ccta
MAGAZINE

JULY 2023

LEGAL • MEMBER NEWS
FEATURES • REGULATORY
YOUR CCTA • MEMBERS ONLY
STAKEHOLDERS • DIRECTORY

V77 | Nº 2

in this issue

regulars

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Jason Wassell
Chief Executive
CCTA

editor's letter

Welcome to the latest issue of CCTA Magazine. We have brought together opinion pieces, articles and information for readers.

In our feature articles, you will see that one of our common threads is access to credit, with reference to the recent report by Fair4All that showed the growth of illegal lending and a link to the fall in regulated credit.

This builds upon the Centre for Social Justice's earlier research suggesting that about one million individuals in the UK use illegal lending. We now have a body of evidence from independent organisations.

In my article, I make mention of how our focus on access to credit dates to our foundation as a trade association. Mark Fiander of GAIN Credit talks about this from a lender's perspective. Meanwhile, CCTA consultant Jonathan Horsman talks through the political dimension.

Elsewhere in the issue, we have news pieces from throughout our membership and crossing the many sectors that we represent.

My colleague Lucy should be back in the editor's seat for the next edition. I know that she would want me to ask members to keep thinking about whether they have an opinion or news that they would like to share with our network.

ccta events

MOTOR & ASSET FINANCE ROUNDTABLE
CCTA • 1 Aug 2023 • Online • details

ANNUAL CASUAL DINNER
CCTA • 19 Sep 2023 • Manchester • details

ANNUAL CONFERENCE: LEADING THE WAY
CCTA • 20 Sep 2023 • Manchester • details

industry events

ONLINE LENDING TECHNOLOGY THINK TANK
CREDIT-CONNECT • 5 Sep 2023 • Online • details

WOMEN IN CREDIT CONFERENCE
CREDIT STRATEGY • 20 Sep 2023 • London • details

WOMEN IN CREDIT AWARDS
CREDIT STRATEGY • 20 Sep 2023 • London • details

LENDING SUMMIT
CREDIT STRATEGY • 14 Nov 2023 • London • details

branching out with every issue

FEATURE ARTICLE — Hot topic features written from a variety of industry experts, many of which are exclusive to CCTA Magazine.

MEMBER NEWS — Reached a milestone or hit a target? Share your news with our members at magazine@ccta.co.uk

REGULATORY NEWS — Updates from regulatory bodies are detailed in the latest issue of CCTA Infom, a member exclusive publication.

MEMBERS ONLY — A range of informative articles penned by our members. See what the experts have to say.

LEGAL NEWS — A range of legal experts give their views on recent cases that have made waves in the court room.

STAKEHOLDER NEWS — We cover all the bases with articles from the wider industry. No stone is left unturned in the search for news.

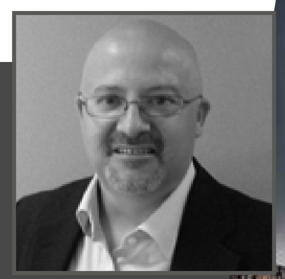
YOUR CCTA — A snapshot of recent activity from your trade association of choice. Find out what's on the horizon here first.

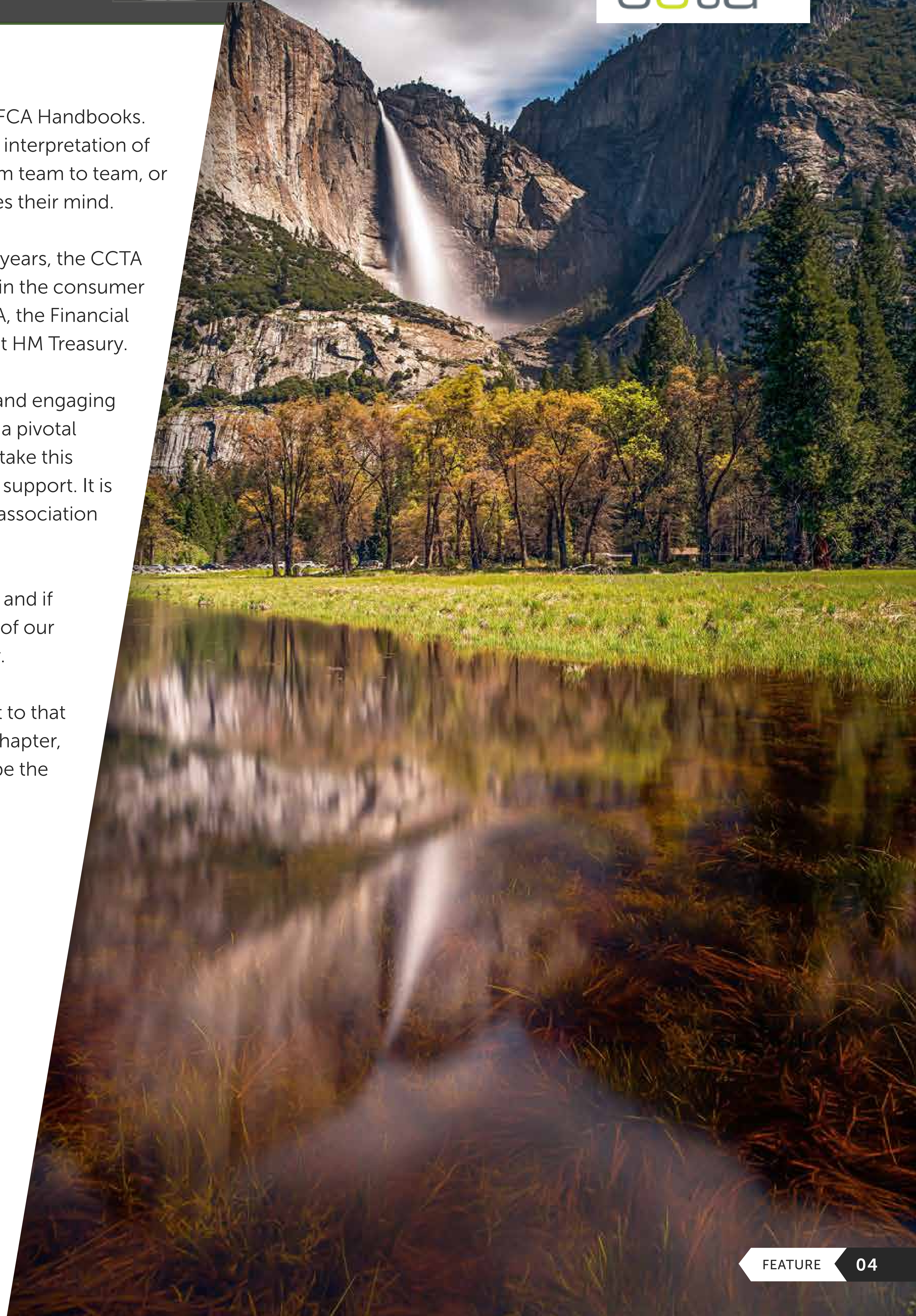
ASSOCIATE DIRECTORY — Browse our associate directory to find the professional help you've been looking for.

the regulatory landscape

A CCTA UPDATE ON ACCESS TO CREDIT

Jason Wassell
Chief Executive
CCTA





At the end of last month, we passed our anniversary. We were formed in 1891 by a small group of retailers and lenders that saw the need for new regulated credit products. This was well before the Consumer Credit Act, so we were involved in the development of the regulation around Hire Purchase and similar regulations as we moved into the 1900s.

Since its inception, our association has been at the forefront of advocating for regulated credit. From its earliest years, the association played a vital role in setting industry standards and ensuring consumers were protected from predatory lending practices.

We have adapted over time. During the 1960s we picked up the direction of travel and became the Consumer Credit Trade Association. At that stage, we were involved in discussions around legislation that we have been working with for over fifty years.

Nowadays, and despite those regulatory changes, many of our members continue to use the Hire Purchase product that we lobbied for when we were first formed, especially in motor finance. We also regularly talk about how our members provide access to credit, often when individuals are badly served by more mainstream lenders.

While we didn't go to a big party for our anniversary, if you have heard me speak at events over the last few weeks you will have heard me talk about our past. The longer version of the story has a reference to the White Sewing Machine Company being one of our founding members. This is because back at that time, the big domestic purchase of the day wasn't the tumble drier or the motor car, it was the sewing machine.

I was even able to mention our anniversary in the committee rooms of Parliament when I contributed to the launch of the report on the growth of illegal lending by Fair4All. The launch was hosted by Paul Maynard MP. As a member of the sounding board for the research, I welcomed the report that made clear the growth in illegal lending and its link to the demise of regulated credit.

I also spoke about the changes that came with the Consumer Credit Act. I think it is fair to say that we are now going through another time of considerable change.

While they may not have wanted to introduce Consumer Duty, the FCA has taken this and run with it. We have long been travelling down a path towards a focus on principles. The issue with this is that there is a real risk of uncertainty. Principles are usually short in detail and large in scope.

That means they need to be broken down and for the principles to be interpreted. I mentioned affordability earlier. Anyone who has been involved in discussions with the FCA will know that they have interpretations. They have views on what information is required, and in what situations, how information should be gathered and when it needs to be verified.

I think the FCA are still reluctant to accept that there is a link between the fall in regulated credit and the rise in illegal. We have heard them refer to their own research that would suggest illegal lending is now lower than it was a decade ago. I think that is now an unsustainable position.

> As a member of the sounding board for the research, I welcomed the report that made clear the growth in illegal lending and its link to the demise of regulated credit.

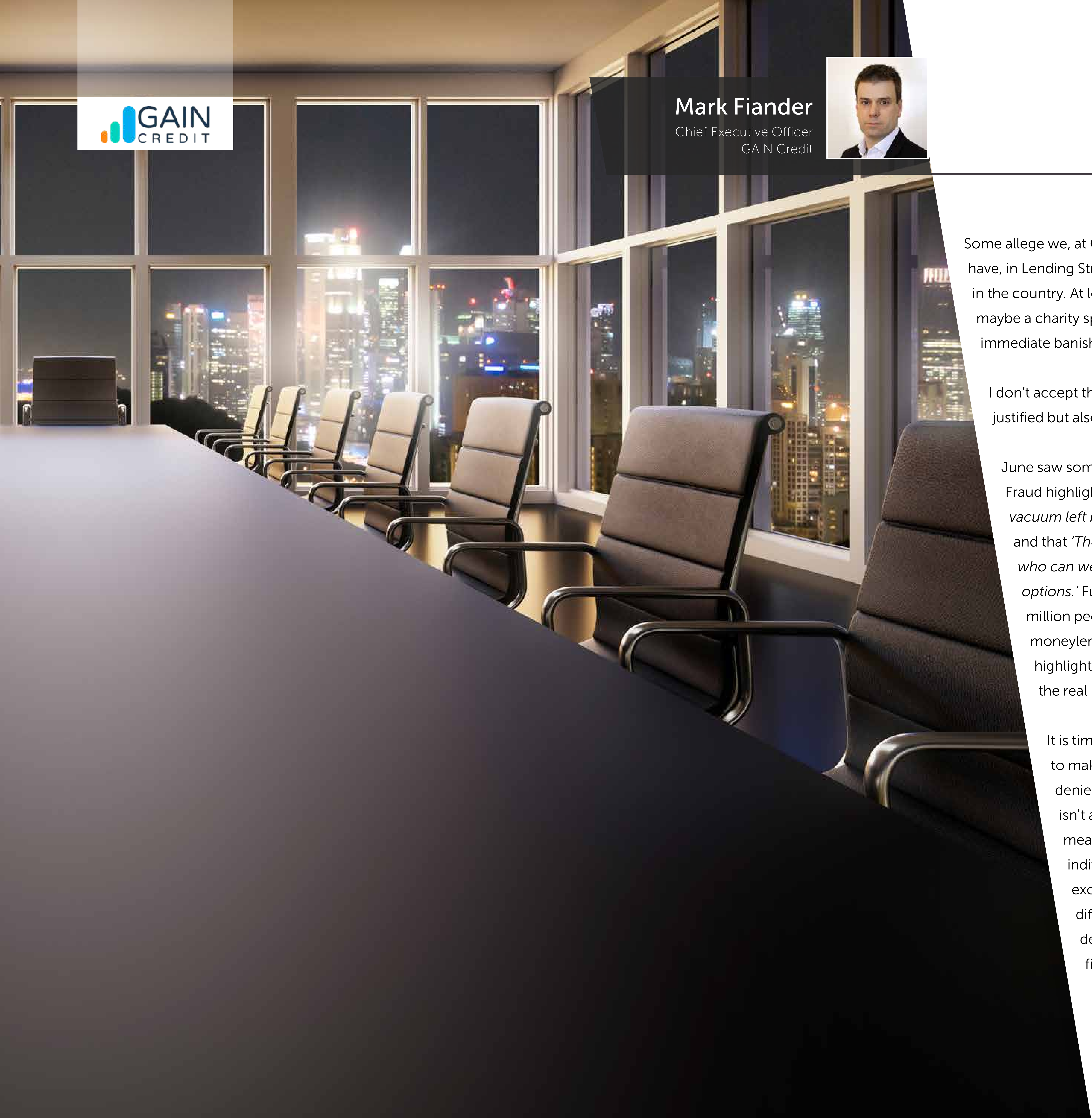
Before long, we have an unwritten rule book in certain sectors. The problem is that it is unwritten and so the discussions happen behind closed doors. That is not great for certainty. Alongside this, another move in this direction comes from the current work on the review of the Consumer Credit Act. The suggestion is that more of the legislation will be passed into the FCA Handbooks. Once again, the problem is that we rely on the interpretation of regulators. This is something that can alter from team to team, or even from week to week as a regulator changes their mind.

