

Debt management (and credit repair services) guidance. A consultation

Response from Citizens Advice and Citizens Advice Scotland to the Office of Fair Trading

September 2011

Introduction

Citizens Advice and Citizens Advice Scotland welcome the opportunity to respond to the Office of Fair Trading's consultation on its revised debt management and credit repair services guidance.

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. The service aims:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of over 400 independent advice centres that provide free, impartial advice from more than 3,000 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups.

In 2010/11, the Citizens Advice service in England and Wales helped over two million people with over seven million problems. Debt continues to be the number one issue dealt with by Citizens Advice Bureaux, in 2010/11, bureaux dealt with 2,249,385 enquiries about this issue. In 2010/11 bureaux also dealt with 3,136 enquiries about debt management services and credit repair. The CAB service delivers a range of money related advice services, including: money guidance, which provides people with generic financial advice; financial capability, which provides people with the skills and knowledge they need to manage their money and choose financial products; and debt advice, which provide people with the information, advice and support they need to deal with unmanageable personal debt, including helping people challenge unacceptable debt collection practices.

Citizens Advice Scotland has 80 member bureaux, operating in over 200 locations across Scotland. In 2009/10 the service helped 270,000 clients with nearly 550,000 new problems.

In 2009/10, 14 per cent of CAB clients were from Black, Asian and Minority Ethnic backgrounds, and 23 per cent identified as disabled or having a long term health condition. Our statistics and case studies are drawn from the diverse communities we serve.

General comments

About its application to fee charging debt management and credit repair companies

Citizens Advice and Citizens Advice Scotland strongly welcome the OFT's decision to revise its debt management and credit repair services guidance. Overall we think that the revised guidance, which is far more detailed and comprehensive than its predecessor, is generally good and addresses many of the key issues. We welcome the new format of the

guidance, particularly the inclusion of detailed bullet points giving examples of practices which the OFT considers to be unfair. We do feel, however, that the guidance could go further in places, as highlighted in our response to the relevant questions below.

In September 2010 the OFT published the findings of its debt management guidance compliance review which found widespread non-compliance with the debt management guidance. Most of the debt management firms audited were found to be failing to some extent in at least three areas. In our opinion a clear, proactive strategy must to be developed to ensure that that the updated guidance is not systematically flouted in the same way, and that debt management firms who continue to engage in bad business practices are investigated and subjected to the appropriate enforcement action.

Ideally we would like the new guidance to go further and provide a clear framework which sets out the level of service provision and practices which debt management and credit repair services must meet in order to comply with the rules and obtain and retain a consumer credit licence. We appreciate that such a framework goes beyond the OFT's current terms of reference, but feel that this may be more effective in improving compliance amongst firms and creating a market which works for, and protects, consumer interests. In contrast, we are concerned that the current focus of the guidance which sets a minimum standard of practice, has thus far proved ineffective in preventing consumer detriment. The OFT should therefore consider exploring the possibility of such an approach and how this may be developed and implemented.

In our view the OFT should also require debt management and credit repair services to proactively demonstrate that they are striving to avoid engaging in bad business practices, rather than the onus being exclusively on the OFT to investigate firms and uncover bad practices based on intelligence received. Paragraph 4.12 does go some way towards this, stating that it will be incumbent on licensees and applicants to be able to positively demonstrate to the OFT's satisfaction that their policies, practices and procedures are implemented in practice, proactively monitored and appropriately amended on the basis of the results of such monitoring, and this is welcome. This paragraph should go further, however. First, how often and in what circumstances would the OFT require firms to demonstrate that they are complying with this requirement? Second, we believe that the guidance should explicitly state that failure to comply with this requirement will be the basis of enforcement action, including revocation of the firm's consumer credit licence where appropriate.

About its application to free advice agencies providing debt advice, including Citizens Advice and Citizens Advice Scotland:

Citizens Advice and Citizens Advice Scotland welcome the inclusion of the detailed section on advice which clearly and comprehensively sets out the standards expected of advice organisations and advisers. All of the points and examples in this section align with our view of good debt advice and we are committed to continuing to ensure that all advisers across our service reach and maintain these standards. We do not disagree or object to any of the points or examples included in this section and our comments relate to the wording of particular paragraphs where we feel that they could be open to misinterpretation or would benefit from additional detail.

