IVA STANDING COMMITTEE

Minutes of 24th Meeting: 25 March 2014

Apologies from: BBA, Citizens Advice, StepChange, Money Advice Trust

Review of Previous Minutes

* There is still a CSA member that generally refuses to accept Protocol IVAs unless there is a high dividend. It was noted that the TCF provisions do apply to CSA members from 1 April 2014.
* **AP1** – IPs to send some examples to InsS, who will collate and forward to CSA representative for consideration.
* Noted that full information is not always passed on to debt purchasers when debts are in an IVA
* **AP2** – Appears to be an educational/training piece. Members of the SC to consider most appropriate ways to address it.
* Issue of set off against PPI mis-selling pay outs. Agreed that this was not for the IVASC to resolve.
* Inclusion of HMRC as a creditor for £1 on a ‘just in case’ basis. HMRC view is that this is unnecessary
* **AP3** HMRC to take forward with individual IPs as necessary in the first instance.

Review of Protocol

* A number of issues were identified around IVAs and debt purchasers
* **AP4** CSA and Money Plus Group to set up meeting to discuss and invite others as appropriate.
* General comment made that more and more creditors (in particular payday lenders and storecards) are not voting in the IVA process. Because they hold a relatively small proportion of the debts in most cases the impact is minimal at present.
* **AP5** IVASC to keep a watching brief.
* Standardised format: a number of large IP firms are on board with the pilot; others are keen to come on board, though IT update/requirements have led to some delays.
* Rationale for the one-page summary document is not to replace statutory information requirements, but to try and make essential information easily accessible and readable.
* Creditors agreed that regular updates with key information are very useful.
* **AP6** pilot to continue with report back at next meeting.
* Update on LBG and nominee fee issues: agreement that consumers in IVAs are generally insolvent and therefore an IVA is often the right solution. LBG have concerns that appropriateness of debt advice not always evidenced in the data they saw. Confirmed by IPs that debt advice and options discussions would be on the case files (which were not passed over to LBG). LBG confirmed that they would not be seeking to change their policy in relation to nominee fees at this time.
* LBG requested that the IVASC:
	+ Engage with FCA on the customer journey
	+ Challenge regulators on how appropriate advice is evidenced
	+ Consider how to remove duplication of costs if person moved from DMP to IVA
* **AP7** InsS to respond to LBG to explain that role of IVASC is not to undertake the above. If they have concerns about debt advice they should speak to FCA and Money Advice Service; RPBs are satisfied that as part of their regular monitoring activity they will check that appropriate advice is given; and take action where they find issues; if LBG have concerns on double charging for the same work, then they should speak to the relevant RPB.
* Future updates of the Protocol
* **AP8** IPA to contact StepChange with a view to them leading on this and setting up a group.
* [to note: since the meeting this action point has been achieved and StepChange are happy to take this forward.]

AOB

* Income and expenditure assessments: would be more sensible to have an industry standard
* **AP9** InsS to contact Money Advice Service for an update in time for the next meeting.
* Commission payments vs. lead generation: JIC has given clarification on this and each RPB has issued it.
* Issue of ‘Address Withheld Orders’ discussed. CitA have raised whether InsS would consider extending the option for a debtor to apply to court for such an order before a person applies for their own bankruptcy, debt relief order or IVA. SC agreed that provided such an order does not stop creditors being sent the address of a debtor (i.e. it is just that the address is withheld from the IIR) then this would not present a problem. The address is used by creditors as an identifier, which is why they need to know it.
* Next Meeting: Thursday 17 July, 11.30am at JP Morgan, Canary Wharf