Looking wider at our advocacy work, over the years, the CCTA has worked hard to be a trusted authority within the consumer credit industry. We meet regularly with the FCA, the Financial Ombudsman, and the consumer credit team at HM Treasury.

By providing a unified voice for our members and engaging in constructive dialogue, the CCTA has played a pivotal role in shaping the regulatory landscape. I will take this opportunity to thank all our members for their support. It is only with the engagement of lenders that our association can continue.

We are always looking out for more members, and if you know of other lenders that should be part of our association then please do send them our way.

The CCTA's 132-year journey is a commitment to that founding mission. As we embark on the next chapter, you can be sure that we are going to help shape the future of consumer credit.



Mark Fiander
Chief Executive Officer
GAIN Credit

a seat at the table

A CALL FOR UNITY IN FOSTERING FINANCIAL INCLUSION

Some allege we, at GAIN Credit, are the biggest villains in the UK. We have, in Lending Stream, one of the biggest high-cost lending books in the country. At least once a month someone, maybe a politician, maybe a charity spokesperson, calls us 'loan sharks' and demands our immediate banishment from the lending ecosystem.

I don't accept that portrayal. Instead, I believe our existence is not only justified but also crucial in providing accessible financial solutions.

June saw some welcome research. Fair4All Finance and We Fight Fraud highlighted how *'illegal lenders are flourishing in the credit vacuum left by the departure of high cost yet regulated lenders'* and that *'The unintended consequence is that millions of people who can well afford to repay a fair loan are left with fewer safe options.'* Further research from IPSOS suggested over three million people in Great Britain may have borrowed from an illegal moneylender in the last three years. Together, this research highlights the magnitude of illegal lending and throws light on the real 'loan sharks' lurking in the financial depths.

It is time for politicians, commentators, NGOs, and industry to make a decision. Should a substantial demographic be denied access to credit, even when they can afford it? This isn't about people spiralling into debt or living beyond their means, but rather about offering solutions to ordinary individuals faced with unanticipated expense. Are we to exclude individuals for lacking a credit history, for past difficulties or for borrowing more frequently than others deem acceptable? The House of Lords obviously think financial inclusion is important, maybe they are right.

If we truly care about empowering individuals and enhancing their financial stability, credit must be accessible to as many as possible. Credit unions and Community Development Financial Institutions (CDFIs) have a role to play, but so do regulated commercial offerings. If we foster an environment hostile to regulated lenders, then the doors are thrown wide open for illegal lending – the true loan sharks – that thrive on intimidation, a lack of consumer protection and no interest rate caps.

> It is time for politicians, commentators, NGOs, and industry to make a decision. Should a substantial demographic be denied access to credit, even when they can afford it?

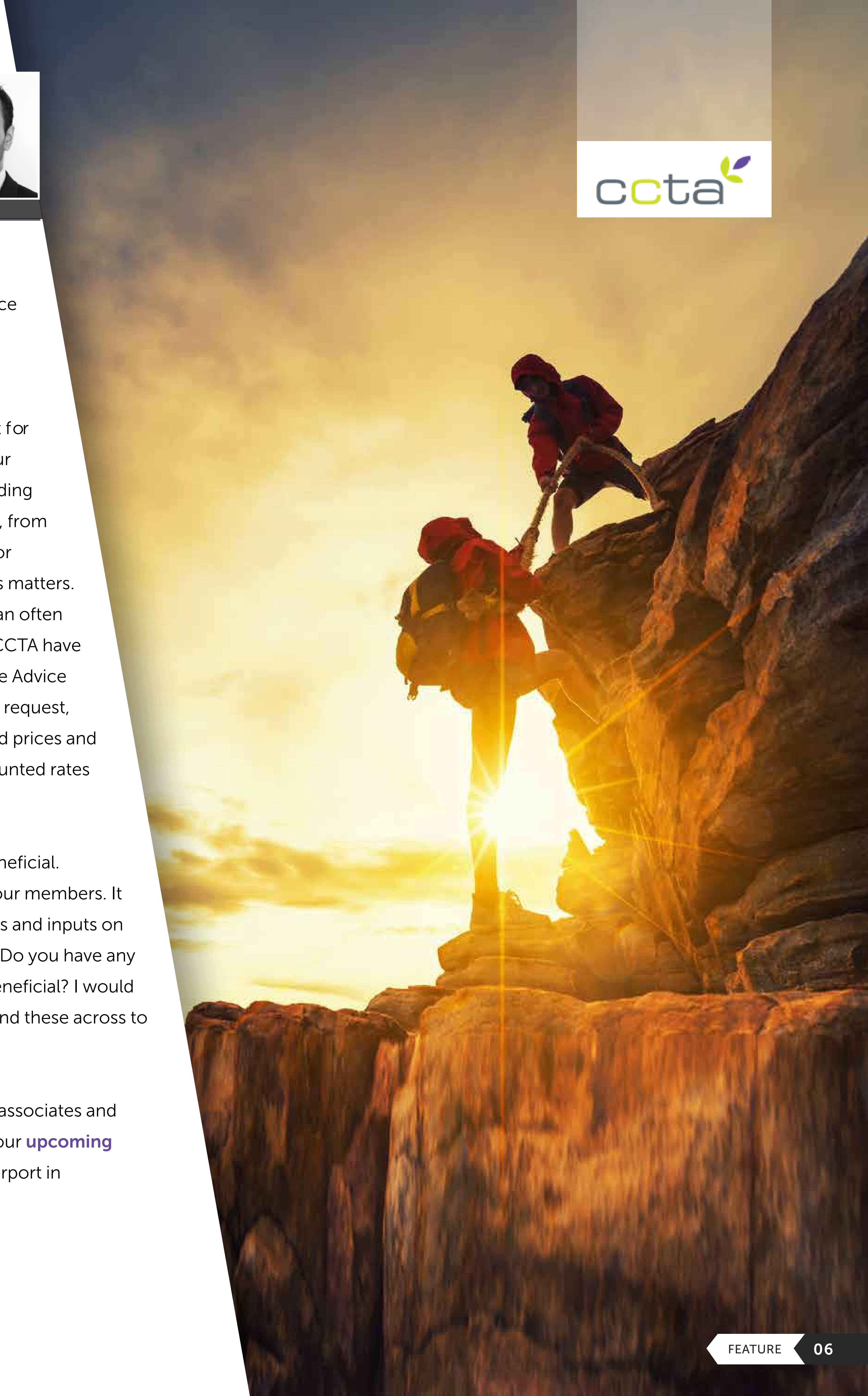
It's time for critics to replace blanket condemnation with productive dialogue. Together we can craft lending models that are fair, affordable, and inclusive. To do that, we need to be offered a seat at the table.

I am proud of what we do as a firm - we help people that are often overlooked by others. I believe as a sector we can also be proud. We may never get classed as heroes but maybe, just maybe, we might be invited to form part of the solution.

a helping hand

THE CCTA ADVICE LINE FOR MEMBERS

Naveed Asif
Head of Policy & Advice
CCTA



As many of you know, I am the Head of Policy and Advice at the CCTA and much of my role entails support and guidance for our members. The publication of our magazine gives me the opportunity to update you all on key developments, not only within my role but across the CCTA as your trade association.

I have previously talked about training and development and, whilst this has been progressing in the background, we aim to provide further details of the launch of CCTA Academy at our Annual Conference in September.

However, I wanted to take this opportunity to talk about another one of our key services - Advice Line.

The Advice Line service is key tool as it allows members to utilise CCTA knowledge and experience of all matters that affect our sector. We recommend members to use CCTA as a sounding board on a wide variety of topics and subjects. Part of my role is to manage the Advice Line service and, based on your feedback, I know that this is a very valuable service to many of you.

For the benefit of new members and those that have not yet used the service, Advice Line is free and only available to members. It can be used to ask for CCTA views, support or guidance on any issues or topics affecting members. This can include business specific matters such as internal policies and procedures, as well as regulatory, legislative and economic matters. Accessed through our Member Hub, members can put forward any questions, comments or concerns and we look to provide the appropriate support and guidance where possible.

To provide some context, in 2022, we received 59 requests from our members for support or guidance. These requests included questions, queries or concerns in relation to a range of matters including CMCs, affordability, Consumer Duty, agreements, FCA Handbooks, the Consumer Credit Act and member-specific business questions i.e. policies, procedures and processes. Prior to 2022, CCTA were able to provide the requested support or guidance within four or five days. For 2022, we set a timeframe of a three day response time. I am happy to announce that we were able to respond to 98% of requests within three days last year.

Given the positive feedback on prompt responses, we maintained a target timeframe for responses of three days for 2023. We also improved on the level of insight and detail provided in our responses which members have found very useful. This has had a significant positive impact on the use of our Advice Line service. For the first six months of 2023, we have already received 46 requests for support. Again, these have been in relation to a wide variety of matters and topical issues. Of course, some matters are more complex and ongoing than others but, I am pleased to confirm that we have managed to provide an initial response within three days to 100% of these requests.

> Advice Line is free and only available to members. It can be used to ask for CCTA views, support or guidance on any issues or topics affecting members.

We are here to support you, as and when needed, so if you have any questions, issues or concerns, please feel free to reach out via our Advice Line and we will be happy to assist. Whilst the support we provide does not constitute formal legal or compliance advice, we can certainly provide thorough guidance using our knowledge and experience of all matters affecting our industry.

Finally, I wanted to finish off with a request for input and thoughts from our members. Our Advice Line service provides a useful sounding board for members, but we are aware that, from time to time, you will require formal legal or compliance assistance for certain business matters. We recognise that sourcing this support can often be time consuming. That being the case, CCTA have considered introducing an extension to the Advice Line service whereby members can raise a request, compare legal and compliance experts and prices and source the best provider (possibly at discounted rates or on preferential terms).

We think members will find this service beneficial. However, as ever, we will be informed by our members. It would be great to hear your initial thoughts and inputs on this new service. Would you find it useful? Do you have any further ideas on how to make this more beneficial? I would love to hear your thoughts and you can send these across to me via email at **naveed.asif@ccta.co.uk**.

Thank you to all our valued members and associates and I look forward to meeting many of you at our **upcoming conference** at Radisson Blu Manchester Airport in September.

Jamie Buckley
Senior Partnership Development Manager
StepChange

braking point?

WHAT THE COST OF LIVING CRISIS MEANS FOR THE CAR FINANCE SECTOR

THE COST OF LIVING CRISIS IS CHANGING THE FACE OF DEBT

"Problem debt only affects people on low incomes". That's a misconception we hear at StepChange Debt Charity on a regular basis. But now more than ever, it's just not the reality we see every day. The unprecedented squeeze on consumers caused by the cost of living crisis is changing the profile of customers we support in profound ways.

In 2022, six million people visited the StepChange website for support, and in May this year, demand for debt advice was up 8% versus the previous year, and up 24% versus May 2021.

An increase of this magnitude shows that the crisis is not only affecting low-income groups, but that increasingly those who may previously have been financially comfortable are now falling into debt. And we know, whether it's shame or stigma, or fears about their credit score and access to credit, customers can be hesitant to reach out for help.

At StepChange we regularly analyse our client data to identify trends in the debt advice sector and share this with our partners to help them better identify and support customers in need.