Section One - Introduction

Q1: Do the Foreword and Introduction (including Annexe A) set out the scope and purpose of the guidance sufficiently clearly?

Yes.

Q2: Is the definition of who the guidance applies to clear and adequate?

Yes.

Q3: Have we set out our approach to the assessment of fitness and potential risk sufficiently clearly?

Yes.

Q4: Are there any substantive aspects with which you disagree?

No.

Q5: Do you consider that there are any significant omissions?

No.

Q6: Do you have any other suggestions for improvement?

No.

Section Two: Overarching principles of fair business practice

Q7: Do you agree with the stated 'Overarching principles of fair business practice'?

Yes.

Q8: Are there any substantive aspects of this chapter with which you disagree?

No.

Q9: Do you consider that there are any significant omissions?

Paragraph 2.2 recognises that the consumers which debt management and credit repair services come into contact with people who may be vulnerable and that it is therefore vital that the consumer's best interests are of paramount concern in service provision. Citizens

and Citizens Advice Scotland welcome this requirement, but believe that this should be extended to draw attention to the obligations of debt management and credit repair services under the Equality Act 2010.

In June 2011 Citizens Advice published a report entitled *Double disadvantage: The barriers and business practices making debt a problem for disabled people* which highlighted the difficulties faced by people with disabilities who are in debt, including participatory restrictions to work, low incomes, financial exclusion and extra costs related to illness and disability. The OFT should include a requirement on firms to make reasonable adjustments for the additional needs of vulnerable consumers, particularly those with disabilities, in accordance with the Equality Act 2010 as an overarching principle of fair business practice. The guidance should also explicitly state that failure to comply with the Equality Act 2010 will be considered an unfair business practice and subject to enforcement action, including revocation of the firm's consumer credit licence where appropriate.

A CAB in Wales reported the case of a woman who had taken out a debt management plan and wished to widen the plan to include more of her debts. The client was deaf and had speech problems and therefore found it difficult to communicate by phone. The debt management company refused to include these additional debts in the plan because they could not speak to her properly on the telephone and did not have the facilities in place to communicate with her in a way more suitable for the client. The client therefore requested to cancel the plan and was told that she would have to pay an additional £15 to do this.

Do you have any other suggestions for improvement?

No.

Section Three – Unfair or improper business practices

Q11: Are the draft guidelines on lead generation, direct marketing and personal visits sufficiently clear?

Yes.

Q12: Are there any substantive aspects of this section with which you disagree?

No.

Q13: Do you consider that there are any significant omissions?

No.

Q14: Do you have any other suggestions for improvement to this section?

Paragraph 3.6, example i, identifies sending or instigating electronic mail and/or making automated calls, for the purpose of marketing, without obtaining *prior informed consent* from the consumer as an unfair business practice. This is welcomed. However, the OFT should spell out what exactly is meant by informed consent and how this should be obtained. Illustrative examples would add clarity to what can be a clouded issue open to wide and varied interpretation.

Paragraph 3.6, example k, should also be more explicit in its requirements. The example box does state that privacy notices should be clearly displayed in a sufficiently prominent position and should explain the way consumers' personal data will be used in clear, intelligible language, but we would like this to go further. Firms should be referred to, and required to adhere to, the Information Commissioner's Office's (ICO) Guide to Data Protection, particularly the section on privacy notices. This would provide firms with clear, explicit guidance on exactly what is and is not acceptable data protection practice and how best to go about formulating their privacy notices and obtaining consumers' informed consent. This example should also state that firms cannot contract out of the legal safeguards provided by regulations such as PECR.

The addition of a requirement that firms ask consumers to opt in rather than out of providing their consent would also be welcomed. This would help to ensure that consumers are giving their full, informed consent to the use of their data in the way described rather than perhaps giving their consent unknowingly because they failed to uncheck a pre-checked box at the end of a large amount of information.

Q15: Are the draft guidelines on advertising and other communications sufficiently clear?

Yes.

Q16: Are there any substantive aspects of this section with which you disagree?

No.

Q17: Do you consider that there are any significant omissions?

It has come to our attention that marketing and advertisement links, particularly sponsored links, for debt management companies generated by search engines often lead directly to an application page, bypassing the homepage which contains all of the information about the company and the services on offer. This encourages people to hand over personal details to the company before they are fully informed about who they are giving these details to, the products available to them and the potential pitfalls of dealing with the firm. In our view the OFT should investigate this and consider its inclusion as an unfair business practice. The OFT should also consider being more prescriptive about the information debt management companies are obliged to display on their websites and how prominently this information should be displayed.

