DEMSA Bulletin – 4/2/2023

Welcome to the latest DEMSA bulletin, in which we look at recent breaking news and events. We have focused on the latest developments with the FCA Consumer Duty and the recent FCA consultation on Debt Packagers (CP23/5) that follows on from the recent update to SIP 3.1. We explore whether these activities are actually joined up.

In today's bulletin

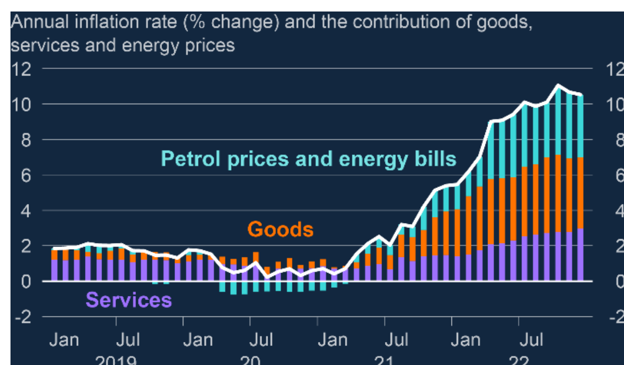
• General update	• Financial promotions
• Consumer Duty countdown	• Bank of England – Credit Union Q3 data
• 2022 Insolvency Statistics	• Training
• CP23/5 – Debt Packagers consultation	• Events

General update

Starting on a positive note the FTSE 100 closed at record high. Speculation is that this was lifted by investors betting that a weak pound will help UK firms abroad and that the worst of the cost-of-living crisis has passed.

The Bank of England (BoE) has increased the interest rate to 4%. Since December 2021, they have increased the interest rate from 0.1% to 4%. This is expected to peak at 4.5% later in 2023. At its meeting ending on 1 February 2023, the MPC voted by a majority of 7–2 to increase Bank Rate by 0.5% to 4%. Two members preferred to maintain Bank Rate at 3.5%. UK Finance has commented and made specific reference to homeowners. With 1.8m fixed mortgages set to mature this year, many borrowers will be facing a rise in repayments when they remortgage. UK Finance has commented that while it's some help that fixed rates have slipped back from their former peak above 5%, and are now often around 4%, the shockwaves from the higher repayments will continue to reverberate, impacting consumer spending and confidence. This is a key factor in horizon scanning for debt advisers, where homeowners represent a very low percentage of IVA cases for volume providers. They represent a low proportion of cases for debt advice providers like StepChange based on their monthly stats for November and December 2022.

UK Finance has focused on pressing member issues, including focus on supporting customers through the cost-of-living crisis, building greater resilience, and enhancing their operations to help customers navigate continued uncertainty.

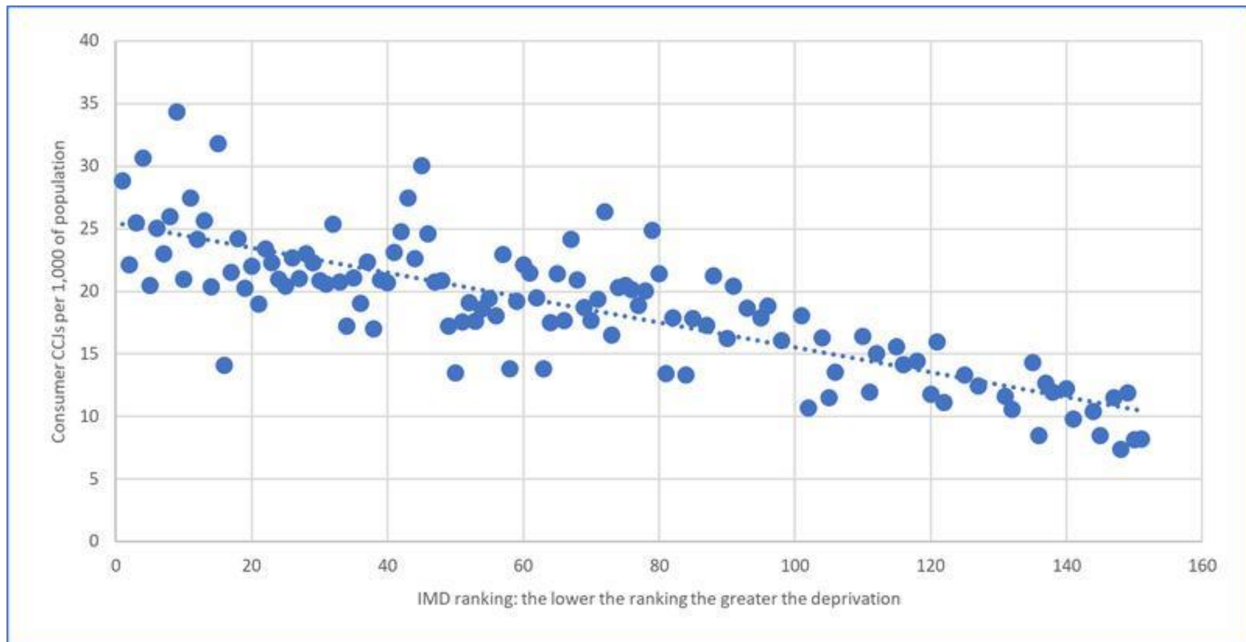


Inflation falling

BoE has commented that inflation has begun to fall, but in December 2022, prices were still 10.5% higher than a year ago. That is well above the BoE 2% target.