In our recent report, **'Why debt advice matters in the car finance sector'** we explored our client data in detail which showed a number of concerning trends for the automotive finance sector. And amid the economic backdrop, unfortunately the worst is likely yet to come for customers who may not be well-equipped to weather the storm.

MORE CUSTOMERS WITH CAR FINANCE NEED DEBT ADVICE

There's no doubt that the growth of Personal Contract Plans have fuelled the growth in finance penetration we've seen, enabling consumers to finance cars at more affordable monthly payments than traditional Hire Purchase. This means 84% of cars are now bought on finance.

However, with the current pressures on household finances, car finance repayments are now becoming challenging for more households. At StepChange we've seen a 61% increase in the number of clients with an outstanding car finance debt since January 2020, which accounts for a 14.8% increase in the overall proportion of our clients who have a car finance debt.

The average balance of this debt has risen by 20% during this period and concerningly, our data indicates that customers with a car finance agreement may be more vulnerable to additional financial detriment.

CHANGING PROFILE OF CUSTOMERS: MORE DEBT AND MORE VULNERABLE TO INTEREST RATES

Our report shows that clients with a car finance agreement tend to have incomes around 30% higher than our average client, perhaps unsurprising given car finance is predominantly considered a prime product. However, despite this increased income, their monthly surplus of £162 is just £62 higher than that of our average client.

Despite having low monthly surpluses, these customers are far more indebted, with over £4,000 more in unsecured borrowing than clients without car finance. Perhaps most worryingly, it shows that car finance clients are over 80% more likely to have a mortgage and our analysis shows that increases in mortgage payments could push their monthly surplus into a deficit.

This poses a number of sector-specific challenges for the car finance industry, foremost that the nature of Hire Purchase creates the risk of customers being in negative equity at the point of reaching debt advice – a potential debt trap.

Car finance providers have other issues to balance, including providing customers the support they need as early as possible, balancing collections with delivering a good customer outcome for customers dependent on their vehicles for their jobs, and of course being able to evidence how they are supporting customers to meet FCA requirements under Consumer Duty.

WHAT SHOULD ORGANISATIONS DO?

Under Consumer Duty, car finance lenders will need to meet the FCA's higher expectations on how they support customers. Amid all the difficulties facing households, this challenge is even more pronounced for lenders.

One of the key requirements will be around identifying customers in need, providing the right support to them, and making it easy for them to access. Making the support easy to access is more complicated in the car finance world, as some customers may confuse the multiple touchpoints they have (dealer, brand website, finance company) and not know where to turn for help.

At StepChange we work with the UK's largest banks and lenders to provide simple, low-friction, referrals into debt advice utilising all their channels and touchpoints in the customer journey.

A second key challenge will be to evidence outcomes for customers. We provide regular MI to our partners demonstrating the result of customers referrals, helping partners to provide additional support to customers and crucially to evidence customer outcomes.

A deep dive into the challenge: To expand on our insight, we recently commissioned a detailed report with Experian on the emerging trends that car finance providers need to be aware of. We'll be exploring the findings and looking at some of the practical steps lenders can take to support customers in more detail at a joint webinar in September.

To find out more about how StepChange could help your business, please get in touch today.

the moving parts

A POLITICAL REVIEW FROM CENTAURUS COMMUNICATIONS

Jonathan Horsman
Managing Director
Centaurus Communications Ltd

The summer parliamentary recess is a good moment to appraise where we are in national politics and consider what might be in store for CCTA members in the second half of the year.

It has been a tumultuous six months for the Prime Minister. Following the calamitous Liz Truss interlude, Rishi Sunak delivered impressive early 'wins' that suggested his brand of brisk managerialism could chart a narrow path to victory for the Tories in 2024.

He sought to capitalise by announcing Five Pledges - halving inflation, lowering waiting lists, cutting debt, growing the economy and, most controversially, stopping the small boats. The pledges were regarded as easy - designed to be hit so that, in time, he could come up with five harder ones. It now looks like he'll score zero out of five. There might still be a path to victory, but it is vanishing.

Sir Kier Starmer is enjoying more luck. It isn't easy to get a hearing in opposition, but nor do you suffer the collateral damage caused by missed pledges. As one Labour insider put it, Starmer's task is like carrying a Ming vase across a highly polished floor. In other words, he will win so long as he doesn't screw up.

As befits an opposition leader with a big poll lead, Starmer is light on policy. He too has made five pledges, or 'national missions', covering broadly the same ground minus the small boats. The priority for Starmer is projecting competence and professionalism. Expunging the negative brand associations of the Corbyn era is key, hence some heavy-handed side-lining of left-wing elements in his party.

Labour strategists are laser-focussed on avoiding a rerun of 1992 when Labour led the polls but stumbled at the finishing line. Starmer is no Blair, but does that make him a Kinnock? Time will tell.

In the realm of credit and debt there have been notable developments. The Financial Services and Markets Act has received Royal Assent. This is largely a post-Brexit, pro-City measure to repatriate regulatory powers and boost competition. It also boosts financial inclusion by safeguarding access-to-cash and enabling credit unions to offer more products.

Opposition parties sought amendments to increase the FCA's accountability to Parliament and oblige the regulator to 'have regard to' both financial inclusion and 'net zero' targets as part of its operational objectives. Ultimately, these amendments were defeated, but the debates gave an indication of FCA and Treasury priorities for the period to come.

If further confirmation were needed, they showed that Consumer Duty will be the weapon of choice for the FCA. The call for a statutory financial inclusion objective was rejected because 'the Consumer Duty will adequately cover the same ground'. Further safeguards on bank branch access were deemed unnecessary because 'banks are bound by Consumer Duty'. You get the picture.

The FCA is wielding the Duty in other areas too. The regulator is monitoring the speed of banks' pass-through of interest rate rises to its savings customers. Its stick of choice? You guessed it. It will 'follow up' with firms whose pricing is 'at risk of not providing fair value'. Sounds ominous.

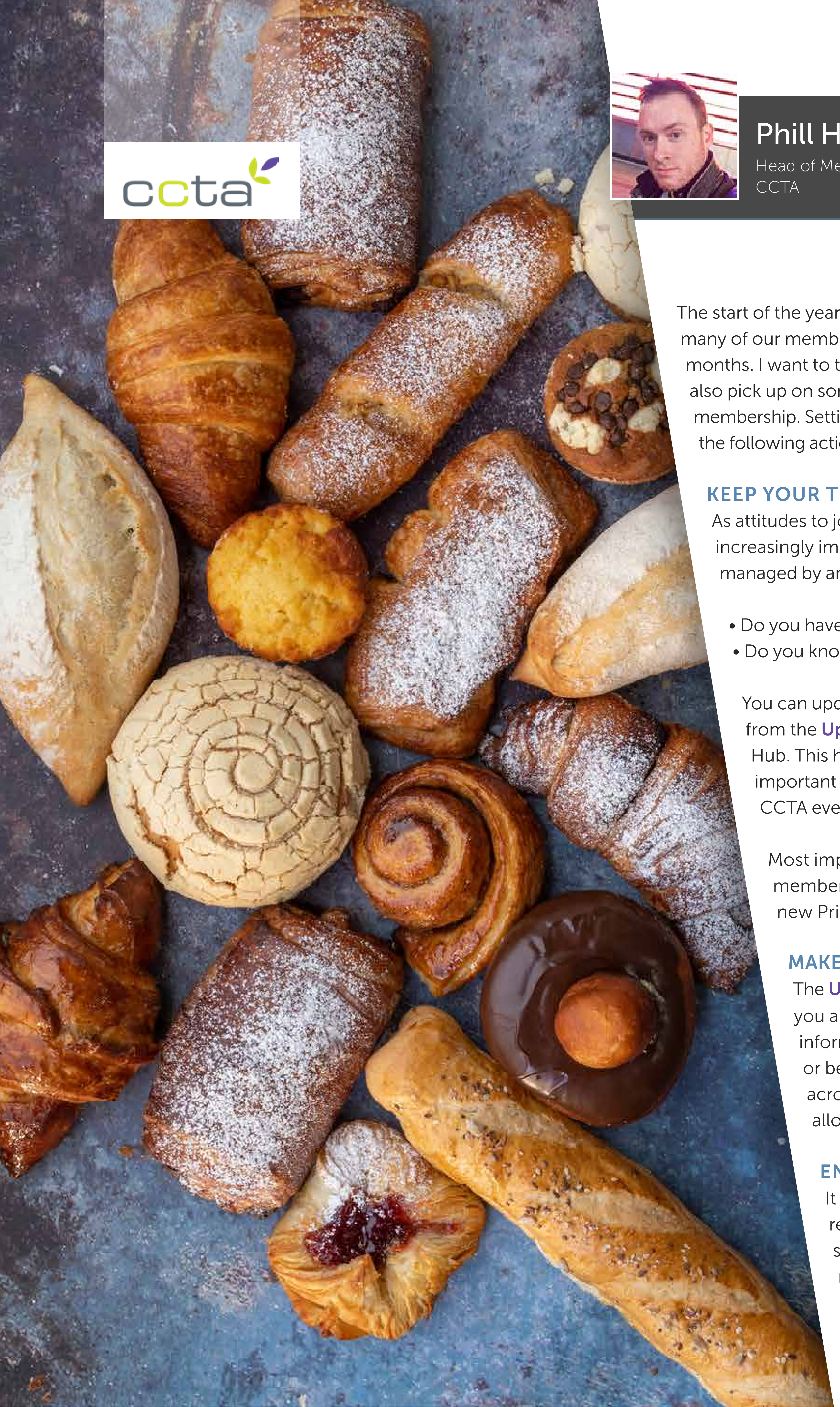
> Labour strategists are laser-focussed on avoiding a rerun of 1992 when Labour led the polls but stumbled at the finishing line. Starmer is no Blair, but does that make him a Kinnock? Time will tell. ”

The other big story of course is illegal lending. After repeated warnings over many years, the unintended consequences of over-tight regulation in the credit market are finally being made apparent to the FCA. The CCTA and other campaigning voices deserve much credit for their persistence in bringing a grim regulatory failing to the attention of the policy community. Happily, once the issue was taken up - first by the Centre for Social Justice and then by Fair4All Finance - the scale of the problem was quickly enumerated.

Fair4All estimate that more than three million people have borrowed from an illegal lender in the last three years. Fair4All and CSJ remain wedded to the idea that credit unions will step in, but it is hugely significant that the spike in illegal lending on account of over-regulation is now established fact.

The other policy prescription pitched by Fair4All was a Fair Banking Act. This would be a UK version of the US Community Reinvestment Act which compels banks to better serve poorer communities on pain of having their licences removed. US, French and Dutch versions of the Act already exist.

For campaigners, a Fair Banking Act is the second prong of a two-pronged strategy to get more lending into communities at risk of illegal lending (the first being credit unions and CDFIs). The message that ministers are hearing from the CCTA is a 'blended market' is required, with commercial and social lenders working in tandem to the same high standards. Now the penny has dropped on over-regulation and illegal lending, this is the next message the FCA will need to take on board.



Phill Harding
Head of Membership
CCTA

rising to the occasion

SUGGESTED STEPS TO MAXIMISE YOUR CCTA MEMBERSHIP

The start of the year was a busy time for CCTA membership, as many of our members came up for renewal during the first few months. I want to thank all of those that have renewed, and also pick up on some ideas about how you can fully utilse your membership. Setting aside a few minutes to periodically carry out the following actions will ensure you get the most from CCTA.

KEEP YOUR TEAM INFORMATION UP TO DATE

As attitudes to job tenure continue to evolve, it is becoming increasingly important to ensure that your membership is managed by an active member of your team. Ask yourself:

- Do you have access to the **Member Hub** on our website?
- Do you know who is receiving information from CCTA?

You can update your team information at any time from the **Update your Details** page within the Member Hub. This helps to ensure that key information such as important updates, publications, industry news, and CCTA event details are being sent to your current team.

Most importantly, if the Principal Contact for your membership is leaving your firm it is essential that a new Principal is put in place.

MAKE US AWARE OF YOUR LATEST PRODUCTS

The **Update your Details** page also lists the products you are currently offering. Please update this information when you move away from a product or begin offering a new one. Keeping this data across the membership accurate allows us to allocate our resources in a proportionate manner.

ENGAGE WITH OUR SURVEY REQUESTS

It is hard to take any action now that doesn't result in being asked to complete a survey shortly afterward. We understand that a survey request email will never be flagged as a high priority for members. However, I would implore you to provide us with your feedback. Our surveys are not a box-ticking exercise. The information we receive is considered when making decisions about various future plans and projects. As an example, the data gathered from the 2022 conference feedback survey has been used to adjust our 2023 conference plans accordingly.