Q18: Do you have any other suggestions for improvement to this section?

Paragraph 3.12, example m, which identifies claiming or implying a licensee can guarantee an outcome favourable to the consumer in negotiations with the creditors as an unfair business practice should, in our view, be made stronger. Debt management companies falling short of the expectations of clients, such as by failing to get all of the client's creditors to accept the offer made and freeze interest and other charges, is a persistent cause of significant consumer detriment and an issue regularly reported by CAB advisers. For example:

A CAB in the East of England reported the case of a woman who was struggling with her debts after separating from his husband and had entered into an agreement to pay £120 per month to a debt management company, £30-£35 of which was for the company's fee. The debt management company led her to believe that interest and charges would be stopped and that the creditors would not hassle her once she signed the agreement with them. This was not the case and the client reported that over £100 has been added to her debts in interest and charges since she entered the agreement and she still received calls from creditors. She was very unhappy with the service and felt that she had been misled about what the debt management company could and would do for her. She had not been made aware of the standard recovery process creditors follow and the debt management company had not informed her of the consequences of defaulting on her debts when signing a contract with them.

A CAB in Wales reported the case of a client who had signed up with a debt management plan of £137 per month. The client was told when signing up with the company that no creditors would call or contact him, he would no longer receive letters chasing him and that his interest would be frozen. None of these things happened and the client ended up further in debt as a result of entering into the debt management plan.

A CAB in the North of Scotland was visited by a client who had credit card debts of over £60,000 and was cold called by a debt management company and took up their offer of a debt management plan after being told that he would be debt free in three years. He paid an upfront payment of £1,000 and was making monthly payments of £260. The client was not aware, however, that some of his creditors had not accepted the agreement and were pursuing court action.

A CAB in London saw a man who had a number of secured and unsecured debts following divorce proceedings. He was receiving numerous demands and threatening letters from his creditors and in order to manage his debts he turned to a debt management company. The company charged him a £500 up front fee and promised to deal with his creditors and make the minimum payments. Despite making this arrangement the client continued to receive the same volume of correspondence from his creditors and, far from resolving his debt issues, the client began to incur mortgage arrears due to his payments to the debt management company.

Rather than being required to not state that there **is** a guarantee that the licensee can obtain a favourable outcome for the consumer, we believe that the licensee should be obliged to inform the client that there is **no** guarantee that they can obtain a favourable outcome. This will ensure that clients entering into agreements with debt management

firms are fully aware of the risk that doing so will not necessarily ensure that creditors accept the offers put forward by the firm, stop interest being added to their debts or stop debt collection activities by creditors.

Paragraph 3.12, example n, states that where entering into an agreement with the licensee will result in a period in which contractual payments to creditors are not made by the consumer or are retained by the licensee this will be considered an unfair business practice if there was not a prominent warning of this in the marketing; this warning does not inform customers that this may cause the consumer to incur arrears; or the consumer is not made aware how long after they make the first payment to the licensee that money will be distributed to creditors. Taking the first few months payment as a fee is a common business practice amongst debt management companies, and one which can cause significant consumer detriment, particularly when the consumer is not made fully aware that this will happen or the possible consequences. For example:

A CAB in the South West of England reported the case of a man who was unemployed and approached a debt management company when he found that he was unable to maintain repayments for his three unsecured debts. He agreed to make payments of £100 per month and made these payments for two months until he was contacted by one of his creditors who informed him that they had not received any payment. The client contacted the debt management company who informed him that this was because they had retained the money as upfront fees. The client was angry because he had not been made aware of this prior to entering in to agreement with the company and distressed that he was now further in debt due to the interest and charges for non-payment added by his creditors.

A CAB in the South East of England reported the case of a 22 year old man who had a number of debts, mainly payday loans, totalling approximately £1,200. He decided to sign up to a debt management company and agreed to pay £250 per month. It stated in the terms and conditions of the agreement that a fee based on a percentage of the payment would be applied and the client was happy with this. After three months, however, he found that the debt management company had not carried out any work on his behalf and so his debts were increasing through added interest and charges. When he confronted the company he was told that they take the £250 monthly fee as an admin fee until three monthly payments have been made. The client had not been aware of these admin fees and this information did not appear to be included in the terms and conditions provided to the client. The client, who was reliant on benefits, could ill afford to pay £750 in upfront fees to a debt management company who had not even done any work on his behalf and he would not have entered into the agreement had he been aware of these extra charges.