Lower income households still see real inflation at around 20%.

Registry Trust (RTL) – better data could help tackle the cost-of-living crisis



I picked up on this post by Mick McAteer, Chair of RTL. He explores the number of households in a very financially vulnerable state and how better data could help tackle the cost-of-living crisis and help consumer protection regulators hold firms to account on treating vulnerable consumers fairly.

Investor in Customers – Lantern award

Congratulations to Denise Crossley and the Lantern team for achieving the award from Investor in Customers and retaining the Gold standard for 4 consecutive years, particularly when managing vulnerability.

Debt buyers can expect a “Dear CEO” letter imminently. Vulnerability will be topical.

World Cancer Day

Helen Pettifer has posted on World Cancer Day. A timely reminder that there are around 700,000 people of working age living with a cancer diagnosis.

Money Advice Trust (MAT) has issued a press release around ‘Enhanced debt advice services will help 440,000 people over next three years’, which takes account of the MaPS national debt advice award and a collaboration with Citizens Advice and Mental Health UK, as rising cost of living drives increasing need for debt advice. The National Debtline Partnership will offer a telephone casework service to National Debtline clients for the first time, provided by Citizens Advice and Mental Health UK’s Mental Health & Money Advice service. I will probably need to determine what the casework comprises of and whether this means they can offer DMPs and handle client money.

Energy Ombudsman complaints at a record high

Figures shared with the BBC show 105,340 complaints were received by the Ombudsman in 2022, a jump of more than 50% compared to 2 years before.

Ofgem recently posted on inappropriate practices.

Data from Which? suggests UK households are struggling to keep up with their bills, with some 2.3m UK households missing an essential payment last month, up from 1.9m in December 2022. They also analysed ONS data and found that different household types and income groups experienced different levels of inflation in 2022. Lower income households have experienced inflation closer to 20% according to a number of economists through 2022.

There is a powerful post by Dr Elizabeth Blakelock around the recent British Gas publicity around meters being installed. Helen Lord at the Vulnerability Registration Service (VRS) has been very active as well in the national media.

As ever, timing can be untimely after British Gas and Arvato were award winners in November 2022 and British Gas has been prominent in their future commitments following Ofgem 'deep dives', where they came out relatively well compared to their peers. A vulnerable customer should not be switched. They are defined as someone "significantly less able" to represent their own interests, or "more likely to suffer detriment" than a typical customer. The BBC article references the use of the Debt Respite Scheme. Citizens Advice has responded to the Ofgem statement on forced prepayment meter installations.

Citizens Advice service staff are supported by more than 18,500 trained volunteers, working at over 2,500 service outlets across England & Wales. By the end of 2022, Citizens Advice helped around 235,000 people with energy issues. This was more than 50% higher than 2021 and more than double than in 2020.

The FCA Consumer Duty will place further competency requirements on front-line staff, including volunteers, around the provision of consistent and high-quality debt advice that can be evidenced in line with CONC 8 and under Principle 12 from July 2023.

Ofwat and CCW welcome water companies' efforts to ease cost of living pressures

Last week, DEMSA covered the Ofwat and CCW feedback on water companies providing support to consumers with the cost-of-living crisis. Water companies submitted their plans to Ofwat and CCW in December 2022. Ofwat required water companies to publish their 2023-24 charges on or before 1 February 2023.

Water UK has announced a 7.5% increase, where customers will pay on average £31 more than last year. The average household becoming £448. This is below inflation and that the water sector is a large consumer of energy (2% of total usage).

CCW chief executive Emma Clancy said:

> "Water is essential for all of us so no-one should be worried about being able to afford their bill."
>
> "We urgently need a new water affordability scheme that provides consistent support based on people's needs."

Water poverty campaigner Jess Cook at National Energy Action (NEA), said social tariffs are essential for low-income households. She said: "The current postcode lottery means where you live affects what you pay and what support you receive."

She added that access to a Social Tariff should be made fairer, more consistent, and accessible to everyone who needs it, regardless of where they live. DEMSA supports this position and that these checks are part of routine vulnerability and affordability assessments.

Bankruptcy and dealing with motor vehicles

An update on The Insolvency Service website that may be relevant to debt advisers.

Link: https://www.gov.uk/guidance/technical-guidance-for-official-receivers/27-motor-vehicles
Link: https://www.gov.uk/guidance/debt-advisor-tools-and-information

"Dear CEO" - FCA expectations to implementing the Consumer Duty

The FCA has published "Dear CEO" letters to a number of the major financial services firms in key sectors. **Debt advice firms should expect their letter imminently**, with a likely focus on the cost-of-living crisis, breathing space and having robust plans to implement the Consumer Duty. CP23/5 around debt packager proposals should reinforce the absolute focus on high-quality debt advice and tailored treatment paths for customers with characteristics of vulnerability. We have a number of providers like Aveni, Recordsure and others on the circulation with scaled automated QA tools, which will become increasingly important in evidencing consumer outcomes and that Conduct Rules have been deployed at a front-line staff level.