The most recent feedback request was actioned by 7.3% of the membership. This is encouraging but pushing this percentage up will help ensure that our data is more representative of the membership as a whole.

RESPOND TO REQUESTS FOR INFORMATION

Our member communications are grouped into categories, one of which is "Response". A CCTA Response email is used to request opinions or feedback from members. As an example, this year we asked members to provide us with any issues, concerns or questions about the implementation of Consumer Duty. The responses were then discussed directly with the FCA (without naming individual firms).

The reason for highlighting our Response emails in particular is that they feed directly into one of our key missions: advocating on behalf of our members. Our objective is to support the development of a sustainable, effective, and well-regulated market. Our work with policymakers, regulators, government, and stakeholders is guided by the feedback we receive from our members. As such, we encourage our members to engage with us at every opportunity.

JOIN US AT CCTA EVENTS

We can appreciate that not every CCTA event will be relevant to all members, but please take a moment to read our updates regarding upcoming events. You will find these at the end of the weekly CCTA Update email in addition to our event specific communications.

Our casual dinner and annual conference are taking place on Tuesday 19th and Wednesday 20th September at Radisson Blu Manchester Airport. Our flagship event is used to discuss the latest issues affecting our industry and provides a key networking opportunity for members. More information about the event will be published in the near future.

We will also continue our focus on virtual events throughout 2023. In addition to our Summits, we will also be inviting members to a range of workshops and online training. Details of these will be sent via email and placed in the **Activity Feed** of the Member Hub. Again, ensuring we have your team information up to date will allow us to invite the relevant people within your firm.

> Setting aside a few minutes to periodically carry out the following actions will ensure you get the most from CCTA. ”

USE OUR LATEST AGREEMENTS & DOCUMENTS

This is not universally applicable, but definitely worth mentioning. If you are using electronic versions of our credit agreements and statutory documents, please ensure that you are updating your systems to the latest versions.

In line with Consumer Duty, all our agreements and statutory documents have been reviewed and improved in terms of layout, readability, and ease of understanding. We recommend that firms start to use these now as they will aid outcome testing in relation to Consumer Understanding. If you are not able to implement just yet, we strongly suggest using the new and improved versions (agreement codes ending in 1.0) from the post-Consumer Duty implementation date of 31st July 2023.

Many of our longstanding members already have my contact details to hand. However, if you don't, and ever have any queries in relation to your CCTA membership, events, or publications, please contact me at **phillip.harding@ccta.co.uk.**

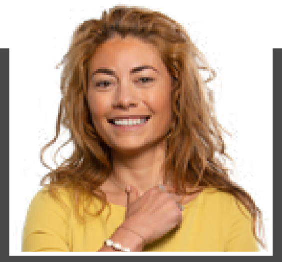

ccta
ASKING THE QUESTIONS
GUIDING THE DISCUSSION
BEING THE VOICE
2023 ANNUAL CONFERENCE
RADISSON BLU MANCHESTER AIRPORT
LEADING THE WAY
CASUAL DINNER TUE 19 SEP 2023
CONFERENCE WED 20 SEP 2023
BOOK NOW AT CCTA.CO.UK/CONFERENCE-BOOKING-FORM

keeping up with the times

THE IMPENDING REFORM OF THE CONSUMER CREDIT ACT

Gateley / LEGAL

Gemma Murphy-Punzo
Senior Associate
Gateley Legal



"Modernise, modernise, modernise!" seems to be the Government agenda for reform of the Consumer Credit Act 1974 (CCA). It is widely agreed that the existing regime is outdated, complex and restrictive for both lenders and consumers alike and reform is needed to bring in legislation that is forward thinking and in line with the operation of today's financial services market.

Since the CCA's implementation over 50 years ago, we have seen significant changes in consumer habits, such as the introduction of buy now pay later credit, the creation of new payment technologies and a surge in online ordering. The market has long complained that the current rules are no longer fit for purpose and need to be dragged into the modern world of ApplePay, Klarna and Amazon delivery.

The opportunity for reform is widely welcomed and industry reports seem to agree with the principles which are directing the review.

So what are the principles that lie behind the Government's thinking?

FLEXIBILITY AND ADAPTABILITY

To keep pace with market changes, one of the primary goals of the Government's CCA reform is to transfer regulation from statute to the FCA Handbook. There were enforced changes to the CCA in 2014 when the FCA took responsibility of the market from the OFT and as part of this, certain provisions were moved to the FCA's remit. However, the reform was piecemeal and many agree unsatisfactory. The rationale for extending this exercise is to modernise and streamline regulation for the benefit of consumers and business and allow for quick amendment to move with market demands and trends.

However, this is a double-edged sword. There is a compliance cost for rule changes and upkeep, and this is placed at the door of funders. Funders have already seen hikes in their annual fees and levies and it will be of great importance to them that this doesn't become a default position.

Although a full overhaul is a great opportunity to review and update some of the pre-existing CCA rules, we are also cautious if greater power is given to the FCA, will this require additional oversight? Will there be an increased cost to lenders? As always there is a balance to be struck between protecting consumers and ensuring that the market functions properly and competitively.

CONSUMER HABITS AND ENTERPRISE

Consumer habits and requirements are changing. There has been a move to subscription services rather than traditional borrowing, with less importance placed on "ownership".

There is a real complaint that "it takes credit to get credit" and that the Gen Z percentage of the market are barred from credit products due to income and tight algorithms regarding ability to repay. This end of the market are more incentivised to explore more digital and creative markets and expect their funders to be as agile and big thinking as them.

To combat this, the Government is seeking views on whether the existing business lending scope needs to be changed to reflect these social changes. Currently, sole traders and small partnerships are caught by regulation if the amount of the loan or rental payments is below £25,000. As a result, lending to unincorporated businesses under £25,000 is often avoided by funders which acts to stifle small enterprise or new start-ups.

E-TECHNOLOGIES AND PROCESSES

E-technologies have moved quickly, especially since the COVID 19 pandemic. This saw a significant shift towards e-signing and an increase in finance apps and online banking. We expect a replacement of most of the CCA's information and notification requirements to reflect the move to e-platforms.

Any change should be designed to make consumer credit regulation more dynamic, allowing for easier amendment of these requirements in the future. Similarly, email and electronic communication should be encouraged. Further, we expect that lenders will be given more flexibility in this area and handed the responsibility to decide how to balance the associated risks when it comes to consumer detriment.

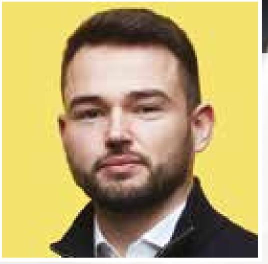
GREEN AGENDA

One area that is already charging forwards is green financing. There is a drive both from governments and consumers to place more importance on sustainability, environmental impact and green focused initiatives. Consumers are also keener than ever to work with firms whose environmental views align with their own.

We expect to see the green agenda given greater emphasis, with a focus on the removal of barriers that currently make it harder for lenders to offer finance for renewable energy solutions (including electric vehicles). But will the reform go further? Will there be incentives for firms who pursue a sustainable agenda – and will this become a consideration for FCA authorisation?

We still await the feedback which has been given to the consultation, which was due to be published in May this year. It will be interesting to see how radical the Government's approach will be. The previous act has weathered the creation of the internet, mobile phones, Apple Pay, online banking and home delivery – and now the sell by date is clear. Given that the way we bank, spend and finance our lifestyles is evolving at speed, it is essential that the "new release" CCA can keep up with, if not look ahead of, market and technology trends. Predicted new technologies in the next 50 years include an entire dependency on renewables, space vacations, and autonomous human robots. Therefore, the new CCA need to be simpler and more agile at the same time as offering protection for the vulnerable and enough dynamism to encourage new lenders to market.

> "The previous act has weathered the creation of the internet, mobile phones, Apple Pay, online banking and home delivery – **and now the sell by date is clear**."



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breach of contract

WHAT IS A MATERIAL BREACH?

Whether a breach of contract is 'material' (or 'substantial' – in this context, the terms are generally interchangeable) can be difficult to ascertain. But the answer can have a major impact on the consequences flowing from such a breach. The issue crops up often in commercial disputes. In this briefing, we explain how the approach adopted by the courts can offer practical assistance for contract negotiators and commercial parties.

BREACH OF CONTRACT: BACK TO BASICS

The basic, common law position is that a contract can only be terminated if the actions of a breaching party go right to the core of the contract and substantially deprive the innocent party of the benefit the contract was intended to confer. Such a breach is also known as a repudiation, or a repudiatory breach.

To allow termination, as opposed to just financial compensation, for breaches which are less drastic than repudiatory breaches, but that nevertheless still have a significant impact, parties often agree express terms providing for termination in the event of a material breach of contract. But what constitutes a 'material' breach?

BREACH OF CONTRACT AND MATERIALITY: KEY PRINCIPLES

There is no universal legal definition for material breach of contract. Meaning will therefore be a question of interpretation. Over time, the courts have adopted a varied approach to interpreting materiality:

- In National Power Plc v United Gas Co Ltd (1998), the court held that a material breach of contract was a breach that has a serious effect on the benefit that the innocent party would have otherwise derived from the contract.

- In Crosstown Music Company 1, LLC v Rive Droite Music Ltd (2009) the court considered that the concept of materiality, as opposed to triviality, has to be measured in the context in which the question arises – that is, the total factual matrix, covering the terms of the contract and the circumstances of the case.

- In Compass Group UK and Ireland Ltd v Mid Essex Hospital Services NHS Trust (2013) LJ Jackson stated the phrase 'material breach' "connotes a breach of contract which is more than trivial, but need not be repudiatory … Having regard to the context of this provision, I think that 'material breach' means a breach which is substantial. The breach must be a serious matter, rather than of little consequence".

- Along similar lines, in Mears Ltd v Costplan Services (South East) Ltd (2018), material breach was held to be somewhere between not trivial and sufficiently serious to be repudiatory.

- In the recent case of Stobart v Esken (2022), it was held that there had been no material breach because the sorts of breaches committed could have been put right in the future.

- The same principle was applied in the recent case of RiverRock European Capital Partners LLP v Harnack (2022). Dissolution of a company was found not to constitute a material breach of contract since the company could be restored to the register.

ASCERTAINING MATERIALITY: THE CORRECT APPROACH

How can a contract negotiator or contracting party determine whether a breach of contract is material? If there's no express contractual definition for 'material' breach of contract, the following factors should be taken into account:

- the nature of the contract and all relevant contractual terms
- the full factual matrix, including the commercial circumstances and circumstances surrounding the breach
- the parties
- the parties' conduct, including their reaction to the breach
- the actions constituting breach
- commercial/factual consequences of the breach and impact on the innocent party
- potential consequences on the respective parties if the breach were found to be material
- whether the breach can be remedied in future.

PRACTICAL ADVICE FOR NEGOTIATING/DRAFTING CONTRACTS

For all practical purposes, the courts have a considerable degree of discretion when deciding whether or not a breach of contract is material. One option to minimise the uncertainty that accompanies that level of discretion is to try to eradicate ambiguity, by expressly defining within the agreement what constitutes a material breach of contract.

Parties can achieve this by including wording to establish a scope of any triggering breach (material or otherwise) and/or by setting out specific circumstances which would give rise to a material breach.

A common approach is for the parties to identify any specific contractual obligations that are, in the parties' opinion, so significant that any breach would have important consequences and should, therefore, give rise to the ability for the innocent party to terminate. Such obligations will vary from contract to contract, depending upon the context, the parties and the subject matter of the contract.

Where parties identify specific scenarios in this way, it may be prudent to expressly clarify that the defined list is not exhaustive and is without limitation, but this will be a question of individual preference. This tactic should provide the option for a party to argue that a breach not specifically called out may still be designated material by the party seeking to terminate. However, drafting-in this 'wiggle room' does still leave some uncertainty and some scope for dispute.

co-manufacturing consumer duty

AUXILLIAS PROVIDE AN OVERVIEW OF CO-MANUFACTURING UNDER CONSUMER DUTY

In this article we provide an overview of co-manufacturing under Consumer Duty and some of the primary considerations for consumer credit firms.

WHY IS IT IMPORTANT?