We therefore welcome the inclusion of failing to provide consumers with this information as an example of an unfair business practice but feel that it should go further. In our view debt management companies should be required to inform creditors that they are working with the client and that the creditor will not be receiving payment for a period of time while the debt management company retains money in lieu, and ensure that this will not have a detrimental impact on the consumer, before taking any fee.

Paragraph 3.12, example r, identifies failing to inform consumers that other debt management options are available and may be suitable for the consumer as an unfair business practice. This is a welcome addition but is very open to interpretation and more detail, perhaps in the form of some illustrative examples, would make the OFTs expectations more explicit. The failure of debt management companies to inform consumers of the existence of other, perhaps more suitable, debt management options can cause significant consumer detriment, for example:

A CAB in the East Midlands reported the case of a woman who had severe debt problems which she was finding it difficult to cope with. She had approached a debt management company and was wrongly told that she could not go bankrupt for less than £15,000. They also neglected to inform her about the existence of Debt Relief Orders (DROs), which she would have been eligible for at the time. As a result she was persuaded to enter into an unaffordable debt management plan with the company and is now further in debt than when she approached the company for advice.

A CAB in the West of Scotland saw a client who had approached a debt management company and was told that they could not help her as her debt was too small, but that her husband should enter into a Protected Trust Deed for his debts. The client asked about fees but was told there was no fee. On being sent the papers the client noted that the agreement stated that they had been advised of all the possibilities of clearing the debt, which she felt had not been the case. In addition the proposed schedule of repayments included a professional fee of over £8,000. The bureau advised the client that a Protected Trust Deed would be totally inappropriate for their circumstances, as the clients would risk losing their home.

A CAB in the South East saw a single mother who had mental health problems and had 10 priority debts totalling approximately £8,000 and no assets. She had been to two debt management companies for advice and, despite being an obvious candidate, neither company mentioned or suggested a DRO. As a result the client took out a fee paying debt management plan and unnecessarily continued to struggle to manage her debts.

This example is, therefore, a welcome addition. However, it is currently very open to interpretation and more detail, perhaps in the form of some illustrative examples, would make the OFTs expectations more explicit.

Q19: Are the draft guidelines on advice sufficiently clear?

Yes.

Q20: Are there any substantive aspects of this section with which you disagree?

No.

Q21: Do you consider that there are any significant omissions?

No.

Q22: Do you have any other suggestions for improvement to this section?

Paragraph 3.17, example h, identifies failing to take steps to ensure that the consumer understands all of his options and the consequences and implications of any recommended course of action, in order for him to be able to make informed choices as an example of an unfair business practice. This is welcome but the addition of some examples are needed to make the full meaning of this more explicit. These could include similar examples to those provided in paragraph 3.12 examples m and n which include failing to inform clients that the debt management firm will retain the first few months payments, that interest and charges may continue to be added by creditors and guaranteeing a favourable outcome from creditors. While these examples are cited earlier in the guidance, we believe that the requirement for licensees to highlight these practices and the possible consequences of taking out a debt management plan or applying for a debt relief order, debt arrangement scheme or bankruptcy at the advice giving stage should be clearly expressed and emphasised in this section.

Paragraph 3.23, example c, is awkwardly worded and its meaning is not easy to decipher. The OFT should consider rewording this important example of bad practice to improve readability and avoid confusion. An alternative could be ‘failing to inform consumers if it subsequently becomes clear that the course of action advised by the licensee, such as to cancel direct debits or reduce the level of contractual payments, is not producing results in the consumer’s best interests (for example because creditors are not agreeing to freeze interest) in order that he can take whatever action is in his best interest, including possibly withdrawing from the debt management plan.’

The meaning of **paragraph 3.23**, example d, would be clearer if the word ‘even’ was removed. The sentence would then read ‘dividing available income between debts in proportion to their size under circumstances in which it clearly may not be in the consumer’s best interest to do so’. In its current form the paragraph can be read to imply that pro rata distribution is an example of an unfair business practice in all circumstances, which is not the case. The example should also be expanded to recognise the need to allocate a larger proportion of the consumer’s available income to priority debts than non priority debts.