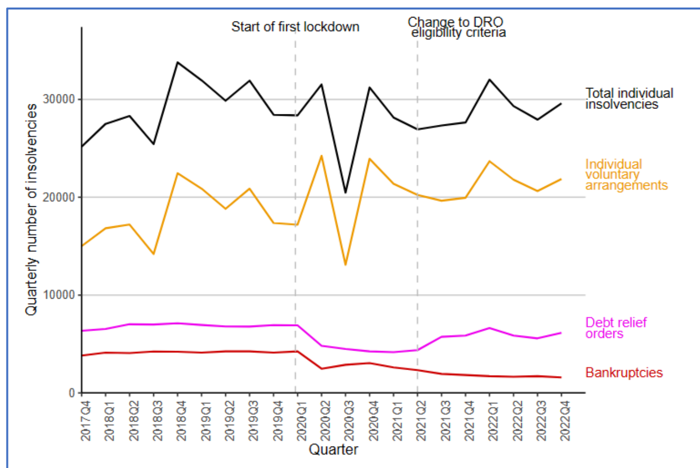
As previously reported by DEMSA, the FCA recently published a multi-firm review of firms' plans to implement the Consumer Duty. This has been incorporated in the latest DEMSA Consumer Duty training. We also have training being run in conjunction with the Vulnerability Registration Service (VRS – see below). **More training scheduled in February 2023**.

The statement below from the CRA version of the FCA sector letters focuses the mind:

"We expect the Consumer Duty to be a top priority for you (CEO) personally. We want good outcomes for customers to be at the heart of firms' strategies and business objectives, and leaders have a key role to play here. Firms' Boards and senior management should embed the interests of customers into the culture and purpose of the firm."

Whilst most of the sector letters are based on the same template messaging, there will be nuances by sector highlighting areas of scrutiny that the FCA supervisory teams have picked up on before. I will be reviewing the debt advice sector letter and the one for the Credit Union sector, which is also imminent and follows on from the Bank of England quarterly report on Credit Unions (see below).

Personal insolvencies England & Wales in 2022 - IVAs represent 74% of total



The Insolvency Service has published the annual personal insolvency statistics for 2022, where bankruptcies (6,662) were at their lowest level since 1982.

The total number of IVAs was 87,969, up from 81,189 in 2021. 2022 witnessed several volume IVA providers disappear out of the market. There has been a tightening of financial promotions around 'in contemplation of appointment' advertising.

DROs rose to 24,219 from 20,135 in 2021. Despite the changes in eligibility criteria in 2021, average numbers are still below pre-pandemic levels.

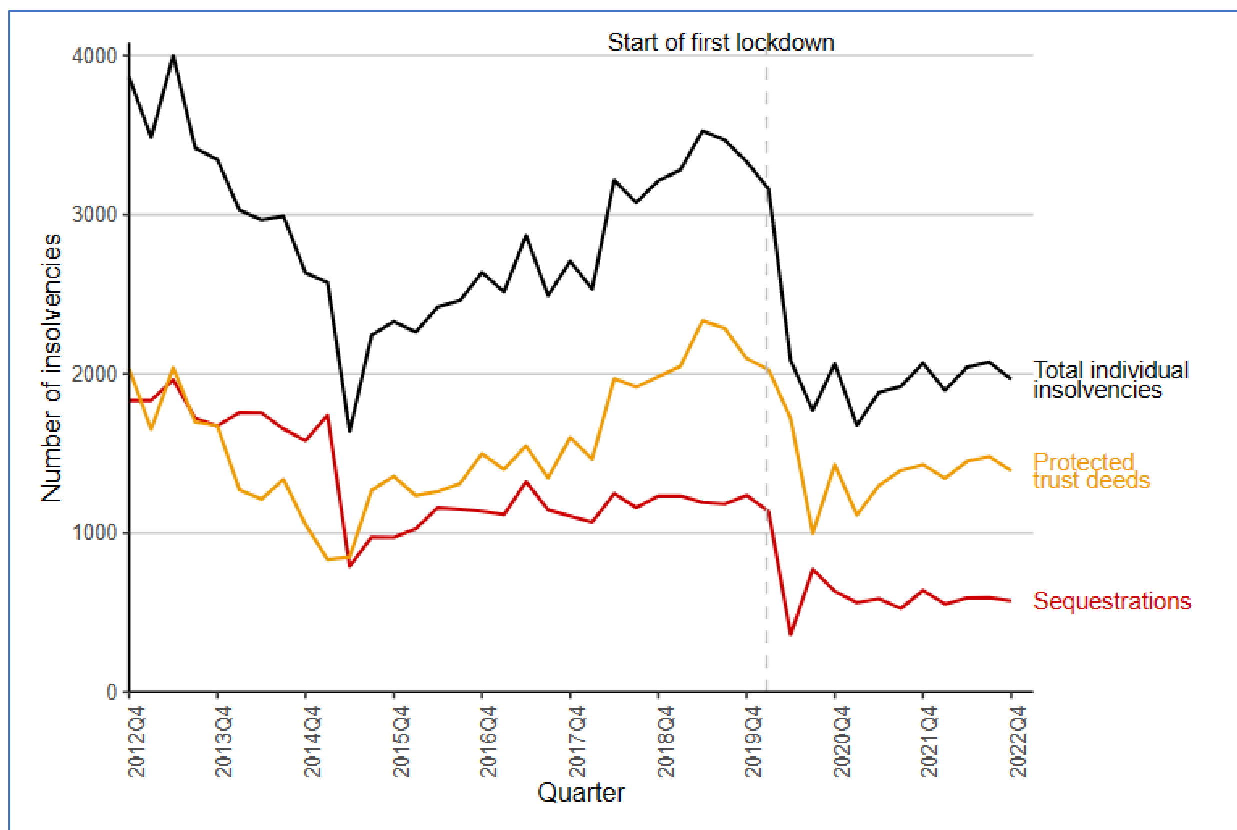
Year	Total individual insolvencies	Bankruptcies	Debt relief orders	Individual voluntary arrangements
2018	115,011	16,643	27,683	70,685
2019	122,150	16,743	27,467	77,940
2020	111,571	12,657	20,473	78,441
2021	110,045	8,721	20,135	81,189
2022	118,850	6,662	24,219	87,969