Where parties are co-manufacturing a product within the scope of the Duty they are required by PRIN 2A to agree in writing between them how they will jointly discharge their obligations under the Duty in respect of that product. This must include, but may not be limited to, their respective responsibilities in relation to product governance and price and value assessments. Failure to do so will amount to a breach of the FCA's rules.

The overriding purpose of the requirement is to enable the FCA to identify the parties' respective responsibilities for the product design, approval and fair value, particularly in cases where issues or harm is identified.

WHY IS IT CHALLENGING?

The FCA has defined the concept of manufacturing broadly. As a result, it can be challenging to draw the line between merely distributing products and having a hand in manufacturing them.

Intermediaries, particularly those whose main business activities are not regulated, may not have considered whether they are co-manufacturers of consumer credit products that they distribute. There is no one-size-fits-all answer; it is impossible to provide a definitive guide to every scenario and the classification of individual arrangements will turn on their facts.

Firms should work with the other parties in their distribution chains to reach a shared view on how their respective activities should be classified. While daunting, this exercise provides an opportunity to clearly define and delineate roles and responsibilities within distribution chains and to update contracts, governance, and oversight practices accordingly.

KEY DEFINITIONS AND CONCEPT OF CO-MANUFACTURING

Under the Duty a "manufacturer" is essentially defined as a firm which created, developed, designed, issues, manages, operates, carries out, or underwrites a product. A "distributor" is a firm which offers, sells, recommends, advises on, arranges, deals, proposes or provides a product. The term "co-manufacturer" is not defined, but FCA commentary in FG22/5 clarifies:

"A firm would be considered a co-manufacturer where they can determine or materially influence the manufacture of a product or service. This would include a firm that can determine the essential features and main elements of a product or service, including its target market."

In its March 2023 Dear CEO Letters about Consumer Duty to the motor finance providers portfolio and the credit brokers portfolio, the FCA stated that it expects firms to be clear about their roles in the distribution chain. Reiterating its comments in FG22/5 (above) about co-manufacturing, the FCA highlighted this example:
"If a lender negotiates an APR price-point with a dealer or broker firm, the firms may need to consider whether the lender is making the pricing decisions or if the dealer or broker has a material influence on this".

TOP TIPS: FACTORS TO FOCUS ON

Firms should focus on the materiality of the influence a distributor exerts over the main components of the product, how it is delivered and to whom. In most cases this could boil down to a simple question about each product: "to what extent is each party calling the shots?"

In asking themselves this, firms should identify which features of the product and product experience will have the biggest impact, for better or worse, on customer outcomes.

While influence over pricing, fees and charges and product benefits are all obvious starting points, firms should look beyond the product documentation and ensure they also consider influence over the key components of the product lifecycle from design to performance. For example, influence over affordability policy, collections strategy or use of customer data.

Factors to consider may include, but might not be limited to:

1) how customers understand the roles and responsibilities of the parties and their positions in the distribution chain

2) remuneration arrangements in the chain (particularly who determines them)

3) the contractual relationship between the parties

4) how the relationship operates in reality (for example, the balance of power and influence between the parties)

5) the finance provider's product design processes and how decision making occurs in relation to the product

6) the evolution of the product and its distribution strategy and the maturity and complexity of the distribution chain; and

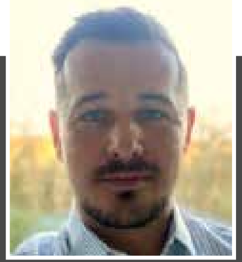
7) the practical ramifications of concluding the parties are co-manufacturing, namely what their respective roles and responsibilities would be.

TOP TIPS: GETTING GOVERNANCE RIGHT

Given the interpretive uncertainty, firms should develop a formal process for reviewing their distributor relationships and identifying co-manufacturing. This could include:

- designing and performing a standard assessment, using a questionnaire, flow chart or decision tree
- recording the output and justification for the conclusions of that assessment in writing
- ensuring senior management oversight and approval; and
- keeping the position under periodic review.

Paul Godsmark
Legal & Compliance Director
Auxillias



Auxillias

> Perhaps of **greatest impact to the credit industry** will be the introduction of a mental health moratorium on debt recovery action should an individual have a mental illness.

news from scotland

SOME NEW CHANGES AND SOME TIDYING UP OF THE OLD

The Bankruptcy and Diligence (Scotland) Bill introduces a number of measures which modify current diligence (judgment enforcement) measures, to either improve them or clarify some of their provisions.

However, perhaps of greatest impact to the credit industry will be the introduction of a mental health moratorium on debt recovery action should an individual have a mental illness.

The precise details will be introduced by regulations, although the Bill provides a non-exhaustive non-mandatory list detailing what those regulations may provide including:

- The individual's eligibility criteria for the moratorium to apply
- The type of debts to which the moratorium will apply and the process for establishing the eligibility criteria
- The moratorium's timeframe, what creditors can do during its currency, including the ramifications for creditors should creditors breach the moratorium
- The debtor's obligations during the moratorium
- How information can be recorded to establish whether a moratorium is in place.

Once the Bill is enacted, Scotland will be closely aligned the English Mental Health Statutory Breathing Space. Such UK-wide consistency should be welcomed.

Other provisions of the Bill include the following:

- Clarifying the process for applying for a bankruptcy to be recalled should a debtor pay or about to pay their debts in full
- Where a debtor makes an application to the Accountant in Bankruptcy (as opposed to a court petition) either through the Minimal Asset Process or through the full administration process then bankruptcy should be awarded without delay.
- A corrective provision which confirms that where a debtor makes a gratuitous alienation of an asset a purchaser in good faith and for value will retain a good title to it.
- If a creditor carries out an arrestment currently a third party, such as a bank, in whose hands the arrestment is carried out, is not obliged to advise the creditor if the arrestment has been unsuccessful and not attached any funds. Arrestees will now be required to inform the creditor within three weeks if nothing has been attached.
- Following an earning's arrestment the debtor's employer is obliged to advise the arresting creditor should the debtor leave their employment. It will now be a requirement that a specific form should be used to provide this notification. Should the employer then fail to provide the information on a creditor's application to the court a sheriff may order the employer to pay the creditor twice the amount which the creditor would have received had the arrestment be operational. The Bill states the amount should not exceed £500.
- If a creditor makes an application for diligence on the dependence (which may include an arrestment or inhibition) there may be a hearing prior to the provisional measure being granted. If there is a hearing and the debtor is an individual then the debtor must be provided with a "debt advice and information package" in advance of the hearing. Failure to do so will mean that the creditor's application will not be granted.
- Where an exceptional attachment order has been granted (removing non-essential assets from an individual debtor's home) the attached goods must be immediately removed by the sheriff officer. However, if this is not practically possible then seven days' notice must be given during which time the debtor can redeem the goods. This seven day period is now to be increased to fourteen days.
- Money attachment can only be carried out during certain hours (not before 8am and not after 8pm) nor on Sundays and public holidays. The Bill amends these restrictions should the debtor be carrying on a trade or business from the premises outside these hours.

Stephen Cowan
Consultant
Yuill + Kyle

CCTA SUMMER SUMMIT
ANOTHER WELL ATTENDED ONLINE EVENT FOR MEMBERS

We had another good turnout for our online Summer Summit. Members have told us that they like the ability to drop into these events, take away some insights, and then get back to other matters.

It was great to hear Peter Tutton talk about what they are seeing at StepChange. It was also interesting to get behind the headlines and talk about what is happening.

As reported elsewhere, Consumer Duty is included across most of our communication and events, so it was no surprise that attendees enjoyed a discussion with Mark Fiander and Sheraz Afzal about the approaching deadline.

As always seems to be the case, we planned a longer report on CCTA activity but the other two sessions were so good that CEO Jason Wassell couldn't bring himself to close them down. However, there are other ways for him to get his messages out, not least he edits this magazine.

AN UPDATE ON CCTA MOTOR FINANCE ROUNDTABLES

The CCTA Council has agreed that we think further about how we engage with the various different groups across our membership. One of the great benefits of our wide reach is that we can compare member's experiences and identify similarities, which can allow firms to learn from each other.

But there is also a need to give space for focus on different sectors, we were delighted with the great response to our first Motor Finance roundtable, which took place in May.

At the meeting we were able to call on experiences from other areas when looking at how complaints are handled by the FOS, for example. We were also able to focus in on the technicalities of certain issues that are emerging in motor finance.

Our plan is to continue with a series of roundtable discussions. Details of our next roundtable have now been emailed to our motor finance and asset finance members.

CCTA CONFERENCE
BOTH THE FCA AND FOS NOW CONFIRMED SPEAKERS

Plans are underway for our Conference on 20th September. The evening before, we will once again hold our informal networking dinner. This event has always been held at a very useful time, which allows us to discuss some of the big issues, including a review of regulatory matters.

We are delighted to annnounce that both the Financial Conduct Authority and the Financial Ombudsman Service have confirmted they will be joining us in Manchester. We are in discussions with them as to what they want to speak about, and also what we think members will be keen to hear.

The CCTA Conference continues to be our key annual event, so do think about **booking your ticket**. There are also opportunities for associate members to help us deliver the event through **sponsorship support**.

CCTA ACADEMY
AN UPCOMING LEARNING AND DEVELOPMENT PLATFORM

Work continues on a new learning and development service for CCTA members. The FCA has always been clear that they expect firms to have programmes in place for the development of their staff. This should cover all team members, but particularly senior managers and those that have been certified by firms.

We aim to develop a service that will be suited to our members. Our model will be online so that we can have the widest reach, with the ability to provide a record of activity for future audit. We are looking at training paths for individuals in different roles.

Excitingly, we are testing how far we can take customisation, so that these courses are tailored for the various sectors that CCTA represent. Members have talked about how some platforms are too generic and fail to pick up relevant issues.

Look out for more information about CCTA Academy over the next few months.

ARYZA ANNOUNCES STRATEGIC PARTNERSHIP WITH **ACQUIRED.COM**

The financial software solutions provider, Aryza Group has announced their partnership with payments specialists Acquired.com to deliver a sophisticated range of data driven collection and disbursement options for their lending division with plans to extend this into other parts of the group including debt recovery and insolvency.

Both Aryza and Acquired.com have a shared expertise, focus and passion for driving innovation across the financial services ecosystem. This partnership is a natural fit with many synergies which are already providing significant upstream value to Aryza, its customers and beyond.

Acquired.com's payment solution is extremely well positioned to benefit businesses using Aryza's products by enhancing the end-to-end payment process from treasury services, which includes automated disbursements to optimise payments and help maximise collection success.

WHY SHARE **MOTOR FINANCE DATA** WITH THE UK'S LARGEST AUTOMOTIVE MARKETPLACE?

At our first motor finance roundtable, we offered the floor to Auto Trader to talk about how they can work in partnership with our members. Partner with Auto Trader to:

1. Inform consumers and industry traders of the vehicles that you own to avoid assets moving on without your knowledge.
2. Prevent your assets being sold on by customers.
3. Avoid funding an already funded vehicle, which can result in legal title disputes and pay-outs.
4. Ensure customers are being treated fairly and enable informed purchasing decisions.

There's more than one provider of vehicle history data for the automotive marketplace, and by not partnering directly with Auto Trader, you're at risk of all the above.

Data sharing is easy and we can set it up in a few simple steps. To protect your assets and save time, contact us now by emailing: Karan.Ridgard@autotrader.co.uk

MARSH FINANCE LAUNCH MVP ACCREDITATION SCHEME

At Marsh Finance, we recently launched our Marsh Valued Partners (MVP) programme that aims to build and nurture relationships with partners in the motor finance industry.

MVP has the potential to transcend the motor finance compliance industry with a bespoke service offered to every partner. Developing a market-leading proposal echoes Marsh's commitment to innovation whilst offering a fantastic proposition to existing and potential partners.

This service is tailor-made to help car dealerships with the ever-changing compliance landscape, increasing sales and improving operational efficiencies across their business. MVP aims to reward our partners for their success in achieving and maintaining high levels of compliance, enabling Marsh to build stronger relationships within the industry.

Our compliance team are award-winning and eager to help partners in whatever way possible to improve operational processes and procedures. Each partner will have a dedicated manager who will work with them to ensure they meet expected standards across multiple parts of their operations.

LANTERN COMPLETE ON £97.5M AMMENDMENT, REFINANCE AND EXTENSION

Lantern, supported by EY, have recently completed on a £97.5m amendment, refinance and extension of its existing facility, made up of an initial commitment of £77.5m and an accordion of £20m, with a syndicate comprising of specialist lenders Hampshire Trust Bank, Paragon Bank, Shawbrook Bank, and alternative investment manager BCI Capital.