We strongly welcome the inclusion of **Paragraph 3.23e** which highlights the need for advisers to consider the consumer’s individual circumstances when considering how to prioritise debts. However, we think that the example used to support this paragraph would benefit from the inclusion of a brief explanation of what a priority debt is . For example, if the text read:

“As a general principle a priority debt is one for which non payment could result in the consumer losing their home, their liberty or **essential goods or services**. Therefore, advisers must take care to understand which goods and services are essential to an individual and help them prioritise their debt repayments so these can be retained. For example for some people with a disability, a debt to a telephone provider could be considered a priority debt, due to the individual’s need to maintain contact with their family and carers. In all such instances, decision in this regards should be reasonable and justifiable.

Q23: Are the draft guidelines on charging for debt management services sufficiently clear?

Yes.

Q24: Are there any substantive aspects with which you disagree?

No.

Q25: Do you consider that there are any significant omissions?

No.

Q26: Do you have any other suggestions for improvement to this section?

Paragraph 3.29, example f, identifies failing to disclose the fees consumers are being charged to their creditors as an example of an unfair business practice and provides the example of not clearly setting these fees out on any financial statement or proposal. This is very welcome but, as mentioned above, we believe that debt management firms should be obliged to inform the creditors of this and obtain their consent **before** taking any fees from the consumer.

Two of the paragraphs in this section relate to cancellation and refunds:

- **Paragraph 3.26** concerns cancellations and refunds and states that where the Financial Services (Distance Marketing) Regulations 2004 apply and the consumer cancels the contract within the 14-day cooling off period, the licensee should refund any sum paid less any reasonable charge for services already provided; and
- **Paragraph 3.29**, example o, states that failing to make an appropriate refund of fees paid where any, or part of, the service or outcome that has been promised, under the terms of the contract or otherwise, has not been provided or delivered to a reasonable standard.

Both of these examples are useful for ensuring that some consumers are able to exercise their cancellation and refund rights. However, in the situation where it takes the debt management firm two months to negotiate with creditors and report this to the client, during which time the debt management firm has been taking fees, and the client is then unhappy with the terms presented to them by the company and wishes to cancel the agreement would they be entitled for a refund under paragraph 3.29, example o? This is currently unclear, as the service provided by the debt management firm may be considered by the company to have been delivered to a reasonable standard and therefore a refund may not be given. From the consumer's perspective, however, the service has not been delivered to a reasonable standard. If the OFT does consider that such a scenario would be covered by paragraph 3.29, example e, more clarity on this would be appreciated. If the OFT does not consider that this scenario would be covered by this provision an appropriate additional example should be inserted into the guidance.

Q27: Are the draft guidelines on pre-contract information sufficiently clear?

Yes.

Q28: Are there any substantive aspects of this sections with which you disagree?

No.

Q29: Do you consider that there are any significant omissions?

No.

Q30: Do you have any other suggestions for improvement to this section?

No.

Q31: Are the draft guidelines on contracts sufficiently clear?

Yes

Q32: Are there any substantive aspects of this section with which you disagree?

No.

Q33: Do you consider that there are any significant omissions?

No.

Q34: Do you have any other suggestions for improvement to this section?

Paragraph 3.35 contains a list of examples of unfair or improper business practices relating to contracts, including cancellation rights. We would welcome the addition of tying consumers in to fixed term contracts to this list of unfair business practices. In our view the consumer should be able to withdraw from agreements with debt management firms when they wish to and without penalty.

Q35: Are the draft guidelines on handling client's money sufficiently clear?

Yes.

Q36: Are there any substantive aspects of this section with which you disagree?

No.

Q37: Do you consider that there are any significant omissions?

No.

Q38: Do you have any other suggestions for improvement to this section?

Paragraph 3.37 states that any monies held on behalf of consumers should always be kept in a separate ring-fenced client bank account and not used by the licensee for its own purposes. This is strongly welcomed but we would like to know what procedures the OFT will put in place to ensure that debt management companies actually comply with this requirement. This is key to ensuring that consumers who are already experiencing financial difficulty do not lose money should the debt management company become insolvent. For example:

A CAB in the East Midlands was visited by a woman who had taken out a debt management plan and paid all of the fees requested by the company. She was contacted by the company informing her that they were closing down and her case had been transferred to another debt management firm and the fees would be increased by £15 per month. They also stated that if the client cancelled she would not get any money back. The client could not afford this extra amount and was incurring more late charges from creditors as a result of the delay.