Overall, Q4 2022 was 6% up on Q3 and 7% up on Q4 2021. Given that StepChange Debt Charity has just reported a record month in January 2023 for debt advice sessions then we may see a sustained debt advice demand curve.

There were 70,546 registered breathing spaces in 2022, comprised of 69,334 Standard and 1,212 Mental Health breathing space registrations. Average quarterly Breathing Space numbers were 14% higher than in 2021.

Since the start of the scheme in 4 May 2021, more than 110,000 breathing spaces have been registered.

Individual insolvencies in Scotland



We featured some of the AiB stats last week.

Northern Ireland

Individual insolvency in Northern Ireland is governed by separate, but broadly similar, legislation to England and Wales, and so figures are presented separately. In Q4 2022 there were 430 individual insolvencies in Northern Ireland, which was 14% higher than Q4 2021. This comprised 388 IVAs, 27 DROs and 15 bankruptcies.

The debt packager proposals don't spend much time on legal jurisdictions and this may be important in CP responses where debt packager focus is primarily England & Wales.

CP23/5 and SIP 3.1 – is there any evidence of collaboration or the FCA properly engaging with the market?

Having reviewed CP23/5 several times, it feels like there has been minimal engagement with the sector at large. DEMSA members haven't been consulted this time around. It is not clear whether there has been meaningful dialogue with The Insolvency Service or RPBs like the IPA. It reads from the FCA response that 'one consultation response' equals 'one vote', with a number of individuals being counted alongside significant trade bodies, RPBs and large firms.

Richard Lane at StepChange, said; "It's encouraging that the FCA is improving its guidance on the regulated debt advice boundary in relation to referrals to an Insolvency Practitioner or their firm. However further clarification is needed to ensure consumers seeking advice about debt solutions would have the protection of the standards set by the FCA."

The DEMSA position remains as follows:

- Compliant and transparent financial promotions
- High-quality holistic debt advice subject to QA and alignment with industry best practice (e.g. MaPS QA framework)
- Compliance with Consumer Duty
- Breathing space adequately covered
- High quality suitability letter covering customer's objectives and alignment between CONC 8 and SIP 3.1 requirements
- Seamless journey into SIP 3.1 process (March 2023 version) where IVA is agreed solution
- Excellent record keeping
- Customer satisfaction surveys and consumer outcome measurement beyond debt advice

I am planning on having calls with the IPA and others to look at the sector response. I am, however, recommending that all debt management firms and not-for-profit (NFP) firms that may get caught in the cross-fire from this new consultation submit a response.

DEMSA will be responding and providing clarity to the points raised in CP21/30, which remain valid.

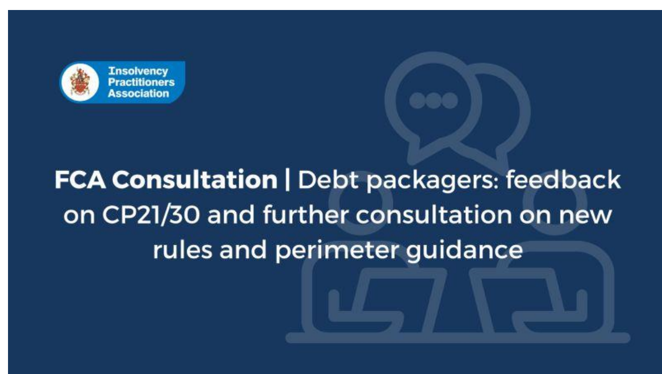
The points we made in CP21/30 were largely ignored and the ones actually referenced were mis-interpreted. I am pleased that our thoughts on Continuing Money Advisers were at least acknowledged and they have changed the wording in the proposed CONC text around remuneration being allowed from statutory solutions like DAS/DPP and SDRPs (if they ever see the light of day).

CP23/5 effectively sets out a 2-month implementation window from the point that the new Policy Statement is published. They have included Consumer Duty (Principle 12) provisions in the revised wording. Allowing for the consultation process concluding on 2 March 2023 and the review process of responses then we are looking at an effective date in the next 4-6 months. They make reference to their intent being clear in November 2021. We have also had the Principal/AR rules implemented in December 2022. It is not really clear on who is actually doing the policing of this as the FCA has been open that they don't want to supervise the 'debt packaging' sector.

The onus seems to fall on the RPBs and adapting SIP 3.1 to ensure there are no referral fees referenced in the proposals and that adequate due diligence has been undertaken on debt advice providers delivering customer referrals with no form of remuneration or cost recovery.