Lantern has established itself as a trusted partner with a significant number of the leading specialist lenders, generating both spot and forward-flow debt purchase opportunities. They also provide additional services such as vulnerability identification and outsourced managed services across both financial services and utility clients, through its subsidiary Sonex.

PERCH GROUP BOLSTERS INDUSTRY-LEADING CLIENT TEAM

Perch Group, one of the UK's fastest-growing debt purchase, collections, litigation and reconnection firms, has announced the appointment of Rob Oxley as Origination Director and Bronia O'Regan as Lead Implementation Manager.

These new appointments support Chief Commercial Officer Andrew Bartle's vision for the firm to be able to service the full spectrum of debt types and sectors from mail order and financial services to utilities and telecoms.

He says: *"With Rob and Bronia on board, along with the rest of the industry-leading team we have built, people are beginning to take notice of our innovative approach and solutions, with clients valuing our unique combination of experience and agility. Whatever the size, type or complexity of portfolios or accounts, we've got the expertise to service them to the highest standards."*

Perch Group client, a credit card provider Debt Sale Manager, adds: *"We've been incredibly impressed with Perch Group's offering as a one-stop-shop for all our debt resolution needs. They tailor everything to our specific needs and have an in-depth understanding of our sector and customers."*

COEO UPDATE ON NEW COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

Coeo have launched two customer facing programmes as part of their new commitment to corporate social responsibility (CSR). Playing an integral role in the companies many new CSR initiatives which also includes charity support, environmental sustainability, and staff engagement, coeo launched two programmes in June promoting community welfare and customer support.

The community welfare programme has been developed to support the well-being of coeo's local community through a mental health and financial literacy program. The programme teams up with local organisations to provide resources, education and support to individuals facing challenging times including financial hardship.

Coeo's consumer care initiative is spearheaded by a recently launched Customer Support Site, which provides comprehensive resources, frequently asked questions, and self-service options to address customer inquiries effectively. The site was designed and deployed to enhance a seamless user experience for their clients and customers.

these initiatives aim to create a positive impact on all stakeholders and foster a culture of social responsibility.

SUMMER 2023 ISSUE

AVAILABLE AUGUST IN THE **MEMBER HUB**

Rob Oxley
Origination Director
Perch Group

reconnecting with customers in arrears

WHY WE NEED A DATA-DRIVEN APPROACH

In the current economic climate, with all of its complexities, a 'one size fits all' approach to consumer debt recovery isn't effective for businesses, their customers and clients. However, a fully tailored approach to each and every customer isn't possible – or at least not without access to quality data.

With the FCA's Consumer Duty bringing a focus on enhancing the customer journey, ensuring collections processes are as joined-up and consistent as possible to deliver fair outcomes, is key. Delivering this doesn't just serve the interests of the consumer; it also benefits creditors to work with partners who can offer a data-driven, end-to-end service.

THE WHOLE DEBT LIFECYCLE

With more and more focus on the cost of living, it's inevitable customers will be faced with prioritising different types of debt from credit cards, loans and mortgages to utilities and council tax, and it's crucial they are supported across the whole debt lifecycle, regardless of who is supporting their circumstance. That journey is becoming more and more complex for many.

When it comes to reconnecting with customers who creditors have lost touch with, we mustn't treat it like a starting point. All that has gone before should be taken into account to inform the approach and verify any information that is available before reaching out, especially with when considering potential vulnerability which continues to be prevalent and can take many forms.

THE BENEFIT OF INSIGHT

Insight is a wonderful thing. Using high quality, comprehensive data to track the whole customer journey and inform appropriate action and next steps results in better, fairer customer outcomes and saves all involved time and resource. It's a win win. This has become a 'given' in mainstream collections but field-based services are largely still traditional and there often isn't a joined-up approach.

Reconnection and verification rarely needs to start with a blank sheet of paper. Analysing all the data available will significantly improve decisioning, effectiveness and appropriateness to determine the right channel to be deployed.

OMNI-PRESENT OMNI-CHANNEL

An end-to-end solution isn't just about the linear customer journey from debt purchase and collections to litigation and reconnection, using different forms of communication and different datasets for different stages in the process. Customer journeys are not always linear and every customer is different. Just because something is escalated, doesn't mean there shouldn't still be an omni-channel approach which may include a combination of field visits, telephone support, letters, email and online chat, in any order. In fact, face-to-face interaction is often the best 'door opener' (pardon the pun) for follow up engagement and resolution via other means, as well as being a great way to gather in-depth insight, including vulnerabilities, that can then be fed into existing digital data sources.

CUSTOMER-CENTRICITY IS STILL KING

Most importantly of all is how we take a data-driven approach to deliver the right outcomes and at the forefront of that is treating customers as humans. In fact, good quality data gathering is about building up as clearer a picture as possible about each individual's personal circumstances. Once information can be verified as being accurate, a much more tailored and personal approach can be taken.

AJ Davison
Senior Partner Manager
Acquired.com

open banking in action

GREATER FLEXIBILITY AND AUTOMATION TO BENEFIT LENDERS AND PROTECT CONSUMERS

From streamlined collections for lenders to increased financial control and tailored repayment options for borrowers, including open banking payments as part of a customer-centric collections strategy is paving the way for a more inclusive and secure lending ecosystem. But what are the practical applications of open banking in the credit collections process?

The majority of individuals in the UK currently possess more than one bank account. Acquired.com recently conducted an online poll and found that 93% of respondents have more than one bank account, with 39% having more than four bank accounts. We can therefore assume that an individual's funds are distributed across multiple accounts, with no singular account holding all their assets. Consequently, the account associated with their Direct Debit (DD) or Continuous Payment Authority (CPA) set up for credit collections may not always be the account which has available funds – this is where open banking comes in.

Introducing the option to pay via open banking from a different bank account than the one linked to their CPA or DD allows borrowers to make loan repayments from an account of their choice, enabling them to manage their cash flow more effectively. This benefits both the lender and the consumer. Open banking also enables borrowers to have the flexibility to select the repayment amount within their means. This set up ensures that the lender can collect repayments effectively, while also safeguarding the consumer's financial well-being by allowing them to pay back only what they can afford in a given month.

From a lender perspective, open banking payments have a lower failure rate compared to direct debits or card payments. Our payment transaction data found an average acceptance rate for Open Banking payments of 97% compared to 70% for standard card authorisations (Source: The Acquired.com Hub). Open banking also relies on secure APIs (Application Programming Interfaces) to initiate transactions directly between banks, eliminating the potential for manual input errors or outdated payment details. The automated nature of open banking payments significantly reduces the likelihood of payment failures, the associated inconvenience, and potential fees.

The combination of lower failure rates and instant settlement offered by open banking payments ensures that borrowers can make affordable and reliable payments, reducing the risk of missed or late payments that may negatively impact their credit score. The efficiency and speed of open banking payments contributes to a smoother and more seamless borrowing experience for borrowers and lenders alike.

Acquired.com have developed their own proprietary open banking solution, Pay by Bank. They also offer payments via card and digital wallets. Get in touch if you are interested in optimising your payments ecosystem.

know your partner | TAKING PRIDE IN CLIENT PARTNERSHIPS

You wouldn't get married at first sight (unless of course you're on the reality TV show of the same name), nor would you choose a builder to renovate your house, without first doing research. It's important you knew about their background, their quality levels, their culture and moral compass – and that they are aligned with yours. They are all the same reasons for choosing a partner to look after your most important asset, your customers.

With the impending Consumer Duty, it's important to choose a partner you can trust, who will be transparent and supportive of your focus on ensuring customers have the right experience.

GETTING TO KNOW YOU

A good partner will spend time working with you and learning about your business and customer base. It matters that the customer doesn't feel like they've had a disruptive journey, and that your selected partner understands what they have been through and what their current circumstances are. You should also be actively encouraged to ask questions; you have your area of expertise, and your partner has theirs. After all, that's why you are working with them. Ask any questions you have and where possible make an onsite visit to get a feel for the business and the culture within it. A slide deck can paint any picture the creator wants, but a physical visit to meet a cross-section of people across the business really gives you a feel for what they're about.

CAN I WORK WITH THIS PERSON?

As much as that might sound like going back to school and choosing your friends, it is important to build up a relationship of trust with your partner. Transactional is all very well, but it doesn't help when things get sticky, or a collegiate approach is needed. Find a partner you like, and who you know you'll be able to have honest conversations with around service and performance, without it jeopardising your future working relationship.

GET FEEDBACK

Do they have any case studies? Can you speak to any of their existing clients? Your partner needs to be transparent from the outset and should be delighted to share contacts across their existing client base, assuming they are delivering what they said they would. One point here though – once you've chosen your partner, please also support them in offering to be a reference if they need one.

HOW ARE THEY GOING TO ACHIEVE THEIR RESULT?

Potentially a contentious point, and pricing will always be an important factor, but you know the saying; "if something seems too good to be true, it probably is". When you are getting low servicing rates or high sale prices, ask yourself, 'how are they going to compliantly and fairly get their returns based on the valuation they've given?', 'what controls do I need to put in place to ensure my customer is protected and I'm continuing to follow the Consumer Duty rules and guidance?'

At Lantern Group we take great pride on our client partnerships. We are supportive and transparent every step of the way because we're all in this together. Your brand is our brand!

Denise Crossley
Chief Executive Officer
Lantern

Jamie Burgoyne
Head of Operations
Marsh Finance Ltd

revving up efficiency

UNLOCKING OPERATIONAL SUCCESS FOR CAR FINANCE INTERMEDIARIES

The UK car finance industry faces several challenges impacting business performance and profitability. One of the biggest challenges is the increasing competition within the market. With a rising number of companies entering the market, it is becoming increasingly difficult for car finance intermediaries to stand out and attract customers.

Another challenge is the rising cost of borrowing. Interest rates have steadily increased over the past few years, making it more expensive for consumers to finance car purchases. This is particularly difficult for those with lower credit scores, who may be charged higher interest rates.

Within the industry, there are also issues with flawed processes and sales efficiencies. Many companies still use outdated methods and systems, which can be slow and cumbersome.

Sales efficiencies are also an issue, as many companies need help to target, reach, and convert their potential customers effectively. On average, car finance companies typically have a conversion rate of around 5% to 15% on loan applications.

Car finance companies must invest in modern, efficient processes and systems to address challenges. This includes adopting new technologies such as artificial intelligence and automation, which can help streamline operations and improve efficiency.

HOW TO IMPROVE EFFICIENCIES WITHIN YOUR BUSINESS

- **Automation:** Automating manual tasks can help reduce errors and improve efficiency. For example, car finance companies can use automation tools to streamline the application process, handle customer queries, and manage loan payments.
- **Digitalisation:** Adopting digital technologies can help car finance intermediaries reduce paper usage, speed up processes, and improve customer experience. For example, they can use online platforms to allow customers to apply for loans, make payments, and track their loan status.
- **Data analytics:** Using data analytics, car finance intermediaries can gain insights into customer behaviour and preferences, which can help them tailor their products and services to meet customer needs better. This can help improve customer retention and increase conversions.
- **Collaboration:** Collaborating with partners such as car dealerships, lenders, and banks can help car finance intermediaries access a wider pool of products and expand their reach. This can also help them offer a broader range of products and services, improving customer satisfaction.

THE BENEFITS OF IMPLEMENTING THESE STRATEGIES

- **Automation:** Intermediaries can save time and reduce costs by reducing the need for manual labour.
- **Digitalisation:** Digitalisation can help intermediaries reach more customers, offer more products, and improve efficiency.
- **Data analytics:** Data analytics can help car finance intermediaries make informed decisions based on real-time data, leading to improved efficiency and better customer targeting.
- **Collaboration:** Collaboration can help car finance intermediaries expand their reach and access a wider pool of customers whilst offering a broader range of products and services, increasing customer satisfaction.

Simon Dukes
CEO
Fair for You

time for change? | THE BENEFITS OF A FAIR BANKING ACT

The music fan in me is tempted to say that the release of The Clash's eponymous debut album was the best thing to happen in 1977.

But putting my professional hat on, I must note another significant release that year: the Community Reinvestment Act, by the US Congress. A near half-century later, this federal law has inspired a new campaign designed to improve financial inclusion in the UK.

Fair for You, the social lender I lead, is pleased to have added its signature to the Fair Banking for All Campaign, alongside credit union body ABCUL, CDFI network Responsible Finance and others. The coalition is calling for a Fair Banking Act, mirroring much of that US law.

