CREDIT STRATEGY

August 2016
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Defining the FCA's mission statement

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Brexit and debt sale: Lessons from a financial crisis

Feature
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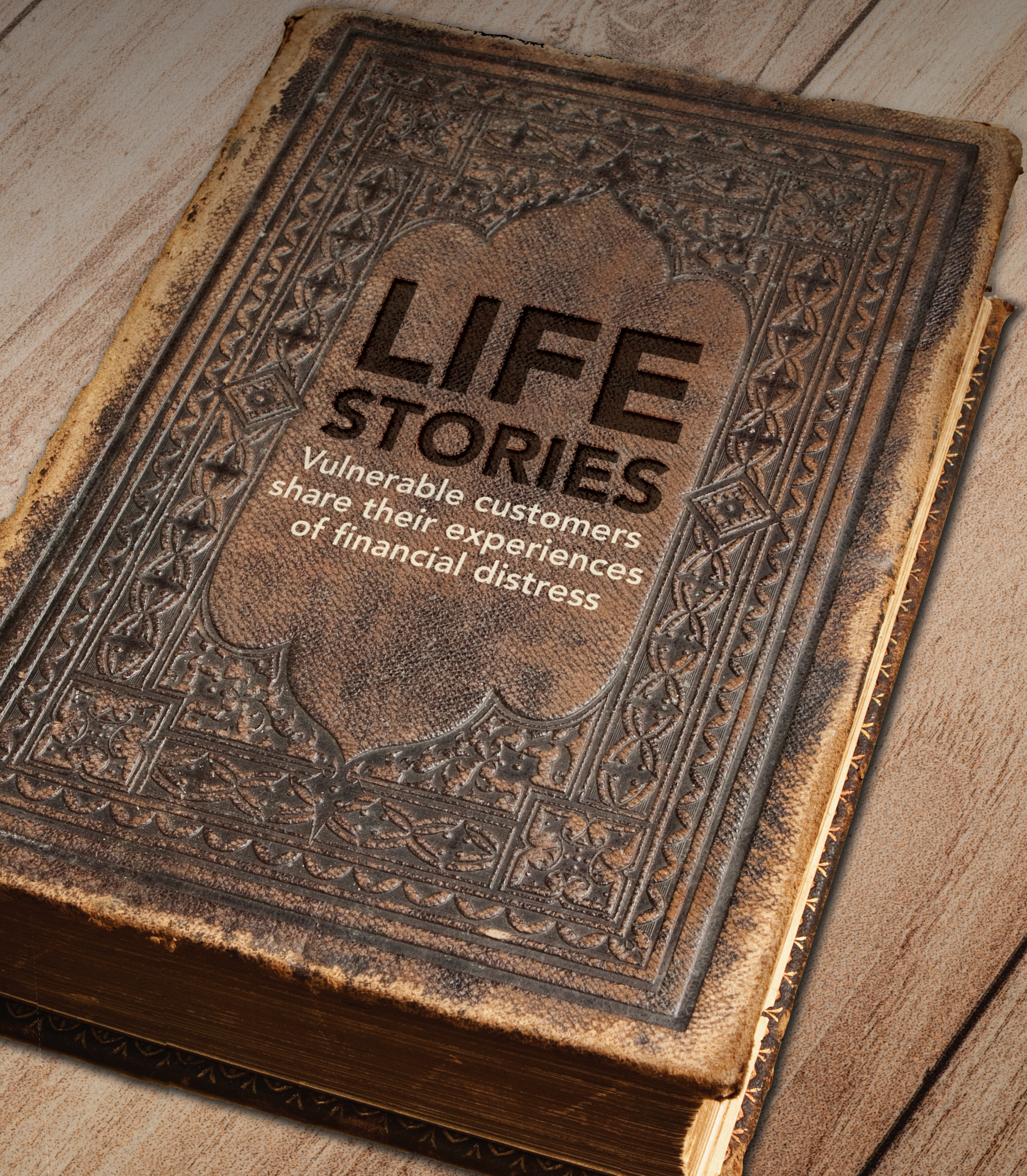

August 2016

Marcel Le Gouais
EDITOR

BACK TO THE FUTURE

How can creditors predict which customers, with a certain shared set of characteristics, will suffer financial distress in future?

The Financial Conduct Authority (FCA) tried to answer this question in an 'occasional paper' published earlier this month.

Whether the question was answered meaningfully is a matter of interpretation. Its findings ranged from the patently obvious to those which might prompt a discussion, with one conclusion stating that people with higher debt relative to income are at predictably higher risk of suffering from financial distress.

The authors also found that individuals in financial distress are more likely to be younger, more likely to have children and more likely to be unemployed than those with outstanding consumer credit debts who are not in financial distress.

So far, so familiar, or perhaps so what?

The FCA did actually find that it appears possible to consider, on average, whether cohorts of individuals with a set of characteristics are vulnerable to future financial distress, and therefore whether lending to them may be predictably unaffordable.

But this paper was more indicative of an area in which the FCA has sharpened its focus in the last 12 months - the notion of prevention rather than cure.

It's certainly a tenet running through the final findings of its credit card market study (see p28), which imposes several reforms including earlier intervention with customers.

But there are other pieces of work where pre-emptive action is one of the central points of attention.

Lenders are still awaiting results of the regulator's review into early arrears management in unsecured credit. Site visits to banks were undertaken earlier this year and in these meetings FCA officers studied processes for early intervention, but also crucially how affordability was being assessed.

This past month has in fact been more eventful than usual for the regulator, largely as a result of its annual meeting (see p10). This was followed by pledges to improve its communication during the authorisation process (see p6).

At the annual meeting, inevitably, EU-related questions were posed to the regulator's board, particularly around British fin-tech companies' ability to 'passport' to member states post Brexit.

In lieu of some credible optimism for the economy, the Treasury is no doubt desperate to cultivate the UK and London particularly as a hub for fin-tech innovation. But the passporting issue requires swift affirmation, as the uncertainty is hampering some fin-tech firms' efforts to raise capital.

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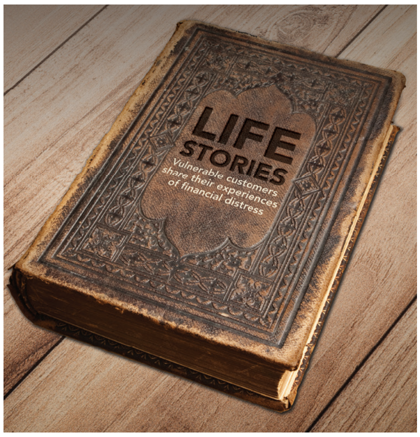
REGULARS

FEATURES



> *Does one type of consumer detriment matter more than others? These decisions are inherent in how we decide our mission, and we want to discuss that*

Andrew Bailey, chief executive, Financial Conduct Authority

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WHAT YOU NEED TO KNOW

TOP STORIES FROM THE LAST MONTH

1

FCA to improve authorisation

The Financial Conduct Authority (FCA) has launched a five-step plan to improve how it communicates with companies undergoing the full authorisation process.

As part of the pledge, the regulator will tell companies as soon as their application has been assigned to a case officer, all communications from companies will be acknowledged within two working days and a substantive response or update will be given within 10 working days. Companies will be given "clear deadlines" when asked to submit extra information. Firms will also receive an update from the designated case handler on the current status of a case at least once a month. *See FCA annual meeting, p10.*

2

Defaulters repaying need recognition

The consumer credit industry needs to do more to recognise customers' efforts to rehabilitate their finances, according to a new report.

The Debt Britain 2016: The Big Picture report, published by debt purchaser Arrow Global, analysed 20,000 customers and found the average credit score for defaulters who repaid a debt improved by 3.8 percent. But the average credit score of a debt repayer increased by just 1.8 percent once they set up a repayment plan – only slightly more than a non-payer (1.4 percent). Arrow has suggested the launch of an industry-wide traffic light system, which would sit alongside a consumer's credit score and would change according to their repayment activity.

3

FCA investigating Lloyds over mortgage arrears

The Financial Conduct Authority (FCA) is investigating Lloyds Banking Group's handling of mortgage arrears, the bank has revealed.

In its 96-page half-year results statement, the bank states: "On 26 May 2016, the group was informed that an enforcement team at the FCA had commenced an investigation in connection with the group's mortgage arrears handling activities.

"This investigation is ongoing and it is currently not possible to make a reliable assessment of the liability, if any, that may result from the investigation."

Lloyds said it was unable to provide any more information to what was included in its financial statement. The FCA also said it could not comment.

Credit Strategy understands that Lloyds, like other lenders, has decreased the level of its litigation activity for mortgage debt recovery in the past two years.

4

89 debt management firms in limbo

A total of 89 commercial debt management firms are still waiting to find out if they will be given full authorisation from the Financial Conduct Authority (FCA).

The figure was revealed during a Q&A session at the regulator's annual general meeting (*see p10*), in which Jonathan Davidson (pictured), director of supervision – retail and authorisations at the FCA, answered questions over the authorisation process for consumer credit firms.

Davidson told delegates that 293 debt adjustment or debt advice firms had made applications for full authorisation. Of these, 120 firms had withdrawn their application after realising they would not be successful. Some 13 companies had their applications refused outright.

A total of 39 debt counselling organisations have had their applications approved.

5 Payday lender and owner banned

A payday lender and its owner have been banned after the Financial Conduct Authority (FCA) discovered "reckless" practices across the business.

The regulator has banned Andrew Barry Hart, director of Wage Payment Payday Loans Limited (WPPL) from performing any role in regulated financial services and cancelled WPPL's interim permission.

WPPL provides payday loans under the trading names Payday Overdraft, Wage payday and Doshloans. Hart is the sole director, controller and owner.

The FCA found that between April 1 2014 and August 28 2014, Hart took a reckless approach to managing WPPL including failing to provide proper oversight of WPPL's staff and to ensure loan agreements were compliant. Hart was criticised for lacking integrity and competence.

6 *Shortlist revealed for TRI Awards 2016*

The shortlist for the 2016 Turnaround, Restructuring and Insolvency (TRI) Awards, sponsored by Capa, has been revealed after more entries than ever before were submitted.

The rebranded awards, formerly known as the Insolvency & Rescue (I&R) Awards, now include several new categories to reflect the work now prevalent across the profession. New categories include Turnaround of the Year (Business or Investment); Turnaround Practitioner of the Year; and Turnaround Firm of the Year. The deadline for all shortlisted companies to send their long-form entries is August 5. *See full shortlist, p24.*

tri AWARDS
TURNAROUND, RESTRUCTURING & INSOLVENCY
HEADLINE SPONSOR
CAPA

7 New products drive car finance growth

Car finance providers Moneybarn and Moneyway have seen strong growth in 2016, driven by changes to their product suite.

Provident Financial-owned non-prime specialist Moneybarn made pre-tax profits of £13.6m in the first half of 2016, up 44.7 percent year-on-year. New business volume rose commensurately by 42.5 percent over the same period, driven by the decision to lend up to retail value, and access to funding from Provident.

Moneyway, the car finance arm of Secure Trust Bank, reported lending balances up 35 percent over the last 12 months, from £152.3m in June 2015 to £205.6m in June 2016. The growth, driven by the launch of a new prime product, was particularly intense during the first six months of 2016.

