020, the Association also underwent the Cyber Essentials Plus assessment and was awarded a Certificate of Assurance that we comply with the requirements of the scheme, and the CSA has held Cyber Essentials Plus accreditation since 2020. Cyber Essentials Plus is the audited version of the basic standard and involves a series of tests that provide a further level of assurance that the technical and procedural controls required to mitigate common internet-borne cyber attacks, have been successfully implemented within the organisation.

Cyber Essential Plus assessing organisation, Waterstons Ltd, said: "The assessment of Credit Services Association validated that the organisation has excellent technical information security controls in place, which fulfil the requirements of the Cyber Essentials Plus standard."

CSA Statement of Competition Law Compliance

As a trade association it is important for the Credit Services Association to act in accordance with Competition Law. The CSA Statement of Competition Law Compliance sets out our approach to compliance with Competition Law and can be viewed here:

www.csa-uk.com/resource/resmgr/docs/general/csa-comp-law-statement.pdf



www.csa-uk.com



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