This would respond to the financial exclusion with which CCTA members will be familiar. Right now, banks' refusal to provide services such as loans, overdrafts or even basic bank accounts to customers it considers 'high risk' is driving people towards loan sharks and other hardships.

Public polling for this Campaign confirms that most Britons see this as unfair, and that the majority would support a law tackling this.

The Community Reinvestment Act compels American banks to invest in community, non-profit or good cause organisations, including affordable credit. Initially seen by the banks as a simple 'regulatory must-do', they have since realised that it provides various reputational, customer and financial benefits.

A Fair Banking Act would require mainstream banks in the UK to report on their performance on financial exclusion, through a transparent, publicly available, framework. It would institute a system for clear ratings, showing which banks are doing well and which need to improve on this front. Investment in affordable credit providers would be one way for it to improve these ratings.

The Campaign is pleased that it has already attracted interest from various politicians and representatives from the banking sector. Momentum is building.

If enacted, the legislation should create opportunities for some CCTA members, such as Fair for You, to receive investment from banks, or to partner with or launch joint ventures with them. It would also create changes in the credit market, altering the volume or profile of customers coming to CCTA members.

I am aware that some CCTA members will raise their eyebrows at these potential developments, and my door is very much open to anyone wanting to discuss this campaign, and why we are part of it. But I make no apology for our overarching mission of ensuring affordable, ethical credit is as widespread as possible. And ultimately, I hope that all CCTA members would agree that a diverse, thriving credit market in which there is a healthy mix of different providers is good for consumers, society as a whole, and the credit industry itself. And this is exactly what a Fair Banking Act hopes to encourage.

Luke Jackson
Director, Commercial
Walker Morris

contracting for cloud | WHAT TO LOOK OUT FOR IN A CHANGING REGULATORY ENVIRONMENT

Financial services institutions, like many other businesses outside of the sector, continue to rely on cloud-based solutions to drive efficiencies, streamline processes and improve customer experience. This is despite lingering cybersecurity and data privacy concerns that are rooted in the resilience of such tools (and potential consequences if they were to fail).

This risk inherent in swathes of individual's data sitting on third party – often overseas – databases remains undoubtedly at the forefront of regulators, both here in the UK as well as on the continent. Hot on the heels of the Digital Operational Resilience Act in the EU, further developments look to be in the horizon domestically with lawmakers setting their sights on the 'critical third parties' (that supply cloud services to financial services firms) in particular.

And yet, adoption of cloud technologies remains almost a necessity in retaining efficiency of service. We'll be keeping a close eye on this space over the next twelve months, but as the legal landscape continues to unfold here are a few issues for financial service companies looking to move to cloud based solutions to bear in mind:

DUE DILIGENCE IS KEY

Undertake detailed DD on data security, control and exit. Consider the nature of the data set and any specific form you may need it in on exit. When it comes to termination, it pays to agree that post-termination support will be provided (even if there is an agreed cost for it).

PICK THE RIGHT BATTLES IN THE CONTRACT NEGOTIATION

Though standard does not necessarily mean "fixed", expectations need to be realistic when it comes to negotiation (services are largely standardised and, as such, providers need to maintain a consistent risk profile across their platform).

That being said, suppliers will countenance movement of termination rights for default, enhanced service credit regimes and increased caps for data breaches, especially where customers are paying for an enhanced/premium service package or paying for additional levels of support.

OBTAIN COMMITMENTS ON INFORMATION SECURITY STANDARDS

A key selling point for providers is the operational security their system offers; that being the case, ask for it to be warranted.

BE PROACTIVE AROUND BCDR

Test and document operational resilience plans, outlining the steps your business has taken to ensure security of the data that is being processed by the cloud provider, the alternative providers in event of failure and the steps that would need to be taken on termination of the arrangement. Ensure that any providers have similar business continuity / disaster recovery plans in place and get contractual commitments that back them up where possible.

Caroline Burston
Oversight Director
coeo UK

FCA consumer duty

EMPOWERING CONSUMERS IN DEBT COLLECTION

Dealing with debt can be an overwhelming and stressful experience for many people. In December 2020, as we all know, the Financial Conduct Authority (FCA) proposed a new set of rules called the Consumer Duty, with the aim of bolstering consumer protection and promoting responsible practices in debt collection. The new Consumer Duty purpose was created to reshape the relationship between firms and consumers, ensuring fair treatment and empowering consumers to make informed decisions throughout the collections process.

Let's look at the three core elements of the Consumer Duty:

1.Duty of Care: Debt collection companies and teams are obligated to act in the best interests of consumers, taking reasonable steps to prevent harm. Understanding consumers' circumstances and vulnerabilities becomes crucial, emphasising empathy and respect.

2. Duty of Exercise: Skill, Care, and Diligence: Individuals involved in debt collection should possess the necessary skills and knowledge to provide appropriate advice and support. Consumers must be well-informed about their rights, repayment options, and the consequences of their decisions.

3.Duty to Communicate Clearly and Transparently: Clear, fair, and non-misleading communication is essential. Debt collection agencies, purchasers, and internal functions should present information in a manner easily understood by consumers, avoiding jargon and complex terminology. Explaining fees, charges, and repayment options clearly enables consumers to make informed choices.

The introduction of the Consumer Duty holds significant implications for debt collection companies and teams. Here are key aspects we need to consider:

1.Consumer-Centric Approach: Shifting the mindset to prioritize consumers' best interests, considering their circumstances, vulnerabilities, and affordability. This approach encourages fair treatment and empowers consumers to make informed decisions about their debts.

2. Improved Training and Processes: Investing in training programs to ensure staff members possess the necessary skills and knowledge to comply with the Consumer Duty. Implementing robust processes to identify and address consumers' vulnerabilities appropriately.

3.Enhanced Communication Practices: Clear and transparent communication is vital. Debt collection interactions should use plain language, avoiding technical jargon that may confuse consumers. Providing accurate and understandable information about debts, repayment options, and consequences is essential.

4. Adapting to Vulnerable Consumers' Needs: Proactively identifying and supporting vulnerable consumers, rather than reactively. Establishing mechanisms to assess vulnerability and provide appropriate assistance, treating individuals with sensitivity and compassion.

In conclusion, the FCAs Consumer Duty represents a significant step forward in regulating debt collection companies and teams. By prioritising consumer interests, clear communication, and responsible lending practices, the Consumer Duty aims to ensure fair treatment and protect consumers in debt. This introduction reinforces the importance of empathy, transparency, and accountability in the debt collection process, ultimately leading to better outcomes for consumers in need of assistance.

quick off the mark

WHY CONSUMERS NEED SELF-SERVICE WITH A SAFETY NET

Digitalisation of operations is not a black and white solution, and there will always be a need for human interaction which is crucial for businesses to manage debt and arrears conversations. However, automation of processes can reduce costs, and it can positively enrich the relationship you have with your customers and provide them with more confidence to have a meaningful interaction with your business. Advantages arise on the company's side and on the customer's side.

PROS FOR COMPANIES

- **Cost and Time Savings:** Self-service solutions streamline processes, reducing operational costs and freeing up resources for more valuable tasks.

- **Improved Efficiency:** Automated self-service platforms allow for faster and more efficient handling of customer requests, leading to increased productivity.

- **Data-Driven Insights:** Self-service systems generate valuable data that can be analyzed to gain insights into customer behavior, preferences, and trends, enabling better decision-making and targeted marketing strategies.

- **Scalability:** Self-service options can easily accommodate a growing customer base without requiring a proportional increase in staffing or infrastructure.

PROS FOR THE CUSTOMER

- **Convenience and Accessibility:** Self-service options provide customers with quick and easy access to the services they need, anytime and anywhere, without the need to wait for assistance.

- **Empowerment and Control:** Self-service puts customers in charge of their interactions, allowing them to manage their needs independently and at their own pace.

- **Faster Resolutions:** With self-service, customers can find answers to their queries or resolve issues more swiftly, without the need to wait for a support agent's availability.

- **Personalization and Tailored Experiences:** Self-service platforms can leverage customer data to deliver personalized recommendations and solutions, enhancing the overall customer experience and satisfaction.

Aryza, the market leader in process automation, launched Aryza Recover as a digital response to COVID-19. This tool aids customers facing payment difficulties by suggesting alternative solutions like 'breathing space' or debt management. It enables businesses to assess customers' ability to pay and propose suitable options.

Businesses have embraced self-service solutions for managing debt, maintaining personalized experiences. Surprisingly, 65-80% of consumers using self-help methods set up payment plans. However, some customers prefer agent assistance, necessitating systems that offer the same benefits. Personalized customer service focusing on individual needs is crucial.

For self-service customers, Aryza offers a hybrid "agent-assisted" approach. Consumers transition into agent mode when struggling, flagged as vulnerable, or desiring human interaction. Automated solutions outperform traditional debt collection methods, with over 30% of consumers engaging and 20% making payments when four or more payments behind.

In the current era, digital systems combine efficiency, intimacy, and operational automation, preserving customer relationships. Integration is quick, achieving significant cost savings while maintaining customer satisfaction.

Kris Costello
Group Head of Sales, Lending Division
Aryza

the directory

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ACQUIRED.COM

SYSTEMS & SOFTWARE

Acquired.com is a payments specialist who offer tailored payment processing and digital banking solutions. Our solutions are custom built to overcome the many challenges faced when processing, collecting and remitting payments, we continuously innovate and build customer-led solutions. Acquired.com's deep data expertise and consultative approach streamlines and digitises payments, enabling businesses to accelerate their growth. We have now become a single, one-stop-shop platform for all payments needs.

Customer centric and agile software development by our in-house team means businesses can rapidly integrate the solution which best suits their needs. We pride ourselves on our consultative approach, providing best in class service with a view to resolving complex payment challenges.

Acquired.com are an FCA regulated business, an EMD Agent and a licensed Payment Initiation Service Provider.

0203 982 6580

acquired.com

ADDLESHAW GODDARD

LEGAL

Depth and breadth of expertise: With 269 partners and over 900 lawyers, we have a deep understanding of our markets and sectors.

A global offering: We have thirteen offices worldwide, six UK offices and seven overseas, together with a network of likeminded law firms around the globe. Where we don't have offices, we work with firms well known to us, to deliver an international capability.

A strong client base: We have instructed over 35 FTSE 100 companies in the last twelve months. 75% of our clients who have been with us for more than ten years.

0207 606 8855

addleshawgoddard.com

ALPH Legal and Compliance

CONSULTANCY

Providing Compliance and Legal services to Consumer Credit Businesses since 2014, ALPH Legal & Compliance have worked with many firms in all aspects of their business liaising with the FCA and ICO.

As a consumer credit consultancy, compliance with the law, regulation and guidance is imperative for the survival of your business. Advice is available on: Authorisation and regulatory business planning, supervision, crisis management, s166 and communicating with the FCA, complaints reporting/root cause analysis, creditworthiness and affordability, social media/marketing.

01255 861 697

alphlegal.com

arceurope limited

DEBT PURCHASE / COLLECTION

ARC (Europe) Limited is an industry leading debt collection agency that combines outstanding results and exceptional client service with fair customer outcomes. We use the latest technology to contact customers and offer a rich online self service website to allow customers to effectively communicate with us.

We have a great track record of successfully collecting debts in the HCSTC and Fintech sectors since 2011. We use our own bespoke CRM, which allows us to tailor our services to each client's exact requirements. Speak to us now and see how we can deliver the results and service you desire.

01932 251 010

arceuropeltd.co.uk

the directory

aryza

SOFTWARE & SYSTEMS

Aryza is a pioneering technology company, we work with our customers and partners to create and deliver solutions that improve the financial health and lives of the millions of people that engage with our products every day. Our mission is to transform the financial relationship businesses have with their customers.

Focused on the credit, debt recovery and insolvency sectors. Aryza's solutions automate a wide range of activities including loan origination and management, data collection and affordability assessment, administration, recovery, and payment processing, covering every stage of the credit cycle.

Aryza's solutions are underpinned by unrivalled expertise and powerful data. Since its foundation in 2002, the business has grown rapidly. Today it has global operations across four continents.

01248 672 940

aryza.com/uk_en

AutoTrader

ASSOCIATE

Auto Trader Group plc is the UK and Ireland's largest automotive marketplace. Our marketplace sits at the heart of the car buying process, with the largest number of buyers and the biggest choice of trusted stock.