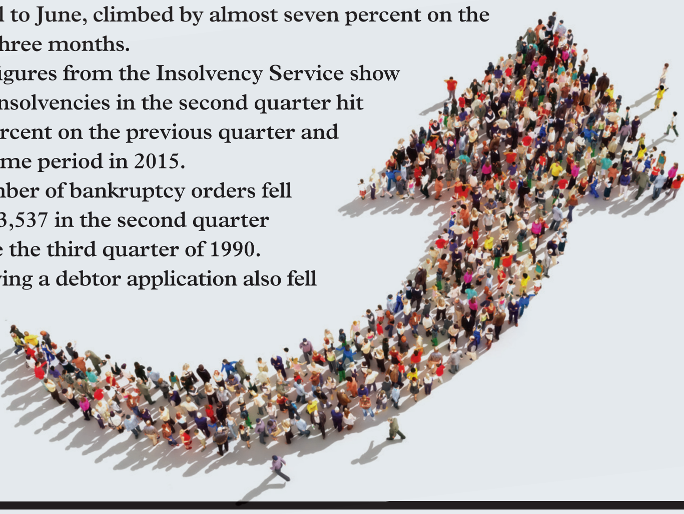
8 *Personal insolvencies up 7%*

The number of people who became personally insolvent, from April to June, climbed by almost seven percent on the previous three months.

Latest figures from the Insolvency Service show personal insolvencies in the second quarter hit 22,503, a rise of 6.9 percent on the previous quarter and 22.4 percent on the same period in 2015.

Meanwhile the number of bankruptcy orders fell 5.4 percent, reaching 3,537 in the second quarter - the lowest level since the third quarter of 1990.

Bankruptcies following a debtor application also fell by 1.3 percent on Q2, while creditor petition bankruptcies fell 17.2 percent.



9 New product to rival payday loans launched

A new loan product has been launched which claims to offer a significantly cheaper alternative to payday loans.

Drafty, launched by fin-tech firm Global Analytics, allows customers to set a borrowing limit and draw cash up to that limit at any time, only paying interest on what they use with no fees to pay.

The firm claims the loan will be notably cheaper than payday loans and unplanned bank overdrafts.

Mark Fiander, vice president of marketing at Global Analytics says: "Drafty is a new, fee-free way to access credit that could be a cheaper alternative to an overdraft for people paying excessive bank charges. We are providing an affordable option to people who need credit, and are being squeezed by the limited choices currently in the market."

10 *CSA launches best practice for tracing*

The Credit Services Association has launched a new code of conduct for members carrying out trace activity.

The code centres on key themes including general conduct, telephone tracing and correspondence activity. Adherence to it will be included within the declaration of compliance at the renewal or new application stage for CSA membership. Jamie McGrath, a special advisor for the CSA, said: "The aim of this code is to reduce trace-related complaints, and other complaints in connection with tracing the wrong individual, whilst simultaneously promoting best practice."

JOHN RICKETTS

Vice president, Credit Services Association
Commercial director, Allied International Credit (UK)

THE SEAL OF REGULATORY APPROVAL

*As members of the (CSA) enter the final few weeks before full authorisation is given by the regulator, **John Ricketts** explores the numbers yet to reach the finish line*

When the move to a new regulator was first mooted, there was some understandable concern as regards the resource and understanding needed to transition the industry to a new regime under the Financial Conduct Authority (FCA).

A particular concern was the time it would take to obtain formal authorisation, and both the uncertainty and the additional investment that a business would have to go through as a result.

While businesses have indeed had to meet the increased cost in compliance, some of the initial concerns, at least, have not been realised.

The authorisation process has continued at pace, and accelerated quite dramatically in recent months. As at July 4 2016, 89 (82 percent) of the 109 CSA full members that applied for full FCA authorisation post interim permission are now fully authorised.

To put that into context, that number has increased significantly from the 52 percent when we last looked at the figures in April of this year.

The end in sight

Looking at the statistics as part of the CSA's quarterly Data Gathering Initiative (DGI), there are now only 20 CSA full members that are still waiting for the final nod from the FCA to bring the authorisation process to a close. Of those 20, seven are debt buyers, and the balance are debt collection agencies or similar.

The rush to the finishing line is not immediately explained, but perhaps it has something to do with news released by the FCA that its consumer credit authorisations team will be disbanded by the end of September, to be replaced by a team that is described as being non-sector specific.

The consumer credit authorisations team was set up specifically to deal with the expected large volumes of firms applying for authorisation as part of interim permission. Now almost all of those with interim permission are being processed, the specific team will no longer be needed. The new team will still deal with consumer credit applications from new entrants.

"The net result was that only 139 (68 percent) of the 206 members who originally registered for interim permission actually progressed to apply for full FCA authorisation"

Number crunching

The task has been long and arduous: out of the CSA's 270 full, foundation and affiliate members, 76 percent (206) originally registered for interim permission with the FCA in April 2014 and 64 (or 24 percent) did not.

However, of those 206 that did, 11 (five percent) subsequently cancelled their interim permission and a further 56 (27 percent) did not eventually submit a regulatory business plan and allowed their interim permission to lapse.

The net result was that only 139 (68 percent) of the 206 members who originally registered for interim permission actually progressed to apply for full FCA authorisation.

Of the 139 that submitted regulatory business plans, we now have in total 110 (79 percent) across the line with full authorisation, and the remaining 29 (of which 20 are full members) are still at the interim permission stage.

The pace of authorisations has undoubtedly slowed; after a flurry of activity that saw 47 members authorised during March, April and May, only four were authorised in June.

The FCA may, of course, have been distracted by recent geo-political events. I would be surprised if it had not, in keeping with most of the country.

Let us hope, however, for one more concerted push to the finishing tape, to allow all of our members to enjoy the seal of regulatory approval.

CSA Members and FCA authorisation update Q2 2016 (April - 4 July 2016)

As at 4 July 2016:

82% of all CSA Full Members that applied are now fully authorised.

Did not register for interim permission

24%

Full, Foundation and Affiliate CSA Members:

270

76%

206

Registered for interim permission on April 2014

Of which...

Cancelled or allowed their interim permission to lapse

32%

68%

139

Remain regulated and submitted regulatory business plans for approval for full authorisation

Of which...

Still at interim permission stage

21%

Gained full authorisation

79%

voice of the collections industry

Source: CSA Data Gathering Initiative

MISSION CONTROL

At the Financial Conduct Authority's (FCA) annual meeting last month, new chief executive Andrew Bailey addressed the regulator's "mission" - along with a few critics. ***Marcel Le Gouais*** *reports on the nuanced direction he's taking, which isn't quite a reversal of his predecessor*

Andrew Bailey wants to start a conversation with the financial services industry that will, at least in part, examine the agency put on consumer responsibility.

The onus on customers themselves will be part of a broader discussion, led by the regulator's new boss, that seeks to establish the FCA's "mission" as he called it and how it acts on that basis.

While outlining his plans at the FCA's annual general meeting, Bailey said this conversation will be held via a public consultation. Essentially, he wants to define more explicitly how the FCA decides where to place its emphasis.

He told delegates: "How do we judge the different responsibilities of different consumers? Are some customers more vulnerable than others? Does one type of consumer detriment matter more than others? These decisions are inherent in how we decide our mission, and we want to discuss that."

Bailey added that the results of such a discussion will provide a "philosophical base" for how the regulator chooses to act on its objectives in future.

Launching an existential debate about the FCA sounded markedly different from his predecessor Martin Wheatley's "shoot first, ask questions later" rationale. This former approach was something that Bailey said he "openly disagreed with."

While he acknowledged it had been natural for the FCA in the recent past to do things like protect consumers from the conduct of payday lenders, Bailey (tellingly) added that "there's a duty and responsibility on consumers – it's a question of how you put that into practice."

To establish answers to these big questions, work has begun to put together a proposal on the FCA's mission which Bailey hopes will be published in the early autumn, to be followed by a period of intensive public consultation.

Profound self analysis aside, Bailey's speech and responses in a Q&A session gave some indication of the FCA's priorities for this financial year. As per Treasury briefings, enabling competition and innovation will feature prominently, as will implementing the ominous senior managers regime across the rest of financial services.

But of course, most attendees had one thing on their mind…

Brexit

The annual meeting was the first chance for the entire financial services industry to ask Bailey in the public domain about Brexit, but also the most likely to draw an anodyne response - which can only be expected at this stage. Until parameters are drawn up for negotiations with

"Are some customers more vulnerable than others? Does one type of consumer detriment matter more than others? These decisions are inherent in how we decide our mission"

Andrew Bailey, chief executive, Financial Conduct Authority

Brussels, there's not a great detail he can say. Bailey did say the FCA will support the government's work to secure access to the single market, as well as trade agreements with other countries. The UK's decision does however have major implications for the FCA's objective of ensuring healthy competition, particularly when cross-border trade is integral to it.

Bailey told delegates: "For internationally traded services of the type we regulate the key to sustained international trade is robust global standards of regulation. These can operate simultaneously at both EU and global level.

"These robust and consistent standards of regulation are embedded in our rule book. Unlike for trade in goods, we will not need to scour the world to find experts in a long forgotten skill – we are familiar with equivalence standards."

In a more revealing remark about his personal concerns over leading the FCA workforce, Bailey added: "I have put on record that I will support our staff who come from around the world because I know what a valuable contribution they make. We owe it to people who work so hard to support us to put their minds at rest."

Plugging gaps

Bailey also talked about EU regulation that will no longer apply once the UK leaves the EU, a topic that probably raised more questions than answers. But to understand these; here's the technical bit.

Broadly speaking, two types of regulation emanate from Brussels. One type is a directive, which under the European Communities Act is embedded into UK legislation. So when a country leaves the EU, the directive remains in place. But other types of regulation which are not directives will fall away once Brexit is completed. Bailey explained that the government will have to make provisions where, after leaving the EU, the UK may suddenly have these "gaps or holes" in regulation compared to EU member states.

One question left hanging was whether the UK will merely replicate EU legislation that it doesn't already have, in order to create a level playing field for cross-border financial trade. In which case, if part of the point of leaving the EU was to extricate the UK from over-burdensome regulation, how does the government plug these gaps and still deliver on Brexit? Such questions will take years to answer.

89 debt advice firms in limbo

Bailey was not the only FCA executive to address delegates at the meeting. Amid delays to the authorisation process for hundreds of consumer credit firms Jonathan Davidson, director of supervision - retail and authorisations at the FCA, spoke specifically about progress on debt management firms' applications.

Davidson told delegates that the FCA

was still working with 89 commercial debt management companies to determine the outcome of their applications.

He added that 293 debt adjustment or debt advice firms in total had made applications for full authorisation. Of these, 120 firms have withdrawn their application after realising they would not be successful. Some 13 companies had their applications refused.

A total of 39 debt counselling organisations have had their applications approved.

Davidson said the FCA makes "no apology" for carrying out detailed investigations when it needs more information to assess an application and that how long it takes to make a decision depends on the quality of applications.

After the annual meeting, the FCA also outlined new plans to improve its communication process for those currently undergoing the full authorisation process (see Need to Know, p6-7).

