

The TDX Group Manifesto:

Positive policies for driving change

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It is fair to say that the campaigns of the three main parties in the run-up to the General Election have, on the whole, been negatively received across the debt industry. This is what we think the Government should be looking into to help the industry recover from the recession, develop better collection practices and improve the situation for consumers, DCAs and creditors alike.

1. Formalise **Debt Management Plans (DMPs)**

- *Current status:* Because of the more 'informal' nature of DMPs there is little structure or regulation
- *Proposal:* Push the Ministry of Justice to introduce rigour to the structure of proposed DMPs to be more in line with formal arrangements such as IVAs



2. **Share data** on debtors

- *Current status:* Debtor data is often not shared effectively between creditors making it difficult to trace a debtor – the removal of DCAs right to consult the edited electoral register will further worsen this
- *Proposal:* Increase the ways in which data can be shared between creditors, DCAs and debt purchasers and continue to allow the edited electoral register to be used to help trace debtors



3. Facilitate the **amalgamation** of individual debts from different creditors

- *Current status:* The current process for doing this is arduous and the legislation for use of data for this purpose is ambiguous
- *Proposal:* Review whether, and how, a customer-level approach to debt repayments could be effectively implemented on a large scale, across the industry as this will ultimately allow creditors and DCAs to treat debtors in a fairer manner



4. **Improve liquidation** of water and electricity debts

- *Current status:* The repercussions of non-payment for water and utilities debt are not as great as for Financial Services (FS) debts and are often de-prioritised as a result
- *Proposal:* Investigate how lessons learnt in the FS sector can be applied more broadly for utilities debt



5. Understand the impact of **changing interest rates** on debtors

- *Current status:* Little is currently understood about the considerable impact that significant changes in future interest rates could have on a debtor's ability to repay
- *Proposal:* Research the likely impact of future interest rate changes on debtors and introduce policies to provide relief for debtors in the event of such changes in interest rates



6. **Impartially educate consumers**

- *Current status:* More impartial advice is needed to help consumers avoid or manage their debt
- *Proposal:* We suggest that greater support is required (from Government and creditors) of non-profit making organisations to assist in educating consumers and assisting in financial difficulty