This all seems to highlight the total mess that the sector is in regarding dual regulation, dual standard supervision, inadequate funding and inherent conflicts of interest across the board. Some may argue that the recent MaPS awards have made this situation even more complex and precarious for the sector.

The IPA has posted on the topic as well as around misleading/non-compliant financial promotions.



I have set out some key points below with some emphasis in bold (by me). Many aspects need to be considered in conjunction with the SIP 3.1 changes from March 2023 and the Consumer Duty from July 2023. I suspect that many of the points will be used in more general comments to the debt advice sector in the "Dear CEO" letter, as is the FCA way when referencing 'outlier' behaviour.

Debt Packagers – CP23/5 – issued 2/2/2023 – response by 2/3/2023

1.19 In line with the proposal in CP21/30, **we are not proposing for the ban to apply to debt management firms** (see Chapter 2 for more detail). But we see a **risk that debt packager firms could look to become appointed representatives of a debt management firm to seek to avoid the proposed referral fee ban**. This would not be an acceptable outcome as it would expose consumers to the same risks from the debt packager business model that we are seeking to address. So, our proposals include an obligation on principal firms (including debt management firms) to take all reasonable steps to ensure that their appointed representatives do not receive any remuneration from debt solution providers unless the appointed representative is genuinely acting as a debt management firm itself (see Chapter 2 for more detail). **We would monitor this actively**.

2.10 We had serious concerns with 90% of the files reviewed where a fee-generating recommendation was made. In particular, we identified concerns that some debt packager firms appear to have:

- manipulated customers' income and expenditure (I&E) information to meet the criteria for an IVA or PTD
- not presented the risks and benefits of different solutions in a balanced way
- provided advice that did not accurately reflect their conversations with customers or information that customers had given

2.14 We therefore decided to consult on the referral fee ban. We proposed that debt packagers be subject to the ban, **but debt management firms (who provide solutions as well as debt advice) and not-for-profit (NFP) firms should be excluded**. As explained in CP21/30, debt management firms and NFPs have a different business model to debt packagers. The conflict of interest

presented by referral fees is less acute as it typically makes up only a small part of their revenues. Feedback from CP21/30 on the scope of the ban is provided later in this chapter.

2.23 To make sure we had a clear view of the different types of firms in the debt packager market, we categorised firms across the market based on factors that in our view may affect the management of the conflict of interest. These factors were:

- size (by share of customers, as suggested by respondent feedback)
- whether the firm uses Appointed Representatives (ARs) or not
- whether the firm had **mixed sources of revenue** or was primarily funded by referral fees

2.26 The remaining category, mixed revenue, yielded only one firm in the 2019 – 2020 date range we were targeting which was still active (2 others had cancelled their permissions since 2019/20). We see this firm as an outlier and note it has subsequently left the market. While this firm did not have available customer interactions to review, it referred very high numbers of customers to the highest paying solutions. **We still propose to capture this business model under the ban on the basis that it will prevent the risk of conflict of interest in mixed revenue firm entrants** (we explain our considerations on scope later in this chapter).

2.31 **We were only able to sample files from firms that had retained call recordings**, thus the sample may be biased towards firms with good record management procedures which is likely correlated with comparatively stronger governance and processes in other areas.

2.38 Our proposals would end the current debt packager model based on referral remuneration. **Firms which currently employ the debt packager model may choose to change their business model or leave the debt advice market**.

FCA previously estimated that around 52,000 of the 1.7m people who seek debt advice every year start their journey with a debt packager. They have no further estimate.

Debt management and NFP firms

2.43 In CP21/30 we considered whether the proposed ban should extend to debt management firms or NFP firms. As set out in paragraphs 3.7 – 3.10 of that document, we consider that the business models of such firms are very different to debt packagers, and the conflict of interest is not as acute. We are proposing not to apply the ban to NFPs or debt management firms. The majority of respondents agreed with this assessment in respect of NFPs, though the feedback was more finely balanced regarding the proposal to not extend the ban to debt management firms. **Nevertheless, half of respondents agreed with our proposed approach** (one consultation response = one vote methodology?).

2.44 Some respondents who supported the ban but disagreed with the proposal to exclude debt management firms from it suggested that debt management firms should be included to help provide clarity and consistency for firms and consumers. They also thought it could help to prevent firms trying to avoid the ban.

2.45 **Having considered this feedback carefully, we do not propose changing the scope of the proposed ban to include debt management firms or NFPs**. As we have set out, we are intervening in the debt packager business model because there is a strong and inherent **conflict of interest** in the business model itself, and we think it is not being adequately managed in practice. We currently see the risk of referral fees leading to non-compliant advice as being low for both NFP firms and debt management firms for the reasons we set out in CP21/30.

2.46 We also do not think that excluding debt management firms from the scope would lead to gaming. This is because debt packagers would need to seek additional permissions from us in order to become debt management firms, **and we would monitor any such applications carefully**. Additionally, we aim to prevent further gaming by tightening requirements on principal firms with regard to their responsibilities over any appointed representatives they have. As explained in CP21/30, we are proposing to introduce these rules to address the concern that existing debt packagers, or firms wishing to operate under the current debt packager business model, could become appointed representatives of a debt management firm and not be subject to the ban. We are confident that firms can understand the application of the proposed rules and guidance.