Supervision evolution

A few days before its annual meeting last month, the FCA published its annual report. This report effectively portrayed how the FCA is learning as its going, and evolving its supervision as it learns more about its subjects. In fact, initiatives such as the senior managers regime have led the FCA to make big changes: its supervision strategy now focuses more on sector and market-wide analysis, making it easier to identify emerging risks.

As part of this, it has moved away from 'C1-C4' conduct categories. It now categorises firms as either 'fixed portfolio' or 'flexible portfolio', which determines the intensity of the approach to each firm. Fixed portfolio firms are a small population of around 100 companies that, based on factors such as size, market presence and customer footprint, require the highest level of attention. 'Fixed portfolio' firms are allocated a named individual supervisor, and are proactively supervised continuously.

The vast majority of firms are classified as 'flexible portfolio'. These firms are supervised through a combination of market-based thematic work and programmes of engagement.

In consumer credit, there are two companies under the 'fixed portfolio' status and 27,000 under the 'flexible' category. Of all these firms, 24,400 have full authorisation, 2,600 have interim permission.

Whichever size they are, it seems that later this year all will be given a chance to have their say in how the FCA decides to act on its objectives.

FINANCIAL PERFORMANCE AND REMUNERATION

In the financial year to March 31 2016, the FCA received £22.8m (2015: £10.3m) in consumer credit income (application and periodic fees).

As for the whole organisation, factoring in all types of income, the FCA posted a surplus of £21.3m after costs.

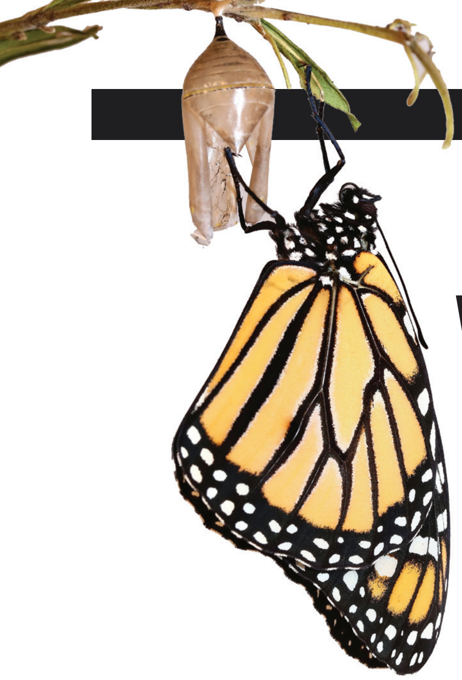
Former chief executive Martin Wheatley's total remuneration in the financial year, to March 31 2016, was £770,000. This included £633,000 in salary, £48,000 in performance-related pay and £89,000 through other benefits. Factoring in pension he took home £827,000.

As acting chief executive, Tracey McDermott was paid a total remuneration of £525,000 for the financial year, including £376,000 in basic salary, performance-related payments of £75,000 and £74,000 in other benefits.

FCA HIGHLIGHTS FOR 2015/2016

- Integrated more than 25,000 consumer credit firms into FCA regulation;
- Issued penalties totalling £884.6m;
- Agreed 23 redress schemes to deliver around £334m of redress to consumers;
- Issued 17 fines totalling £4.2m under the senior managers regime;
- Banned 24 people from working in regulated financial services.

LINK FINANCIAL



WHERE DO COLLECTIONS FIRMS FIT IN AN AGE OF OUTSOURCING?

Certain collections businesses are undergoing a metamorphosis, becoming business process outsourcing (BPO) companies with an expertise in arrears management. ***Fred Crawley*** *explores an evolution with Link Financial's* ***Frank Horvath***

To understand why the change among certain DCAs is taking place, it's worth briefly looking at the demand for outsourcing in general, and what drives businesses to seek third party assistance with collections.

The first and most obvious demand driver is cost. As with any outsourcing arrangement, there's always a saving to be made in employing a specialist that can take advantage of economies of scale, rather than absorbing additional overhead within one's own business. The second major driver is regulation; most lenders would rather focus development resources and management time on acquiring new customers, rather than growing teams in the heavily-regulated field of collections and recoveries.

Non-related regulation, too, is prompting businesses to outsource further; incoming IFRS9 rules, for example, will change provisioning requirements for impaired assets, and may make it more desirable for businesses to sell on impaired assets, or contract specialists to manage them on a better basis.

The third factor driving collections outsourcing is the availability of staff skilled in the field. It can be hard to recruit a good operations or compliance manager given how in-demand such roles are at present, and hard to retain them in an organisation without significant scale. For growing or start-up lenders, it's a particular challenge.

Broken models?

In theory, the factors above should drive demand for traditional contingent collections work and debt purchase, just as much as stimulating the need for "true" BPO work. But it is increasingly hard to square the commercial mechanism behind the contingent collections model, in particular with the FCA's requirements around customer outcomes.

Simply put, the traditional theory of achieving the largest cash collections in the shortest time and at the lowest cost, is becoming obsolete in financial services.

Trials facing the 'classic' DCA model have been discussed at length, but the bottom line is this: firms looking to use collections agencies must accept significantly higher commission levels to keep DCAs alive in the new outcomes-based working environment – thus eliminating the cost advantages of outsourcing – or incur sizeable conduct risk by working with firms prepared to cut corners. For a serious player, neither option is attractive.

Debt sale remains a more attractive option, but compliance has changed this landscape too. In the modern climate, both vendors and purchasers have huge due diligence responsibilities in terms of understanding a purchaser's suitability to manage sold portfolios, but ensuring they understand strategies applied to portfolios in the past. There are also ongoing responsibilities upon the parties to ensure appropriate oversight of the post-sale management of the portfolio. From a seller's point of view, this is to mitigate conduct risk – but buyers must also do their homework, as purchasing accounts which have experienced poor treatment in the past represents a potential risk.

This adds up to an effect on the administration time and costs of sales transactions - smaller, less experienced sellers will find the process more challenging if they don't have the right debt purchase partner in place.

New deal

With the above in mind, it becomes easier to see why adapting to the operational and fee-charging structures of a BPO business would be attractive to any "traditional" collections house.

What's more, when offering arrears management services of any kind, BPOs that were once collections businesses have a distinct advantage over their more generic competition. "Classic" BPO provision largely involves the offering of vast contact centre teams on a pay-per-head basis. This is precisely what is needed when it comes to simple customer service operations, for example, but it sits less well in a heavily regulated area such as financial services sales or collections, where customers may be in financial difficulties or potentially vulnerable.

A collections-heritage BPO business, therefore, offers a qualitative rather than a quantitative proposition, very different from that offered by generalist BPOs, and which comes from an experience of working debt on behalf of others.

From an operational perspective, a specialised recruitment and training system, plus an experienced management team and a robust platform, are the essentials, and not particularly different from what is required in a traditional collections business.

But there are differences too, stemming from the wider range of work a BPO business may be asked to perform. For example, engagement in work much earlier in the product lifecycle than usually seen by a DCA brings with it the requirement for different skills – for example the ability to open an account, make a welcome call, or make an account servicing call.

Of course, there are areas where collections-heritage BPOs can't compete with incumbents – for example on extremely large scale customer service work, or in work that demands a huge number of different spoken languages, performing similar tasks to scale. Other than that, however, the evolution into a BPO not only frees it from some challenges facing the traditional DCA and debt purchase market, but allows it to service more of the clients' needs than previously. This provides an opportunity to be a far more important partner to potential clients. We may see a situation where BPOs that began as collections houses are pitching for work with little or no collections activity, for clients already using third parties for late stage or purchase work.

There are many contrasting ways the model could evolve, but for a business that has made the change, the prospects seem near-universally inviting.

STUART SYKES

Group head of customer operations and debt recovery, MyJar

ALLIANCES IN THE BATTLEFIELD

Fraud is not and should not be a competitive issue, but it is an area where more co-operation is required, says Stuart Sykes

Fraud is a topic we hear about all the time; we see it in the newspaper, on TV and online, although some online warnings are themselves scams.

We read about fraud rings; gangs preying upon the elderly and the vulnerable using techniques ranging from simple trickery all the way to clever and complex scams. Before you know what happened, your savings disappear and you're left owing money you have never had, to a multitude of companies.

Those 'analogue' frauds were all the rage several years ago, before banks started to beef up their fraud detection tools and implement systems that enabled them to understand spending patterns of their customers. Now they appear to know more about us than we really want them to.

Big data is the buzz word for this digital generation. We have increasing amounts of data about customers at our fingertips and the more we have, the better equipped we are to make informed decisions about existing customers, along with new customers we want to attract.

Tools of the trade

Using a front-end, online, real-time, fraud detection tool solely looking at IP addresses and technical elements such as geolocation helps you make informed decisions on who is trying to set up an account with you. Such information can be weighted and compounded differently to look at blacklisted IP addresses, what ISP is being used and where in the world they are as they apply, compared to what the clock on their laptop is saying. This all helps your understanding of whether the customer is genuine, a BOT or a gang trying to find holes in your defence.

Having other subscribers using the same system allows users to leverage off databases vastly bigger than their own and to make informed decisions on the risk to their business the applicant may pose.

For example another lender, a telecoms provider or gambling company may have already raised a fraud alert, allowing you to make a fully informed decision.

Fraud is an ever-changing beast. We close a door, they open a window. As in many things in life, common sense is a big part of setting good and understandable fraud defences, without increasing your false positives and driving potentially good business away. If the geolocation is saying Spain, the IP is registered in Holland but the device is showing a London time, but the application is in French, alarm bells have to ring. Without a robust front-end defence, you're playing with fire.

Along with knowing your customer's spending habits if you are running a credit card book, knowing the type of shops they frequent and adding other merchant category codes (MCCs), enable you to spot the aberrant transaction attempt.

The cost to the economy (and that means to all of us as individuals) of fraud are doubtless understated but it is certain that they run into billions of pounds each year. Coupled with that comes the financial cost and unwelcome attention from regulators when KYC checks have failed.

The non-competition clause

Fraud is not a competitive issue. Co-operation across industry makes it better for all of us and all of our customers and enables genuine customers to trust and have faith in the people they buy from, borrow from and invest with.

Greater co-operation across fraud teams across all industries, to help each other stop 'shoplifting' and gang fraud occurring seems to me to be an absolute no brainer. The top of my wish list to clamp down on fraud would include:

- Greater co-operation in the field of fraud to combat large gangs using the same techniques across multiple companies at the same time.
- More frequent meetings of fraud teams across industry to share experiences and ideas in how to prevent fraud, but also on new ideas being used to close the door, as it will open another organisation's window.
- Banks need to be more open and helpful when it comes to fraud, by helping fin-tech firms and other organisations fight fraud by having shared co-operation.
- Quicker action by the authorities when suspected fraud cases are reported.

LORRAINE MCMULLEN

Head of customer care, Hoist Finance

SPEECH ANALYTICS: EVOLUTION AND UNDERSTANDING

Speech analytics can and should be a crucial element of enhancing the customer journey, says* Lorraine McMullen*. She explains how it's improving communication techniques

Speech analytics has long been accepted as an integral part of identifying the more vulnerable in our society.

It helps to monitor and flag key words that may indicate a customer's circumstances have changed.