A CAB in London reported the case of a client who had taken out a debt management plan and paid the company £220 per month over a ten month period. The client was then informed that the company had closed down and she discovered that the money she had paid to the company had not been passed on to her creditors. As a result the client was even further in debt than when she began the plan and was unable to get her money back.

Q39: Are the draft guidelines on debt management services sufficiently clear?

Yes.

Q40: Are there any substantive aspects of this section with which you disagree?

No.

Q41: Do you consider that there are any significant omissions?

No.

Q42: Do you have any other suggestions for improvement to this section?

Paragraph 3.40 states that failing to inform the consumer immediately of the outcome of negotiations, including where the creditors have refused to deal with the licensee or returned payments to the licensee, constitutes an unfair business practice. This is welcome, but does not go far enough. In our view as well as informing clients of what has taken place, in both of these circumstances licensees should be obliged to refund the money that has been returned to the licensee and/or any money given to the licensee by

the client in up-front fees . Failure to do so should be included in the guidance as an example of an unfair business practice.

Q43: Are the draft guidelines on credit information services sufficiently clear?

Yes.

Q44: Are there any substantive aspects of this section with which you disagree?

No.

Q45: Do you consider that there are any significant omissions?

No.

Q46: Do you have any other suggestions for improvement to this section?

No.

Q47: Are the draft guidelines on creditor's responsibilities sufficiently clear?

Yes.

Q48: Are there any substantive aspects with which you disagree?

No.

Q49: Do you consider that there are any significant omissions?

No.

Q50: Do you have any other suggestions for improvement to the section?

No.

Q51: Do you have any comments about the structure and format of this guidance document?

No.

Q52: Are the draft guidelines on complaints handling sufficiently clear?

Yes.

Q53: Are there any substantive aspects of this section with which you disagree?

No.

Q54: Do you consider that there are any significant omissions?

No.

Q55: Do you have any other suggestions for improvement to this section?

Paragraph 3.47, example b, identifies failing to provide or effectively publicise a non-premium rate UK telephone number as a means by which consumers can pursue complaints. This is welcomed, but the OFT should consider giving some examples of what constitutes effective publicity of the non-premium telephone number, including providing the telephone number with the pre-contractual information.

Q56: Are these draft guidelines on regulatory compliance and enforcement sufficiently clear?

Yes.

Q57: Does the section 'Licence holders' responsibilities for third parties' clearly convey our expectations?

Yes.

Q58: Are there any substantive aspects with which you disagree?

No.

Q59: Do you consider that there are any significant omissions?

No.

Q60: Do you have any other suggestions for improvement?

Paragraph 4.4 states that the OFT expects the policies and procedures of licensees to make specific provision for the fair and appropriate treatment of vulnerable consumers. This is welcomed but the footnote to this statement refers the reader to Annexe C 'for guidance on the treatment of those with mental capacity and mental health issues.' This implies that licensees need only take into account the additional needs of, and make the necessary adjustments for, those who are vulnerable due to mental capacity and mental health issues. In our view this is far too narrow a definition of vulnerability and, as noted in our response to question nine, many consumers with disabilities not related to mental health issues and other groups of vulnerable consumers also have additional needs. Debt management firms are obliged under the Equality Act 2010 to make the necessary adjustments to meet the needs of *all* vulnerable consumers, the guidance and Annexes should be altered to reflect this.

Q61: Do you have any other comments about the Annexes (A-D) contained in the guidance document?

No.

Q62: Do you have any other comments about this guidance document?

No.

Q63: Do you consider that a shortened (executive summary) version of the guidance might be useful? If so, which aspects of this document do you consider should be included/omitted.

Yes. A shortened document aimed at consumers would be of benefit. The shortened guidance should be accessible to consumers and should briefly cover all aspects of the full guidance. References to the relevant parts of the full guidance should also be included.

The shortened guidance could be modelled on the 'Plain English Consumer Guidance' section included in the OFT guidance on sections 77, 78 and 79 of the Consumer Credit Act 1974 (2010). This section is clearly written, summarises the main points of the full document in plain English and gives useful examples that the consumer can identify with. If something similar could be produced to help consumers decipher the debt management and credit repair guidance we would welcome this.

Shortened guidance aimed at consumers should also contain signposts to sources of free, reliable advice.