2.47 We agree with respondents who said that if the rules are made, firm behaviour needs to be monitored. **We will continue to scrutinise planned income streams as part of our consideration of any applications for authorisation as a debt counselling firm**. We will monitor firm notifications and received intelligence about debt advice firms. **We will also continue to engage with the Insolvency Service (IS) to understand any changes in how IVA/PTD providers source their leads**.

With respect to debt management firms, we found that referral fees made up on average only 1% of their revenues.

2.51 Further, we want to prevent debt packagers from being able to avoid our proposed rules by adapting their business models in minor ways so as to be out of scope. We are therefore maintaining the scope of the proposed ban to cover all debt packagers, including mixed revenue firms, but to exclude NFP and debt management firms.

Fixed, single referral fee for all solutions

2.57 We agree with feedback that fixed fees for all solutions have the potential to remove bias towards higher fee solutions. However, as the respondent who suggested this approach acknowledged, this would require fundamental reform of the provision of debt advice and support from all stakeholders, including government and other regulators, and significant resources to enact. It is not within the FCA's powers to do this alone. It is unlikely this could be arranged within a reasonable timescale, leaving consumers' risk of harm unaddressed.

Price cap

2.59 A price cap would have the potential to weaken the conflict of interest, in particular by reducing product bias (since fees paid in respect of IVAs and DMPs would become closer). However, sales bias (the incentive to refer to solutions that pay fees over those that do not) would remain. No responses, other than the suggestion of fixed fees for all solutions, suggested how this could be overcome. Therefore, it would not achieve our objective of removing the conflict of interest and the associated risk of harm to consumers. Additionally, as with the alternative above, the coordination and resources required to implement this fundamental change would be disproportionate.

Widening the insolvency practitioner exclusion

2.62 S Some respondents suggested the government should widen the exclusion applying to insolvency practitioners. The existing exclusion allows them to carry on debt counselling without FCA authorisation only if they are 'in reasonable contemplation' of being appointed as the insolvency practitioner for the customer. The rationale for the suggested expansion of the exclusion is that there would be less of a need for debt packagers to give regulated debt advice to customers. We do not think this would address the risk of harm. In effect, it would move the problem to the insolvency practitioner (and outside of our regulatory remit) and we would need much greater assurance regarding their ability to manage conflicts of interest to consider this proposal further.

Chapter 3

3.5 The feedback to CP21/30 suggested that we could be clearer about how the perimeter applies to lead generators. Our proposed perimeter guidance makes clear that to pass consumers to a solution provider who only offers one solution could constitute the regulated activity of debt counselling, depending on the circumstances of the individual case.

Implementation window of 2 months.

We therefore proposed for the ban to apply to all referral fees, even from FCA regulated debt solution providers. We remain of the view that this is appropriate.

4.32 **Debt management firms**. The responses to our proposal to not extend the ban to debt management firms were more finely balanced. **Of the 28 responses, 14 supported our proposed approach agreeing with our assessment in CP21/30** that the difference in business models between debt packagers and debt management firms means that debt management firms are much more likely to be able to manage any conflict of interest arising from receiving remunerations from debt solution providers, because our rules (CONC 8.7.2(R)) prevent firms 'front loading' fees, so the DMP provider is incentivised to set up DMPs that are appropriate to the customer's individual circumstances and sustainable in the longer term. Several respondents said that while they supported not including these firms in the ban, the situation should be

monitored to see if debt management firms alter their business models in a way that creates similar risks as the debt packager model.

4.48 One respondent, a trade body (DEMSA), stated that advice providers are used by debt solution providers to carry out annual reviews and other related services. The respondent felt there was a case for these firms being able to offer such services as part of a 'transparent supply chain'. The respondent was also concerned that the ban would interfere with the operation of the proposed Statutory Debt Repayment Plan.

Payments for work done

We set out in CP21/30 our rationale for putting in place a broad ban on advice providers receiving any remuneration from debt solution providers in relation to customers who have been referred to the firm, rather than a narrow ban on just referral fees. Our concern was that payments for referrals could be restructured as payments for 'work done'. Indeed, some respondents highlighted that the fees paid by debt solution providers to debt packagers are not for referrals but payment for the advice offered to the customers. Regardless of how the payments are described, the conflict of interest remains the same and we think that allowing payments to be made for 'work done' would undermine the effectiveness of the proposed intervention.

Statutory Debt Repayment Plan

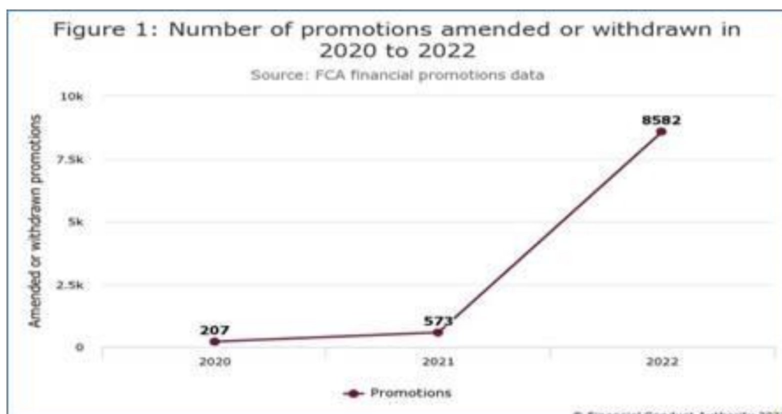
While we do not mention the Statutory Debt Repayment Plan (SDRP) specifically in the rules, we proposed a general carve out for all payments which are made 'pursuant to a statutory provision'. Having reflected, we have amended this carve out to apply to payments made 'pursuant to an enactment'. We anticipate that this will mean that payments made in relation to SDRP would not be included in the ban. We will, of course, consider this again depending on the development of the Government's regulations for SDRP.