The technology has in some ways been driven by client demand – a demand not only to improve collection performance but, perhaps more importantly, to show how an agency is adhering to best practice in treating customers fairly (TCF) and taking proactive steps to work with customers in achieving the best outcomes.

As part of a wider quality assurance programme, it helps to give us greater comfort that the customer's individual needs are being met, and processes adhered to. And it provides essential management information (MI) to demonstrate important key performance indicators (KPIs).

Where this technology is really proving its worth, however, is in staff training, and in developing new and more imaginative ways of improving the customer journey. Of course it can help from a compliance monitoring perspective – especially for themed audits – but it can do so much more.

It allows an agency to identify real trends with factually accurate and measurable results that can be used to drive a business forward. It can also highlight 'false' trends, and prevent an unwarranted investment in time and resource used to look for problems that don't exist.

Unscripted dialogue

When speech analytics was first introduced, many within the collections floor were operating to a script. Certain words were therefore easy to identify. Today, however, the process has evolved to become more collaborative and adaptive. We are much better placed to identify the actual words (and language) that are used that might suggest that a customer is vulnerable, without the word vulnerable ever being used.

As we know, many customers would never see themselves as being 'vulnerable' and it can be a transient state. A death in the family, a health scare or divorce, for example, can all lead to an individual becoming temporarily at greater risk – all of which can be identified through speech analytics.

With modern technology, we can then build a query into the system, and run that query across a group of calls and target precisely those calls where an issue has been raised. We are able to listen only to the specific part of a call to which that conversation is relevant, therefore greatly improving efficiency and being able to get to the heart of the matter as quickly as possible. These learnings help agencies to examine more closely the dialogue that we have with our customers, the structure of every call, and the language that we use ourselves, and adapt that language accordingly. We can trial new tactics and techniques to see how our customers engage.

We can also look at each conversation in forensic detail, and see how individuals – and whole teams – are performing. We can use the outcomes for inducting new call centre staff, and for providing additional training to existing employees, targeting training time where it is most required. We can 'tag' calls that are especially good, and highlight them as best practice, and create banks of evidence to share in our coaching sessions.

Calls can also be interrogated for what has not been said, and for moments of silence when a customer has been put on hold. Users can assess whether a first call has been effective, or whether it led to an unnecessary and preventable follow up.

Not only is this a better outcome for the customer, but it is also a better allocation of resource for the agency.

Speech analytics is not new and some may have even placed it into a file marked 'too difficult'.

But the way it's being used is evolving; it's giving agencies greater understanding and insight into the way they manage the customer journey.

PETER WARD
Partner, L.E.K Consulting

BREXIT AND DEBT SALE: LESSONS FROM A CRISIS

The aftermath of the financial crisis in 2008 may tell us something about how Brexit might impact debt sale and collections. ***Peter Ward****, co-head of L.E.K. Consulting's European financial services practice, explains how*

There is little doubt the UK's decision to leave the European Union will have far-reaching implications for the British economy and for other countries across Europe and beyond.

For me, there are two questions that come to the fore when I consider the debt management market: what will be the main areas of impact? And how can we better understand the likely scale of that impact?

The Brexit decision creates four main areas of potential impact. First, any downturn could lead to a rise in loan defaults, resulting in higher volumes of debt available for purchase or outsourced collection by debt management firms, though it would take one to two years for the full impact to be felt, and potentially longer for additional debt to work through lenders' internal debt management processes.

Second, there could be lower collection rates on debt under management, whether held on a purchased or outsourced collection basis. Third, the volume of debt for sale may fall as banks become reluctant to lend in the longer term, especially the more marginal debt likely to default.

Fourth, debt volumes may be reduced further by lenders changing their priorities and selling less or no defaulted debt, preferring instead to focus on more pressing issues such as the impact of Brexit on their overall businesses.

Crisis? What crisis?

For all the speculation about the effects of the referendum, I believe the initial impact on European debt management markets is likely to be small. Past crises – not least the credit crunch – offer us the evidence to support this view.

In the UK, for example, default rates increased significantly in 2009, creating a backlog of written-off debt that took the best part of a decade to clear. However, the prices that debt purchasers were prepared to pay declined as a result of increased difficulty in collection, and some sellers stopped selling completely, leaving a temporary shortfall of debt available to buy and more being collected by debt collection agencies.

I think this is less likely to happen in 2016; lenders have tightened lending criteria significantly over the last five years – in stark contrast to the run-up to the 2008 crisis.

Collections in 2009 did prove to be more challenging than under more positive economic conditions. But the overall effect was more one of delaying collections, and flattening out collection curves rather than lowering overall collections amounts, which in turn reduced internal rates of return on purchased portfolios.

The effect on collections for debt purchase and credit management companies was much smaller than it was on the underlying original lending.

There is a portion of the customer base for whom, in a sense, anyone whose debt is being collected in this way is already in a personal "recession" of sorts and likely to be receiving relatively low but consistent income from benefits. So, though relatively vulnerable, such individuals are not the group most adversely affected by macro-economic crises.

Diversification

The amount of debt coming through the system during the post-2008 downturn fell in line with underlying lending, but the total amount of debt available for sale did not decline until the best part of a decade later. The reason for this was the backlog from defaults on historical debt.

In the wake of Brexit, these kinds of effects on the debt collection market are likely to hit different countries in different ways, and the UK may not be the most heavily impacted.

Companies with strong international diversification could move capital and resources away from whichever countries are most significantly affected and towards those with more attractive characteristics. This movement of capital and resources could alter the competitive landscape and the level of competitive intensity in some countries.

Companies without diversification could suffer if they become trapped in poorly performing markets, as happened to some UK-only players in 2009.

Shifting cultural norms

If there is a severe recession across Europe, some markets that are currently culturally averse to the routine use of debt sale as a means of resolution of defaulted debt may be forced to adopt it, much as Spain and, eventually, Italy were subsequent to the 2009 crisis.

Although there are no signs of specific problems there yet, the most significant potential example is France, where debt sale is relatively infrequent and debt purchase is a much smaller market than might be expected, given the size of the population and consumer borrowing/credit behaviour.

Depending on how the economies of Europe respond to their new political and economic reality, there could be triggers of this nature in other countries, too.

But overall, European debt management markets are unlikely to be fundamentally changed or damaged by Brexit in the short term.

A INCONV TRU

The rhetoric about vulnerable customers across consumer credit firms has never been more prevalent. But how do vulnerable customers themselves feel they have been treated by the system? For them, does frontline practice match the marketing? Two individuals told their very personal stories to Christine Toner

"Just imagine if you are ill and you're going through therapy and this is what's happening. I was having to repeat the same story to everyone over and over and over."

This is a comment from one of the customers in vulnerable circumstances that *Credit Strategy* interviewed during the past month.

Their stories are of course emotive by nature, but they trigger important questions around the need for consensus in certain areas, such as how do you prevent customers from having to repeat sensitive information? What level of proof is required as evidence of a condition – particularly if it's a mental health disorder?

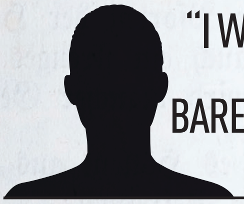
That's not to say there isn't a huge amount of admirable work across an industry striving to make big improvements.

But gaps and certain failings do appear to exist on the frontline.

Earlier this year a report, published by the Financial Services Vulnerability Taskforce, shone a spotlight on the challenges customers in vulnerable situations face when dealing with financial services firms.

As previously reported by *Credit Strategy*, the taskforce, chaired by the Money Advice Trust's chief executive Joanna Elson, identified failings in the way these customers are treated, including the fact customers "often have to repeat details of their vulnerability many times to the same institution" and that there is a "lack of knowledge amongst frontline staff."

To investigate how customers themselves feel in such situations, *Credit Strategy* spoke to two consumers who found themselves in intensely stressful circumstances, who felt they had little or no support from their banks and other creditors.



"I WAS VIRTUALLY DESTITUTE, I BARELY SURVIVED"

A cancer patient

When Londoner Michael Patrick, 59, was diagnosed with cancer for the first time his primary thoughts were, naturally, not about his finances.

However, like many people with serious illnesses, he soon found out how closely tied financial difficulty and poor health are. A college lecturer, he had to leave his job because chemotherapy sessions left him too ill to work and as a result, found himself on welfare. However, he says he was unable to meet the demands over benefit claims set by the Department of Work and Pensions - including providing intrusive details of his treatment and prognosis - and as a result his benefits were stopped.

"When you're benefits are stopped how do you pay your bills?" he says. "That then became one of the biggest problems."

It was then that Michael's battle with lenders and creditors began.

"I started getting threatening lettings from bailiffs," he says. "Even though I was explaining that I wasn't working they wanted proof of my illness. They wanted specific

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information from my medical team. And I didn't quite like that idea at all. Once you give them information or access to get into your medical history, that's another rod to beat you on the back with.

"I gave the information and of course the more information you give the more they want. They wanted to know how many treatments I was having, but what does that matter?"

Michael says there is an assumption among some agencies that once treatment is finished the patient is well enough to work again but this isn't the case. Along with a long and arduous recovery process, he has been left with diabetes as a result of the cancer.

"It takes months after the treatment finishes before you're able to do anything," he says. "And there's always the possibility it could come back."

Sadly the cancer did return for Michael. He has now battled the disease three times.

During his illness Michael has had dealings with two lenders - Nationwide Building Society and Lloyds Banking Group.

"Nationwide was very supportive," he says. "They wiped out the charges. They put a temporary overdraft facility in to help with immediate need. Lloyds was not very supportive at all but I hear they are now making improvements."

As his debts were passed on to collection agencies - including his council tax debt - he faced further challenges with bailiffs and what he called a "bombardment" of phone calls and letters.

"Just imagine if you are ill and you're going through therapy and this is what's happening," he says. "I was having to repeat the same story to everyone over and over and over. And at times you just don't have the energy for that. The companies are not interested. They are not compassionate. They have no understanding."

Michael says at times he has felt suicidal as a result of his situation.

LLOYDS BANKING GROUP RESPONDS

Credit Strategy approached Lloyds for a comment following the cases explored on these pages.

A spokesperson said: "Lloyds Bank is committed to helping vulnerable customers find a way forward if they are struggling with their finances. Our trained advisors treat customers sympathetically and positively, and work with them to review their financial situation. We can do this face to face, by phone or in writing.

"There are a number of options available that may ease a customer's situation and ultimately help to resolve the issue. We also encourage customers in financial difficulty to seek support from fee-free organisations such as Citizens Advice, the Consumer Credit Counselling Service and the National Debt Helpline.

"We ask customers facing financial difficulty to tell us as soon as possible, and the more information they can share about their situation, the more likely it is we will be able to help.

"If any customer believes that they have not received the level of service they expect, we would ask them to get in touch so we can put things right."

"I lost everything. I was virtually destitute. I barely survived. I had to go into temporary accommodation. And I think going into temporary accommodation when you're going through treatment is awful.

"The second time I was more equipped and able to deal with the situation because I had help from Macmillan which provided guidance and support. They can act on your behalf."

Michael says that while his story sounds shocking, it is not an isolated case.