Auto Trader exists to change how the UK shops for cars by providing the best online car buying experience and enabling all retailers to sell online. We are building stronger partnerships with our customers, using our voice and influence to drive more environmentally friendly vehicle choices and creating an inclusive and diverse culture for all of our people. Auto Trader listed on the London Stock Exchange in March 2015 and is a member of the FTSE 100 Index.

0797 000 2479

plc.autotrader.co.uk

BRODIES LLP

LEGAL

Brodies LLP is a top 50 UK law firm, headquartered in Scotland. It is the largest law firm in Scotland measured by income, directory rankings, and lawyer numbers.

We work with our clients in the following core business areas: arbitration; banking and financial services; employment; energy; litigation; M&A, private equity and IP; real estate; pensions and benefits; personal and family and tax.

Our approach to business today is influenced by our history, which dates back to the time of the Scottish Enlightenment. That approach recognises the individual knowledge and expertise of our colleagues and the enlightened thinking that they deliver.

07921 309 870

brodies.com

COEO

DEBT PURCHASE / COLLECTION

A market-leading collections agency offering a full suite of outsourced services with an approach that sets a new standard in customer engagement and rehabilitation.

COEO provide technology driven credit management solutions that maximise customer engagement ensuring your bad debt volumes are kept under control.

With years of industry experience and a full suite of compliant end-to-end services, we can help with any stage of the collections cycle, leaving you to do what you do best.

01422 324 516

coe-group.com/en

the directory

CREDIT-CONNECT

ASSOCIATE

Credit Connect is a media news and events company. The news site exists to deliver segmented relevant content and information to the lending, credit, collections and insolvency sectors.

The brand also includes a number of digital and face to face networking events including the Lending Technology Think Tank, Collections Technology Think Tank and the Credit & Collections Technology Awards plus many more.

01622 437 014

credit-connect.co.uk

DATA ON DEMAND

SOFTWARE & SYSTEMS

Data On Demand provides data and insights to companies that service people, helping them to better understand and improve engagement with consumers. Our alternative database of unique, compliant UK consumer insights help businesses provide better outcomes across the full customer lifecycle from onboarding to collections and recoveries with real-time data.

Specific to Financial Services our 'Fintrace' product supports risk decisioning, customer management and collections and recoveries. Our 'ID.VU' solution identifies existing and emerging vulnerability and financial hardship within your customer base by monitoring life events and borrowing behaviour not covered via traditional data sources.

01134 266 550

dataondemand.co.uk

DebtStream

SYSTEMS & SOFTWARE

DebtStream is a digital "self-service" debt collections platform, enabling any businesses carrying consumer or commercial credit, such as debt collection agencies, lenders and utilities providers, to engage with their clients online under their own brand. Our platform enables our clients to engage with their customers in a compliant, non-threatening or imposing manner, whilst reducing operational costs and increasing revenue.

Designing through the customer lens has been the foundation of our products and services. We specialise in the delivery of exceptional customer experience through our digital products focused on the collections and recoveries sector.

Our products and approach has evolved through our significant experience leading the digital transformation across collections operations within the UK and across Europe.

07710 900 330

debtstream.co.uk

HILL DICKINSON

LEGAL

Hill Dickinson is a leading and award-winning international commercial law firm with more than 850 people, including 185 partners and legal directors.

We have a strong and experienced team of banking and finance lawyers who are spread throughout our various offices and who have expertise in advising regulated lenders, hirers, and those active in the consumer market, including representing clients in FOS/FCA issues. Our finance disputes team is highlighted by one client as 'one of the best in the industry'.

From offices in the UK, mainland Europe and Asia, we deliver advice and strategic guidance spanning the full legal spectrum.

0151 600 8000

hilldickinson.com

the directory

KINGSLEY NAPLEY
WHEN IT MATTERS MOST

LEGAL

Kingsley Napley is a leading UK based law firm providing expertise for our clients' business and private lives, when it matters most. We advise in the following areas: employment law, private client advisory, public law, criminal defence litigation, corporate and commercial, dispute resolution, family law, medical negligence & personal injury, regulatory, real estate, construction and immigration. The firm is proud to have been judged The Lawyer's "Independent Law firm of the Year" in July 2022.

02078 141 200
kingsleynapley.co.uk

LANTERN
DEBT WITH A HUMAN TOUCH

DEBT COLLECTION / PURCHASE

A customer champion Debt Purchaser, having been awarded the coveted GOLD accreditation from Investor In Customers for two years running. Our growing customer base of c3m is proof as to why Lantern is consistently chosen as the trusted partner to lenders looking to sell their customer portfolios where vulnerability is evident.

Lantern operates at the highest level of corporate governance and interpretation of FCA rules and guidance, with the lowest upheld complaint levels against those of our peers. Our core specialism is managing vulnerable customers carefully through the lens of our Single Customer View, across both performing and non performing debt portfolios.

07921 848 829
lanternuk.com

Lenvi

SOFTWARE & SYSTEMS

We are revolutionising lending. Lenvi is a fintech specialising in B2B consumer and commercial lending software and solutions. It combines global expertise, market insight and end-to-end services to provide loan management software, risk management software, mortgage and loan servicing, standby servicing, and Know Your Customer (KYC).

Built on decades of real world experience at the cutting edge of finance, we're here to help you build a better future.

08448 118 039
lenvi.com

Lightfoots
SOLICITORS

LEGAL

For over twenty five years Lightfoots Solicitors have delivered tailored solutions for banks, mortgage lenders and financial institutions across the UK.

We are small enough to give you a totally personalised service but big enough to always have the resource and skill to deliver, and are proud to operate in a way that truly puts our clients first.

01844 212 305
lightfoots.co.uk

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oyster bay SYSTEMS

SYSTEMS & SOFTWARE

Oyster Bay Systems delivers powerful lending software that manages the entire loan lifecycle from point of sale, underwriting, agreement management, collections to end of term. Our flagship system Vienna is used across several markets, including, consumer, retail, motor, asset, lease, wholesale and corporate finance. Vienna is deployed throughout the UK and Europe, by independent lenders, banks and global captive finance companies, to digitalise lending processes and manage millions of financial agreements.

Our technology and support enable our customers to meet the challenges they face and maximise the opportunities available to them in an ever changing world.

01792 797 222

oysterbaysystems.com

perch Group

DEBT COLLECTION / PURCHASE

North-West based Perch Group offers a one-stop-shop of market-leading, data-led services across the whole debt lifecycle from debt purchase and collections to litigation and reconnection.

Our industry-leading team is able to service the full spectrum of debt types and sectors from mail order and financial services to utilities and telecoms, whatever the size, type or complexity of portfolios or accounts.

Because of our entrepreneurial culture we can make quick decisions, while our track record of regulatory compliance, award winning customer service, and digital-first solutions make us a safe pair of hands in turbulent economic times.

0125 353 1250

perchgroup.co.uk

Product Partnerships

Compliance Management Solutions

CONSULTANCY

Product Partnerships is a compliance company solely focused on consumer credit. We ensure our clients correctly implement new procedures when regulations change, sales and complaints processes are robust and deliver excellent customer outcomes.

Our approach is bespoke to the needs of each client and whilst we have excellent online compliance systems enabling remote checking of sales and complaints, we can deliver anything from a remote support function through to acting as an in-house compliance function.

Clients can also become a Product Partnerships Appointed Representative giving added protection in maintaining an effective compliance framework.

01274 921 234

productpartnerships.com

RESTONS SOLICITORS

LEGAL

Restons Solicitors Limited is a specialist law firm with over thirty years' experience of dealing with debt recovery litigation services for its clients. Our clients are almost exclusively institutional creditors within the financial services sector, being both lenders and debt purchasers.

Restons is focused on the customer; finding solutions that are fair, realistic, affordable, and sustainable. Together with our clients, employing our best in our class use of data, we support the customer's journey towards financial freedom. Our mission is to excel in customer focused collections.

01925 426 100

restons.co.uk

the directory

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Square 4

CONSULTANCY

Square 4 was founded with the vision to support people and businesses to grow and thrive across the evolving spectrum of conduct, financial crime and operational risk. We do this by leveraging technology and expertise to design bespoke solutions across our core service lines of: governance, risk and compliance, fraud and financial crime, technology solutions and people.

We provide an unrivalled level of interaction – service and expertise, supporting firms across a diverse and changing regulated agenda.

We have extensive experience incorporating the 'big four' professional service firms, industry regulators, leadership roles within Global Systemically Important Financial Institutions and other outsourced learning, resourcing and consultancy providers. We combine this with best-in-class technology to support firms to manage regulatory risk, ensuring clients meet the diverse needs of their stakeholders and customers.

08451 394 444

square4.com

Themis Consultancy

CONSULTANCY

Personal, practical, solutions focused advice and support is what makes our bespoke consultancy stand out from the crowd. Balancing compliance, customer and commercial needs is what we say we do, and it is exactly what we deliver.

With more than four decades of experience between us, and some of that being on the battleground, we understand the challenges businesses face and the outcomes regulators want to achieve. We are confident that we can help firms deliver good customer outcomes in a commercially viable way, and support in evidencing this to the regulator.

We don't sub-contract work to others, so our clients get our full commitment and dedication. Whether you need help with a specific area, or you don't know what you don't know and would benefit from a compliance gap analysis, or you would like to know more about our services, please call us for an informal chat.

02031 266 818

themisconsultancy.co.uk

TransUnion

CREDIT REFERENCE AGENCY

TransUnion is a global information and insights company that makes trust possible in the modern economy, by providing a comprehensive picture of each person so they can be reliably and safely represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. TransUnion calls this Information for Good®.

TransUnion provides solutions that help create economic opportunity, great experiences and personal empowerment for hundreds of millions of people. In the UK, TransUnion is a leading credit reference agency and offers specialist services in fraud, identity and risk management, automated decisioning and demographics.

03300 247 574

transunion.co.uk

VRS

SYSTEMS & SOFTWARE

The VRS provides users with an environment whereby information provided by the consumer with their consent, or by a third party with a signed client authority or legal mandate to operate on the consumer's behalf, for example a Power of Attorney, can be shared with other users on a strictly reciprocal basis. The VRS is a unique database of vulnerable people not shared with the CRAs.

The VRS can be used at point of application or at any time in the customer relationship. The VRS does not indicate why a consumer may be vulnerable nor does it process the information supplied other than for providing a platform for optional user interaction in the case of consumers that have identified themselves as being vulnerable.

The VRS provides instant API access and data upload facilities. The VRS is a not-for-profit organisation and search fees range from 3p to 0.25p depending on volumes.

07885 675 045

vulnerabilityregistrationservice.co.uk

the directory

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Walker Morris

LEGAL

Walker Morris is a distinctive law firm that consistently delivers excellent results to its national and international client base. With a staff of 500, we are ranked by independent assessors among the top UK law firms.

The firm has an enviable breadth of expertise covering all types of retail and wholesale financial services regulation including: consumer credit, FCA regulation, anti-money laundering, and data protection. We offer a wealth of industry experience.

Our broad client base includes lenders, credit brokers, debt collection agencies, insurers, insurance intermediaries, mortgage providers, stockbrokers, private equity houses and trade associations.

01132 832 632

walkermorris.co.uk

Welcom Digital

SYSTEMS & SOFTWARE

Welcom Digital develops end to end loan management solutions for the financial services industry.

Welcom's core platform, Financier, provides an API first fully digital automated platform for consumer and commercial credit providers providing financial products including unsecured, secured and line of credit in a single, scalable solution.

With automated decisioning, appropriate products can be offered based on affordability and vulnerability assessment including Open Banking to deliver a personalised customer experience 24/7.

08454 565 859

welcom.co.uk

Yuill + Kyle

LEGAL

Established in Glasgow in 1908, Yuill + Kyle is one of Scotland's leading debt recovery and credit control law firms. The firm provides a vast range of tailored debt recovery and credit control facilities to SMEs, small traders, multinational corporations, international banks and debt recovery organisations. Flexibility is the cornerstone of the firm's operations, enabling them to deal with the particular circumstances of each case in a customised fashion, and its approach is underpinned by rigorous regulatory compliance. Yuill + Kyle also holds four global International Standards Organisation accreditations for Quality Management, Business Continuity, Information Security Management and Environmental Management, ensuring that all of its debt recovery advice is delivered to the highest standards.

In 2017, Yuill + Kyle became part of the MacRoberts Group, allowing them to provide debt recovery services alongside wider and more diverse legal services throughout Scotland and further afield.

01415 724 252

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