Link: https://www.fca.org.uk/publications/consultation-papers/cp23-5-debt-packagers-feedback-further-consultation-new-rules-perimeter-guidance
Link: https://www.fca.org.uk/publication/consultation/cp23-5.pdf
Link: https://www.fca.org.uk/publications/consultation-papers/cp21-30-debt-packagers-proposals-new-rules - heavily cross-referenced in CP23/5 and this page was last updated 2/2/2023

Financial Promotions

This FCA post reflects that 8,582 financial promotions were amended or withdrawn in 2022 as a result of their intervention. This is an increase of 1,398%, compared to 573 in 2021. Apparently, by using better technology, they are finding poor quality or misleading ads quicker. I didn't notice the FCA catching the StepChange impersonators.

'Fin-fluencers' have also been a growing concern for the regulator. The FCA also published over 1,800 alerts to help prevent consumers from losing their money to scams. This is primarily focused at the moment on investment advertising.



Social media remains a major focus for the regulator's work in combatting misleading promotions. The FCA has worked closely with several Big Tech companies to change their advertising policies to only allow financial promotions that have been approved by FCA-authorised firms, but more needs to be done by tech companies to protect consumers.

Credit Unions – Bank of England report

Ahead of the Credit Union and Community Banking event on 7 February 2023 (see below), the Bank of England has published their Q3 statistics. The Credit Union sector is also due to receive a "Dear CEO" at about the same time as the debt advice sector does. Credit Unions are subject to FCA and PRA supervision and there is considerable regulatory change ongoing at the moment.

Many Credit Unions are small and supported by volunteers, but subject to the FCA regulatory regime, including the Consumer Duty.

Basic information

		2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Quarterly Returns submitted	UK	**401**	**396**	**394**	**391**	**388**
	England	161	158	156	153	151
	Scotland	84	83	83	83	83
	Wales	15	15	15	15	15
	Northern Ireland	141	140	140	140	139
Adult members	UK	**1,904,779**	**1,920,101**	**1,929,729**	**1,945,842**	**1,943,623**
	England	857,027	871,615	874,986	883,859	886,954
	Scotland	365,353	366,144	369,206	374,122	373,652
	Wales	65,714	66,229	67,578	66,772	64,893
	Northern Ireland	616,685	616,113	617,959	621,089	618,124
Juvenile depositors	UK	**215,548**	**212,186**	**209,260**	**206,691**	**201,893**
	England	53,040	51,502	50,089	49,293	47,474
	Scotland	44,561	43,718	42,331	40,582	39,486
	Wales	13,090	13,197	13,106	13,076	12,718
	Northern Ireland	104,857	103,769	103,734	103,740	102,215

The total number of adult members fell 0.11% in Q3 2022 to 1.94m. 1.29m adult members being in England, Wales and Scotland. Relative to the event next week 67,012 were in arrears (£103m). 56,854 in mainland UK.

Arrears

			2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Total value of net liabilities in arrears	UK	£ thousands	**102,853**	**104,868**	**114,788**	**119,216**	**119,194**
	England	£ thousands	54,371	56,901	65,781	67,001	68,421
	Scotland	£ thousands	17,980	18,507	19,127	20,403	20,720
	Wales	£ thousands	2,308	2,346	2,444	2,526	2,554
	Northern Ireland	£ thousands	28,194	27,114	27,436	29,287	27,499
Total number of net liabilities in arrears	UK	Number	**67,012**	**66,849**	**68,977**	**70,178**	**68,239**
	England	Number	42,934	43,126	44,869	45,955	45,060
	Scotland	Number	12,032	12,044	12,236	12,503	11,933
	Wales	Number	1,888	1,902	2,044	2,154	2,191
	Northern Ireland	Number	10,158	9,777	9,828	9,566	9,055

Link: https://www.bankofengland.co.uk/statistics/credit-union/2022/2022-q3

Consumer Duty Training

The next round of Consumer Duty training commences on 20 February 2023.

As reflected above, the FCA has continued to communicate their expectations and findings from implementation plans they have reviewed to-date. Surveys now move on to smaller firms and those that have changes planned or in progress with the FCA are likely to have to submit their Duty plan as part of this process. I will update with the "Dear CEO" letter content through February 2023.