"Many people battling long term illness are going through this," he says. "The main issue of dealing with cancer and having no funds is the worry - the isolation, the sense of failure."

Michael says one thing that could help to ease the burden on these people would be the creation of a benefactory fund whereby benefactors could offer financial assistance either directly, or through Macmillan, in order to relieve the financial worry of a person struggling with illness.

Asked what advice he would give to firms in the financial services sector, in order to improve the way they deal with customers in vulnerable situations, he says: "A lot of people think they're operating professionally but I would say a lot more than that needs to happen. There needs to be adequate training in place and there should be a policy streamlined right across the board so everyone has the same approach.

"There are some people who systematically run up bad debt, obviously, but those people who are genuinely not well and are going through long-term illnesses should be treated humanely. "These agencies need to be able to wipe the debt off the books, and allow that person to operate now from a clean slate. I'm still trying to get my head above water because of all the years of being in a situation where I was left with nothing. My credit score is zero. All because of an illness I didn't ask for. I didn't ask for any of this."

"I WAS HAVING TO REPEAT THE SAME STORY TO EVERYONE OVER AND OVER AND OVER. AND AT TIMES YOU JUST DON'T HAVE THE ENERGY FOR THAT. THE COMPANIES ARE NOT INTERESTED. THEY ARE NOT COMPASSIONATE."

A cancer patient

"IT WAS CLEAR, WHEN I WAS SITTING IN THE OFFICE SHAKING AND CRYING, THAT I HAD MENTAL HEALTH ISSUES"

A customer with bipolar

Paul, (a customer who wanted to use a false name for fear of the stigma attached to his condition), first encountered difficulties with his finances as a graduate student when he was diagnosed with bipolar disorder.

Struggling with mental health, he found it difficult to manage his finances - in particular repaying a professional development loan he had taken out with Lloyds. In what is quite a common symptom of his illness, he 'buried his head' from the situation by avoiding opening letters - letters that were arriving on an alarmingly regular basis.

While Paul admits he never explicitly told the lender he was battling bipolar disorder - for fear, he says, of being stigmatised as a result and unable to access credit in the future - it was quite obvious he was having problems.

"There were the days when everything happened in person," he explains. "So it was quite clear, when I was sitting in the office shaking and crying, that I had mental health issues."

His treatment, he says, was anything but sympathetic.

"There was no sympathy and no support," he says. "They forced me to take out a consolidation loan. They didn't give me a choice. They literally sat me down and said you have to take out this and this or we'll take you to court.

"I entered into an arrangement with repayment dates and amounts and then Lloyds changed the amounts and dates without telling me. At that stage I was trying really hard and getting into problems with electric bills and the like. I ended up with £2,500 in bank charges."

Paul says he was then sent a series of letters.

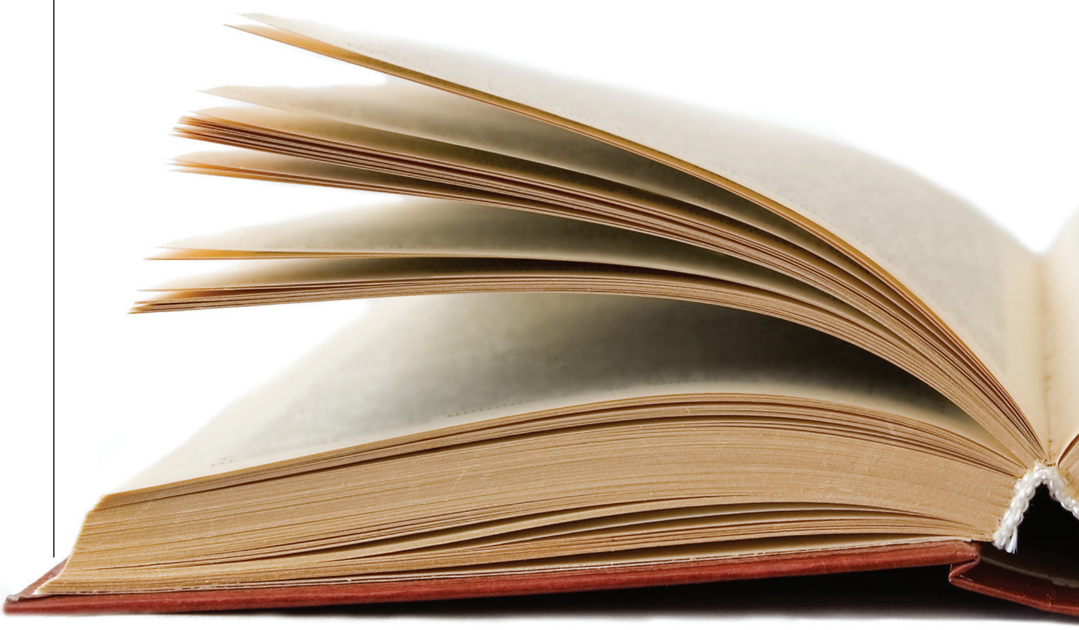
"I unplugged my phone because of the anxiety element of the illness," he says. "The phone is more intrusive than a letter so I had asked them not to phone me. I don't know if they did."

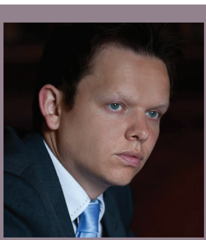
Paul believes that part of the problem may be that while management staff are trained in how to treat customers in vulnerable situations, this training does not always filter down effectively to frontline staff.

"You hear from special teams high up in the banks and how they want to help and the mechanisms they have to help, but then when you actually go into the branch, your experience is completely different," he says.

"The people who run the specialist teams are brilliant but the moment you go into a branch no one's heard of any of it. And they don't sit and talk you through the situation. There are guidelines from the Money Advice Liaison Group but they're clearly not there as part of the training for branch staff, even if it is part of the training for the special team staff.

"That's the issue. How do you get from the branch to the special team? As





WHY WE APPROACHED CUSTOMERS

Marcel Le Gouais, editor, Credit Strategy

Presenting a customer case study-based cover feature in a business-to-business magazine may seem a little odd at first.

But in many ways it makes perfect sense. The two pieces of information I see most commonly splashed across all forms of marketing content, pushed out by most types of companies across the consumer credit spectrum, are pretty much always about two things: customer centricity and customer vulnerability. It's inescapable. Every firm wants to present itself as leading the agenda on both fronts.

The majority of press releases and pitches for contributions to our magazine focus on the area of pioneering new forms of training and policy for the treatment of vulnerable customers. Don't get me wrong, I've long perceived this as a good thing.

The fact this topic has become a pivotal area on which to build competitive advantage seems to be driving better practice. It's advancing better, more informed treatment of thousands of customers as I write this.

But a journalist's job is to view all this with a heathy sense of practical cynicism. To what degree is this rhetoric? How much equates to what actually happens in the critical first few exchanges between agent and customer? This is what this article tries to do; to cut through to reality, albeit in two anecdotal case studies.

We found the customers on these pages by contacting Chris Fitch (see his view, right), an adviser to the Money Advice Trust.

One customer who suffered bi-polar wanted to remain anonymous, which in itself brings a real challenge when trying to convince readers to take such cases seriously. However, when someone with a bipolar disorder respectfully requests to remain anonymous, we have a duty to respectfully fulfil that request.

Of course, writing an article about the treatment of such customers whilst putting them under undue pressure to give their names and full details would be hugely hypocritical, inappropriate and morally questionable.

In any case, it's the broader questions their stories raise about the disparate nature of industry practice that matters. It's about prompting a debate.

THE EXPERT IN DEBT AND MENTAL HEALTH

Chris Fitch, research fellow and vulnerability adviser to the Money Advice Trust

"We all know the statistics when it comes to vulnerability and financial difficulty. You're twice as likely to develop a mental health problem if you're in debt. And if you're diagnosed with cancer, you're going to be around £570 a month worse off due to income reduction and cost increases.

"We've worked with more than 200 creditors and 5,000 staff on vulnerability – one repeated lesson has been that everyone in the business can learn one or two small things which will help the customer. As staff become more specialised they can learn more. However, it is these small things at first point of contact which are so critical, as they often represent the difference between a problem becoming a crisis.

"Positive changes are definitely happening but every firm is in a different starting position on vulnerability. We need to help those just starting to build momentum, and those who already have momentum to sustain it.

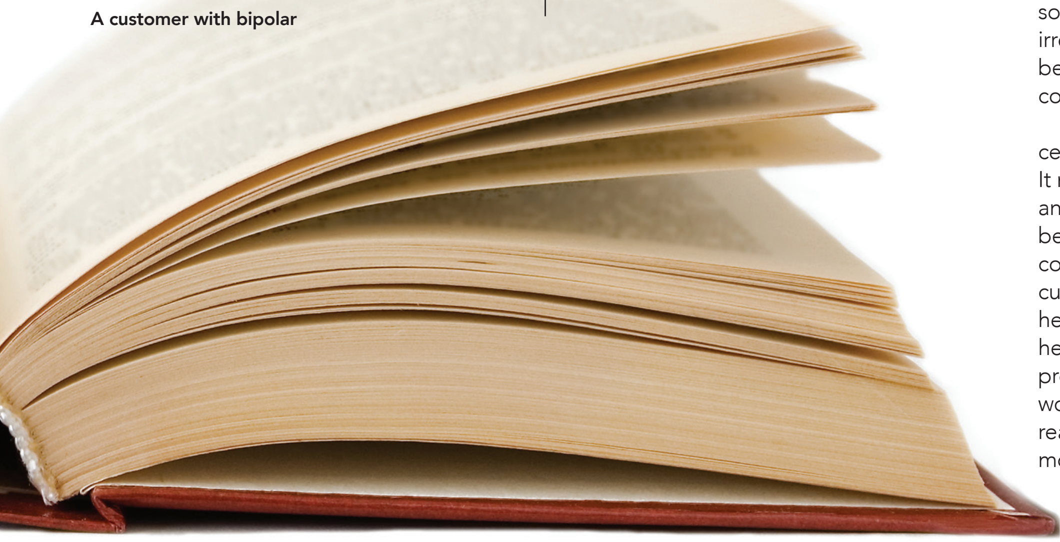
"Most importantly, we need to recognise that because one part of the business is doing well on vulnerability, it doesn't mean all of the business is. We therefore need to look beyond collections and think about what vulnerability means for credit provision, for fraud, sales and service, and for digital channels."

"THEY DIDN'T GIVE ME A CHOICE. THEY LITERALLY SAT ME DOWN AND SAID YOU HAVE TO TAKE OUT THIS AND THIS, OR WE'LL TAKE YOU TO COURT."

A customer with bipolar

a customer you don't know those teams exist, you don't know what to ask for, you're vulnerable, you just know if you tell them you've got a mental health problem it'll work against you. That's how you feel."

Paul says banks should be looking for warning signs of behaviour that corresponds to someone potentially having an issue such as binge spending or not answering letters.



"They shouldn't necessarily assume that someone's trying to run away or being irresponsible, but consider whether it might be because they've got an underlying condition.

"There's no point working with people in central teams because they already know. It needs to be part of the staff induction and that's where that blockage seems to be. Even if there was a leaflet that could come in with your statement letting the customer know that if they have a mental health issue, there is a trained team who can help. Because not knowing it's there is a real problem. And then being reassured that it won't affect how you're treated; and being reassured that if anything, you'll be treated more sympathetically."

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WHAT HAVE PREVIOUS DELEGATES SAID?

"Excellent discussions with highly relevant content to our industry"

Risk Manager, LaSer UK

"The event provided an clear insight into the expectations of sellers and purchasers in the FCA regulated environment. It was particularly interesting to hear the differing views from the smaller to the larger companies."

Head of Audit, Risk and Compliance, Motormile Finance

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Marston announces latest acquisition

Enforcement firm Marston Holdings has announced its acquisition of field collection services company Engage Services.

Engage, based in Blackburn, specialises in non-court order based field collections, an area in which Marston had not previously had a strong presence.

Engage, formerly Chase Solutions, has an extensive network of field agents operating across England, Wales, Scotland and Northern Ireland, and provides field-based collections to a range of utilities, financial services and public sector clients.

The company is fully authorised by the Financial Conduct Authority (FCA), and the FCA has formally approved the change of control for the company.

The business has a team of employed and self-employed agents, all using bespoke handheld technology, which along with the UK also cover the Republic of Ireland and the islands off the mainland UK. Michael Wolfenden, chief executive of Engage, and commercial director Gary Jones remain on the board and will continue to run the business.

Jaywing maps out modelling project for Shawbrook

Shawbrook Bank has appointed Jaywing to help develop its processes in two key areas - credit grading and preparations for new accounting standards.

Jaywing, a specialist in credit analytics, was initially employed by Shawbrook at the start of 2016 to help it build a credit risk modelling programme. This programme will underpin the bank's processes in areas such as credit management, impairment forecasts and stress testing.

A key tenet of the project is to help Shawbrook achieve an integrated approach to risk modelling that will incorporate an IFRS 9 solution. IFRS 9 is a set of new accounting standards for impairment forecasting that lenders have to implement by January 1 2018.

After a design phase for the risk modelling programme was completed, proposed methodologies have now been mapped out for each of the bank's five portfolios.

As the project continues, Jaywing has started developing models to help Shawbrook achieve its aims for credit grading, while also helping the bank meet IFRS 9 objectives well ahead of the 2018 deadline. Jaywing's approach has been bespoke to Shawbrook, because every organisation has unique credit grading and IFRS 9 requirements as defined by data, legacy models and system infrastructure.

Edward Huang, head of risk and portfolio analytics at Shawbrook Bank, said: "Shawbrook has a unique advantage of developing an integrated and streamlined credit grading and forward-looking forecasting system. This will enable consistent credit decisions, capital sufficiency assessment, IFRS 9 impairment forecast and business planning."

FREEDOM FINANCE MAKES A SENSIBLE ACQUISITION

Loan application platform Freedom Finance has expanded into the mortgage market by acquiring Sensible Home Finance, the UK mortgage and loan broker.

The deal is part of a wider growth strategy to secure Freedom Finance's place as the pre-eminent loan platform in the UK.

As part of the deal, Sensible Home Finance will be rebranded as Freedom Mortgages, and will be run by Andrew Fisher - the owner of Sensible Home Finance.

At the same time, a new bridging and commercial arm has been created to bolster the company's offering in these areas.

Brian Brodie, chief executive of Freedom Finance, said: "From the moment we started looking for a mortgage and loan broker to join the Freedom Group, we knew we needed to find an organisation that shared our values and ambition.

"I believe that in SHF we have found a highly respected team with a great business."

The deal enables Freedom to broaden the product range on its platform while becoming a bigger player in the second charge loan market.

Fisher said: "Our customers will benefit from Freedom Finance's online capabilities, loan platform and breadth of finance options. We can now help many more customers satisfy their lending needs easily and safely."

RECOGNITION IN A YEAR OF INTERVENTION

This month Credit Strategy revealed the shortlist for the 2016 Turnaround, Restructuring and Insolvency (TRI) Awards, sponsored by Capa, as the rebranded scheme returns for its ninth year

The insolvency and restructuring profession has in the past year seen yet more consultations on process changes, court fee rises and general upheaval.

Just one of the more recent interventions was a consultation on creating a new 90-day moratorium for distressed businesses, which could provide companies with an opportunity to consider approaches for rescuing the business, whilst the firm is free from enforcement and legal action by creditors.

This followed the government's decision to end the exemption for insolvency litigation from the Legal Aid, Sentencing and Punishment of Offenders Act 2012. Industry trade body R3 claimed this could lead to a £500m payday for rogue directors.

So perhaps in a context where rescuing businesses and working for creditors is continually hampered by government, those who are succeeding in this climate are battling against the odds – and therefore truly deserving of recognition.

It's in this context that a record number of entries were submitted for this year's TRI Awards. There were 162 finalists across all categories left after the shortlisting process and more than 100 individual companies are represented among the finalists.

Formerly known as the Insolvency & Rescue (I&R) Awards, the renamed and recalibrated TRI Awards scheme has been refreshed with several new categories to reflect the critical work now prevalent across the profession – particularly in turnaround and restructuring.

Some of the seven new categories for

2016 include:
- Turnaround of the Year (Business or Investment);
- Turnaround Practitioner of the Year;
- Turnaround Firm of the Year;
- Corporate Restructuring IP of the Year;
- Corporate Restructuring Lawyer of the Year.

The TRI Awards' independent judging panel, co-chaired by Bob Pinder, regional director at the Institute of Chartered Accountants in England & Wales (ICAEW), and Stephen Allinson, consultant at the law firm Shoosmiths, has been extended further this year.

The new judges are:
- Gary Quaife, managing director, valuation and corporate recovery, Gordon Brothers Europe;
- Graham Rusling, former managing director – global head of business support and recoveries, Barclays Bank, now chairman, Evolute 360;
- Gary Favell, chief executive, Bathstore;
- John Dickinson, partner, CBW.

The new judges join a panel that already comprises firms such as HSBC, PwC, KPMG, Begbies Traynor and more.

Many categories have also been retained to recognise senior professionals leading the way in creditor engagement, as well as lawyers, insolvency teams, invoice finance firms, training providers and technology suppliers.

THE TRI AWARDS 2016 FINALISTS

Asset and Invoice Finance Provider of the Year
- Aldermore
- Davenham Asset Finance
- Hitachi Capital Invoice Finance
- Gener8 Finance
- PNC
- Secure Trust Bank Commercial Finance

Asset Valuer/Auctioneer of the Year
- John Pye Auctions
- Lambert Smith Hampton
- Landwood Group
- Metis Partners
- SIA Group
- Wilsons Auctions

Corporate Rescue of the Year (Large)
- Grant Thornton
- KPMG
- Leonard Curtis
- PwC – CAPARO
- PwC – Stemcor

Corporate Rescue of the Year (Medium)
- Grant Thornton
- J9 Advisory
- KPMG
- Smith & Williamson

Corporate Restructuring Firm of the Year – 11 or more licensed appointment-taking Insolvency Practitioners
- CVR Global
- Grant Thornton
- KPMG
- PwC
- Quantuma
- RSM

Corporate Restructuring Firm of the Year – Up to 10 licensed appointment-taking Insolvency Practitioners
- CBW
- CVR Global
- Herron Fisher
- Kreston Reeves
- Larking Gowen
- Leading Corporate Recovery
- Mercer & Hole
- Milsted Langdon
- Opus Restructuring
- Purnells

Corporate Restructuring IP of the Year
- Carl Jackson – Quantuma
- Chris Laughton – Mercer & Hole
- Blair Nimmo – KPMG
- Joe O'Connor – EY
- Chris Parkman – Purnells
- Will Wright – KPMG

Corporate Restructuring Lawyer of the Year
- Andrew Buchanan – Gateley
- Steve Cottee – Pinsent Masons
- Sarah Coucher – Norton Rose Fulbright
- Mark Craggs – Norton Rose Fulbright
- Lawrence Elliott – Herbert Smith
- Philip Hertz – Clifford Chance
- Mark Hyde – Clifford Chance
- Amy Jacks – DLA Piper
- Suzanne Jones – Howard Kennedy
- Nick Moser – Taylor Wessing
- Georgina Squire – Rosling King
- Gordon Stewart – Allen & Overy
- James Stonebridge – Norton Rose Fulbright
- John Whiteoak – Herbert Smith

Creditor Engagement Award
- Baker Tilly Creditor Services
- JP Morgan (Max Recovery)
- Mazars
- Moore Stephens
- PwC
- StepChange
- TDX Group

Education/Training Provider of the Year
- BPP
- Enterprise Chambers
- Ifs University College
- Insolvency Support Services (ISS)
- LexisNexis
- Neil Taylor Insolvency
- R3

Innovation and Technology Award
- Companies House
- Debt Advisory Line
- Encompass Corporation
- Equifax
- Experian
- The Insolvency Service – The Adjudicator Process
- Metis Partners
- Microsoft
- Nationwide and Watch Portfolio Management
- TDX Group
- Turnkey Computer Technology
- VisionBlue Solutions

Insolvency Barrister of the Year
- Richard Adkins QC – South Square
- Raquel Agnello QC – Erskine Chambers
- James Couser – 13 Old Square
- Joseph Curl – 9 Stone Buildings
- Stephen Davies QC – Bristol Guildhall Chambers
- Steven Fennell – Exchange Chambers
- Lexa Hilliard QC – Wilberforce Chambers
- Gabriel Moss QC – South Square
- James Pickering – Enterprise Chambers

Insolvency Law Firm of the Year
- Clarion
- Coffin Mew
- DLA Piper
- Ferguson Financial Solicitors
- Norton Rose Fulbright
- Rosling King
- Summit Law
- Taylor Wessing
- Verisona Law

Insolvency Litigation Funder of the Year
- Burford Capital
- Ferguson Litigation Funding (FLF)
- Harbour Litigation Funding
- JLT ATE Team
- Manolete Partners
- Woodford Investment Management

Insolvency Manager of the Year
- Mark Cowley – Christians Against Poverty
- Lynsey Provan – MHA MacIntyre Hudson
- Richard Tonks – Smith Cooper

Sponsors

Insolvency Team of the Year
Sponsored by John Pye Auctions
- The Insolvency Service for SSI Redcar Steelworks (Official Receiver, Ken Beasley and the Liquidation Team)
- Mazars
- Middlebrooks Business Recovery & Advice
- Milsted Langdon Insolvency Department
- Moore Stephens
- Purnells
- Smith Cooper

International Firm of the Year
- Alix Partners
- Alvarez & Marsal
- DLA Piper
- Gordon Brothers
- Kennedys
- PwC
- Squire Patton Boggs

Personal Debt Solution Provider of the Year
Sponsored by VisionBlue Solutions
- Aperture
- Debt Advisory Line
- The Debt Counsellors Charitable Trust
- FTFS (Scotland)
- Johnson Geddes
- Mazars
- StepChange

Rising Star Award
Sponsored by ICAEW
- Richard Colebourn – Taylor Wessing
- Morven Fraser – Metis Partners
- Kelly Goodman – Leading Corporate Recovery
- Lindsay Grindall – PwC
- Steph Maddrell – PwC
- Peter Manley – DLA Piper
- Julia Marshall – PwC
- Laurie Murphy – Pinsent Masons
- Colin O'Toole – KPMG
- Alessandro Sidoli – Purnells
- Alex Wild – Irwin Mitchell