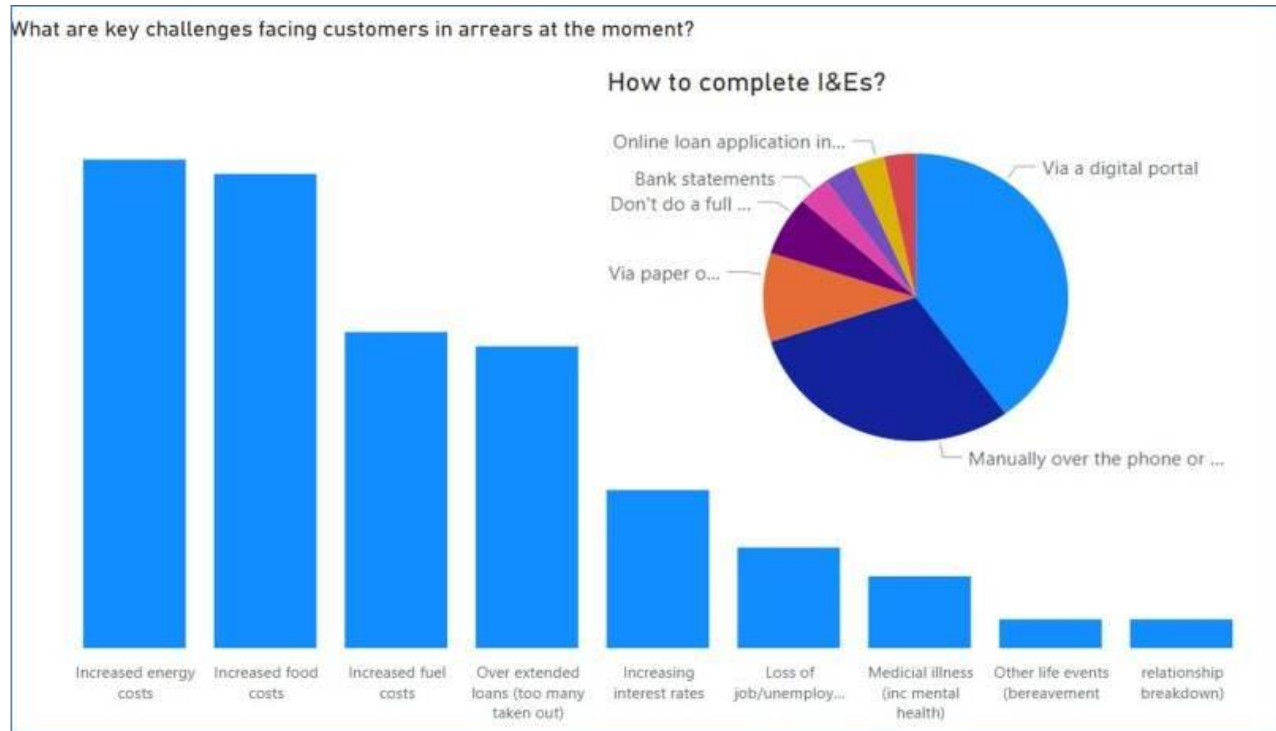
Costs are £195 per person per session or £150 per person per session when booking for more than one person from the same firm.

Next dates:

- 20 February 2023, 1.30-4.30pm
- 27 February 2023, 1.30-4.30pm
- 13 March 2023, 1.30-4.30pm
- 20 March 2023, 1.30-4.30pm

Events

Citizens Advice is hosting a Cost of Living Briefing on 23 February 2023.



The Credit Union and Community Banking event on 7/2/2023 continues to gather momentum and we are expecting a good audience at this virtual event. Manu from InBest, 4most, IE Hub, Stop Loan Sharks England, VRS and others are supporting the surveys. The DEMSA LinkedIn post is gathering some traction. We are encouraging participation from the debt advice sector.

A great collaboration was promoted by Mike Ellicock, CEO of Plain Numbers, with Manchester Credit Union. We hope see many of you on 7/2/2023.

VRS – Local Authority event on 13/2/2023

On the theme of data sharing amongst local authorities, this important event will feature several case studies, including Kent. The ICO story above may be applicable.

Event link: https://www.eventbrite.co.uk/e/data-why-local-authorities-can-share-tickets-483042462007?keep_tld=1

DEMSA Bulletin – 4/2/2023

Public Sector Customer Forum – 16/2/2023

Matt Hooper (Crown Commercial Services) has been promoting this event on LinkedIn.

IE Hub has been supporting financially vulnerable customers for over 4 years and are joining on the 16 February at 10am to provide their insight, at the CCS Revenue, Recovery, Analytics and Data (RRAD) customer forum.

Gareth and team will be discussing areas including:

- The importance of understanding Income & Expenditure
- Why the current, typical approach to capturing Income & Expenditure information is broken
- How to increase engagement with consumers
- How data sharing benefits both the consumer and service provider

Data sharing is obviously a 'hot topic' at the moment.

Online Collections Technology Think Tank 4.1 - Thursday 23/2/2023

I am now speaking in Session 4 for the Credit-Connect event on 23 February 2023. Looking forward to sparring with Chris Warburton as chair. We are covering the cost-of-living challenge and what is the future for digital collections. Chris and I have been exploring the importance of omni-channel and what industry innovations we will see in 2023 and beyond. This links to my 2023 horizon scan circulated at the start of 2023.

Speakers include Jamie Buckley from StepChange and Ian Parry from Utility Collections.

Credit Strategy Credit Summit 2023 – 16/3/2023

I have been asked to speak around Collections Strategies. Venue is the QEII Centre. Roma Pearson is speaking from the FCA. I am on with Sam Challenger, Head of Collections & Customer Experience at Billing Finance.

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