Turnaround Firm of the Year
- Alix Partners
- Endless
- Gordon Brothers
- Menzies
- Rcapital
- ReSolve
- Rutland Partners

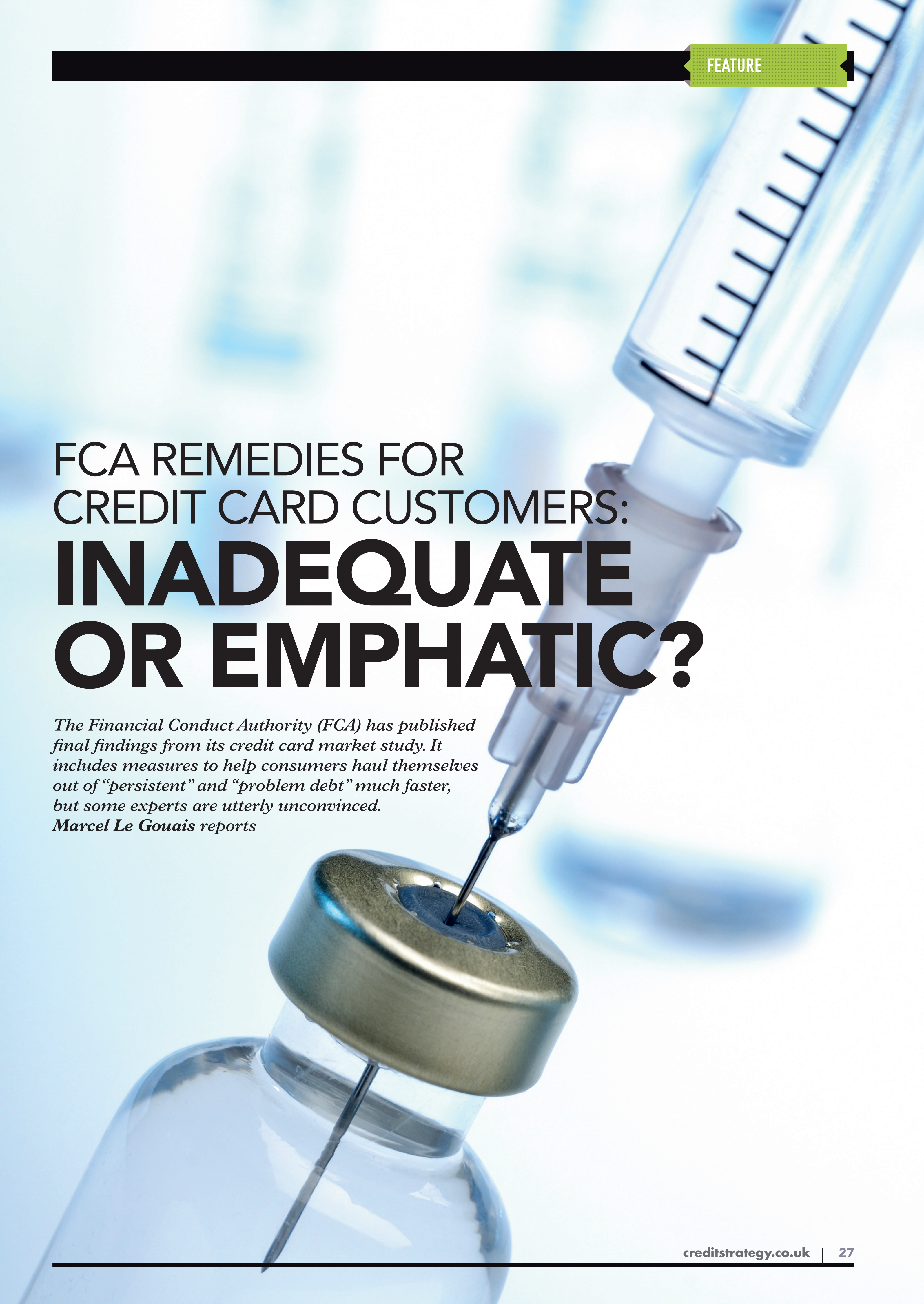
Turnaround of the Year (Business or Investment)
- Alix Partners
- Alvarez & Marsal
- J9 Advisory
- PwC – African Bank
- PwC – First Milk
- Rcapital – Morses Club
- Rutland Partners
- Taylor Wessing

Turnaround Practitioner of the Year
- Andrew Cawkwell – Muckle
- Henry Foster – Hilco Capital
- Lynn Gibson – Gibson Hewitt
- Cameron Gunn – ReSolve

The Sabin Award for Outstanding Contribution to the Industry
The award winner will be announced on the night

DATE FOR YOUR DIARY

TRI Awards
October 19
London Hilton Park Lane



FCA REMEDIES FOR CREDIT CARD CUSTOMERS: INADEQUATE OR EMPHATIC?

The Financial Conduct Authority (FCA) has published final findings from its credit card market study. It includes measures to help consumers haul themselves out of "persistent" and "problem debt" much faster, but some experts are utterly unconvinced.
***Marcel Le Gouais** reports*

At first it read as if credit card customers were given a choice – pay back what you want, when you want.

The FCA's remedies to help millions of credit card customers, published among final findings in a market study report, appeared to be giving borrowers a counter-intuitive new freedom.

Such remedies included trials with lenders in which customers could choose their own repayment amounts rather than being told to make minimum repayments. The reforms will also enable some borrowers to adjust their repayment date.

These were just two in a package of measures designed to help customers repay their balances at faster rates, and prevent them from being saddled with so-called problem debt for up to a decade. Other measures focussed on earlier intervention to prevent arrears building up and giving consumers more power over their credit limits.

So why were these remedies necessary? The figures speak for themselves; analysis for the study showed that:

- Two million people were in credit card arrears in 2015;
- 650,000 consumers have been in 'persistent debt' for three years or more. The FCA defined persistent debt as debt held by consumers with an average credit limit utilisation of 90 percent or more, while also incurring interest charges over 12 months;
- Another 750,000 borrowers have been making systematic minimum repayments for three years.

The remedies were effectively split between those that will be imposed via rules after consultation, and those that have already been agreed to by the industry.

Rules-based remedies

Measures that will start with consultations before becoming rules are:

* A proposal to ask firms to monitor sources of information available to them, other than payment data, to detect customers' financial difficulties earlier. The FCA intends to consult later in 2016 on rules that go further than the current requirement to monitor a consumer's repayment record for signs of payment difficulties. It said credit card firms may need to monitor drawdown behaviour, credit reference agency data and data from other credit products held with them.

* An FCA consultation on proposals for a rule requiring firms to identify signs of debt problems earlier and to intervene accordingly. Rules will be considered to establish a set of escalating interventions when a consumer has been persistently indebted for a period. An intervention

KEY STATS

1.6m

Credit card holders are making only minimum repayments

5m

Credit card holders will take more than 10 years to pay off their balance

could, for example, be a more structured repayment plan.

* The regulator also intends to consult later in 2016 on measures to give consumers more control over their credit limits. Unsolicited extensions to credit limits have been raised as an issue by money advice charities consistently and it's an area the FCA has sought to tackle.

* FCA officers are also undertaking wider work to clarify expectations around assessments of credit worthiness. This work will cover its expectations of assessing credit worthiness where consumers have existing borrowing commitments.

Voluntary measures

Proposals that have been agreed to by the credit card industry are:

- A novel approach to repayments, designed to remove the 'anchor' of a stated minimum repayment and encourage customers to choose their repayment amount, on the basis of how quickly they want to pay down their debt. This will be subject to behavioural trials.
- Promotion expiry: Companies sending a notification to customers as a promotional deal is about to end, so that borrowers understand what the change means and they can shop around.
- Borrowing prompt: A digital notification to inform customers that their balance is getting close to their credit limit, allowing them to consider their spending and avoid over-limit charges.
- Payment date changes: Informing customers that they can change the date that their payment is due, if the current date might be causing them problems, helping them to manage their personal finances.

The FCA's report sets out some more specific information on how the voluntary measures, already agreed with the industry, will be undertaken. For example, on promotion expiry dates, it has agreed with the UK Cards Association that consumers will be notified by text or email two or three weeks before the expiry of a promo period, or one month for consumers contacted by letter only. On 'borrowing prompts', companies will help consumers mitigate the risk of inadvertently incurring penalty charges, by alerting them at a set point of their credit limit utilisation.

And finally on payment dates, firms will allow consumers to request a 'later than' payment date to fit with their own pay day.

In place, on time

Some lenders have had some of the voluntary policies outlined above embedded in their processes for some time. Nationwide Building Society announced as far back as November 2015 (when the FCA published interim findings of its credit card market study), that it already adopts opt-in credit limit increases.

Nationwide's statement changes also allow customers to see what interest they are paying on each balance and how long they have left on any promotional offers.

The FCA initially suggested customers should be required to actively opt-in to permitting 'over the limit' transactions, a service that many providers charge a fee for. Last year, Nationwide called on the industry to follow its lead after removing the over limit fee.

But changes to prevent arrears building up are not limited to Nationwide. In an exclusive interview with *Credit Strategy* last year, Paul Gordon, managing director for consumer and commercial cards at Lloyds Banking Group, revealed that the bank had invested in a specialist pre-collections support unit, to help customers at risk of falling into financial difficulty.

"Wholly inadequate"

Despite all this – the voluntary agreements, the consultations and the trials – reactions were not unilaterally positive.

Sue Lewis, chair of the Financial Services Consumer Panel, said: "This is a wholly inadequate response to the consumer problems the FCA found, problems that will get worse if the economy weakens."

Lewis believes that the "litany" of consumer confusion and misery set out in the report warranted tougher action: "Yet the FCA has swept aside the concerns previously expressed by consumer bodies and apparently allowed the industry to write its own remedies, even including a statement from trade body the UK Cards Association in its report," she says.

"Unsurprisingly, then, almost every single remedy entails bombarding consumers with information that they are expected to process and act on, with no evidence they have the capacity to do so."

Debt money advice charities were a little more warming to the report, with both the Money Advice Trust and StepChange Debt Charity welcoming action on unsolicited credit limit increases.

Trials and tribulations

One of the remedies the consumer panel didn't explore in its statement was the behavioural trials the FCA is undertaking with credit card companies – though the regulator declined to say which companies were doing this or how many.

These trials, as mentioned earlier, will involve encouraging customers to choose their repayment amount, on the basis of how quickly they want to repay, rather than paying a minimum repayment. The regulator wants to test this to see if it successfully gets customers engaged. The FCA will examine whether the trials achieve a sustainable drop in the proportion of minimum repayments, and if they result in a sustainable rise in the nominal value of card repayments across credit card users.

Officers will also assess whether different treatments result in lower interest charges, faster repayments and improvements in customers' credit worthiness.

Cause and effect

Behavioural trials are just some of the tools the FCA is deploying to tackle underlying issues it found through its study. One was the systematic, continual use of minimum payments by borrowers. The study found that 1.6 million credit card holders are repeatedly making minimum repayments while incurring interest charges. It also discovered that, on current repayment patterns and assuming no further borrowing, 5.1 million credit card holders will take more than 10 years to pay off their balance.

As for the bigger picture, the analysis showed that in 2014, two million people were in credit card arrears and a further estimated two million had persistent levels of debt. There's also the issue of multiple card use, on which the report paints a mixed picture. It states that most consumers with multiple credit cards are not struggling with problematic debt, although 11 percent (around 1.6 million consumers) are in potentially problematic debt on more than one credit card.

There's also another issue that crops up all the time in the FCA's messages – credit worthiness.

Credit worthy?

The FCA notes that more than 20 percent of credit card holders who were in severe arrears in 2014 did not have an active credit card in 2012, suggesting a rapid descent into arrears. 'Severe arrears' in this instance refers to customers charged off or at least six months in arrears over the 12-month period.

The FCA's report says: "This raises questions about how firms assess credit worthiness for new borrowers."

It added: "We have identified a number of specific concerns and will follow up with individual firms as appropriate through supervisory or if necessary enforcement action."

ENERGY IN THE UK: FINALISTS REVEALED FOR THE UTILITIES & TELECOMS AWARDS

As another year of turbulent changes in the utilities and telecoms markets races by, a critical date (September 29) is approaching for credit risk and collections professionals servicing both sectors.

As you may have guessed with that self aggrandising intro, it's the date *Credit Strategy* is hosting two key events – the Utilities & Telecoms Conference during the day and the Utilities & Telecoms Awards throughout the evening. Both are being held at the St John's Hotel, Solihull, on September 29.

The conference is returning for its seventh year, the awards for a sixth, and this month the full shortlist has been revealed for the awards (see opposite page).

The awards night is a chance to discover and meet those who are championing and pioneering best practice in collections, credit risk and customer service in the energy, water and telecoms sectors.

It's also an opportunity to take your highest performing teams out for a celebratory night, where you can network while they (deservedly) take advantage of the free champagne. To borrow a hackneyed phrase there's no event like it; it's the only awards scheme specifically for the credit risk and collections job functions, in these sectors.

The finalists are being judged by those at the top of their profession. Some of the judges include:

- Annette Hardcastle
  Head of BGR credit and collections
  British Gas

- Matthew Mattock
  Consumer policy manager
  Telefonica UK

- Claire Moore
  Head of residential credit management
  E.ON

- Steve Banks
  Head of domestic credit risk
  RWE npower

- Amanda Scovell
  Cash and debt manager
  Thames Water

The results of their decisions will be announced on the night at the St John's Hotel in Solihull.

The Utilities & Telecoms Conference

There are now 22 speakers confirmed for the conference, of whom 16 are senior managers and heads of collections at creditors in the energy, water and telecoms sectors.

The three regulators of each sector will also be appearing – and hasn't Ofgem been busy lately? Only last month, the energy regulator announced it will be implementing remedies aimed at freeing up competition and innovation in the market, to drive down bills and improve customer service.

For those on pre-payment meters, who are among the most vulnerable and least likely to switch, it means they will be protected by an interim price cap which will save them around £75 a year from next April.

Ofgem is also investigating SSE over its practice of switching vulnerable customers to prepay meters. Officers will examine whether SSE breached standards of conduct and whether it breached licence conditions.

We're taking an educated guess that the regulator's appearance will be well attended.

Nominate the pioneers

Credit Strategy is also running its second Utilities & Telecoms Top 50 at the event on September 29 – and wants you to nominate the major players who should be in it.

The Utilities & Telecoms Top 50 is a breakdown of the influential decision makers who are shaping the credit risk and collections environment across water, electricity, gas and telecoms providers.

Last year's Top 50 included key influencers such as Phil Shaw, customer operations director at Eon; Max Griffiths, head of credit risk at Centrica and Trafford Wilson, managing director of billing and collections at BT Group.

Zuned Choudhury, corporate credit and collections manager at Vodafone, who made last year's list, said: "Being included in the U&T Top 50 was great for the 'feel good' factor – I got lots of recognition among my peer group and senior management and various connections wanting to talk about opportunities."

We're now inviting you to get involved by nominating a colleague or by putting yourself forward for consideration.

Visit www.utilitiesandtelecomsconference.co.uk/uttop50 for more details.

UTILITIES & TELECOMS AWARDS SHORTLIST 2016

Best Joint Customer Service Initiative of the Year
- Carphone Warehouse and Equifax
- The Sigma Financial Group and First Utility
- Orbit Collections Group and Southern Water
- Echo Managed Services and Northern Ireland Water

Best Outsourcing Initiative of the Year
- The Sigma Financial Group
- Echo Managed Services

Best use of Technology
- Pangea-Connecting Everything
- Qualco UK
- South East Water
- Themis Global t/a COLLECTaDEBTpro
- Thames Water

Best Vulnerable Customer Support Team
- British Gas - Debt Customer Care
- British Gas - Home Energy Care
- Dwr Cymru Customer Services
- Orbit Collections Group
- Severn Trent
- StepChange Debt Charity

Energy Team of the Year *Sponsored by* Orbit Collections Group Ltd
- British Gas
- EDF Energy
- The Sigma Financial Group and Scottish Power
- The Sigma Financial Group and First Utility

Innovation of the Year *Sponsored by* Court Enforcement Services High Court & Civil Enforcement
- British Gas
- Carphone Warehouse and Equifax
- South East Water
- Themis Global t/a COLLECTaDEBTpro

Telecoms Team of the Year *Sponsored by* Lowell. GROUP
- Talk Talk Business
- Vodafone UK
- Virgin Media
- BT
- Tesco Mobile

Water Team of the Year *Sponsored by* marston holdings
- Thames Water – Bill to Cash Team
- Echo Managed Services and Northern Ireland Water
- Severn Trent
- South East Water
- Loop Customer Management

FACTBOX

Utilities & Telecoms Awards and Conference
September 29
St John's Hotel, Solihull
utilitiesandtelecomsawards.co.uk
utilitiesandtelecomsconference.co.uk
Book your place at the conference and/or a table at the awards; contact Vyvy on 020 7940 4821.

ON THE MOVE

All the latest moves and new appointments within the credit industry

Hannah Pettitt
Livingstone

International mid-market M&A and debt advisory firm Livingstone has appointed three new team members.

Hannah Pettitt and Christina Franzeskides join the media and technology sector team as associate director and analyst respectively.

Pettitt previously worked at Deloitte for three years while Franzeskides joins from PwC where she spent three years working with clients in the financial services sector practice, before joining the firm's specialist valuations team.

Ian Guilfoyle also joins the industrial sector team as associate. Prior to joining Livingstone he spent six years at Deloitte, which included three years working in the corporate finance team in Deloitte's Toronto office.

Angel Blanco
Demica

Working capital solutions provider Demica has appointed Angel Blanco as origination director, Enrique Jimenez as senior supply chain finance origination director and Marc Wolf as origination director.

Blanco, who joins from Santander Global Banking, has responsibility for originating receivables finance, trade receivables securitisations and supply chain finance programmes, mainly for Spanish and Portuguese multinational corporates and financial institutions. He will be co-located in Spain and London.

Jimenez will focus on originating and building supply chain finance programmes across Europe. He was previously at Santander where he most recently held the position of head of supply chain finance.

Wolf will have responsibility for originating receivables securitisation and supply chain finance programmes for German and multinational corporates, and financial institutions. He previously held the position of executive director – securitisation at Crédit Agricole Corporate.

Mike Moffett
PwC

PwC's business recovery services team has appointed four new partners across its London and regional practice.

Mike Moffett has been appointed as a partner in the operational restructuring team. He has advised clients in this area for more than 15 years.

Victoria Tillbrook, who has 10 years' experience in assisting trustees and companies through complex negotiations relating to scheme funding and corporate transactions, has been appointed as partner in the pensions credit advisory team.

Damien Ashford has been appointed as a partner in the government and public sector restructuring team with a specialism in healthcare. He has a background in private and public sector restructuring and turnaround.

Finally, Richard Siddall has been appointed as a partner leading the debt and capital advisory team across the north, midlands and Scotland.

Ian Green, head of business recovery services at PwC, said: "We've continued to see strong demand for our services this year, and this is reflected in the investment of new partners across a range of our teams."

Eugene Timko
Finstar Financial Group

Finstar Financial Group has announced a number of senior appointments to its management team with the recruitment of Eugene Timko as investment director, Michele Tucci as head of mobile products and business development, and Alexander Ivanov who has been appointed to develop venture capital investments.

Nicholas Jordan, chief executive officer of Finstar, said "Finstar's decision to strengthen its focus on fin-tech solutions across a number of sub-sectors reflects the manner in which fin-tech investments are bucking trends across the globe. We see tremendous long-term growth opportunities across all industry segments, from lending platforms to insurance and asset management."

Alan Anderson
IGF

Commercial finance provider IGF has appointed three new asset based lending (ABL) directors as part of its expansion programme.

Alan Anderson, based in Glasgow, joins IGF to lead its Scottish ABL offering. His career includes time at Clydesdale, Aldermore and Bibby. Barry Lee joins as the new ABL director for the midlands, bringing with him 20 years' experience in the sector. Alan Austin also joins as ABL director for London and the south east region. Austin has worked in the sector for 18 years.

Steve Exton
CCSCollect

Debt collection agency (DCA) Commercial Collection Services (CCSCollect) has appointed Steve Exton as sales director. Exton joins CCSCollect from NCO Europe and has 16 years of experience in first party collections and third party debt recovery.

Jon Godbold, CCSCollect chief executive, said: "Steve joins the company to spearhead the next phase of our planned growth, extending our market share and positioning CCSCollect as a real alternative to the traditional large scale DCA/ debt purchase hybrid."

Ambuja Bose
Veale Wasbrough Vizards

National law firm Veale Wasbrough Vizards (VWV) has appointed Ambuja Bose as a new partner in its corporate recovery and insolvency team, based in its London office.

Bose joins from Francis Wilks & Jones (FWJ), where she was a partner, having trained and qualified at the firm.

Simon Heald, VWV's managing partner, said: "We are delighted to welcome Ambuja to the firm and to our London office. We are confident that she will complement our insolvency and restructuring team in the uncertain financial conditions post-Brexit and will work closely with our teams in Bristol, London and Watford."

Bert van der Zwan
OnGuard

Credit management software provider OnGuard has appointed Bert van der Zwan as chief executive.

Van der Zwan takes over from current chief executive David Taylor, who will be moving to chair of the board. Van der Zwan has held a number of leadership roles in companies such as

WebEx, Twinfield, Rally and Unit4.

In February 2015, he assumed the position of OnGuard's chairman, but will take the unusual step of becoming chief executive, while the current CEO moves the opposite way.

Taylor said: "Bert's role as chairman over the past year has meant he's spent valuable time with our management team and knows our core values inside out. It is more important than ever to ensure businesses know the realities of their cash flow, and we can help them achieve this."

Van der Zwan added: "I'm very excited to be leading OnGuard into its next chapter. The company's mission to build more resilient businesses by reducing the risks associated with cash flow is vital to global firms in times of uncertainty.

"This mission means there are some really exciting years ahead."

Jeff Poole
Freedom Finance

Freedom Finance has appointed Jeff Poole as managing director of Freedom Consumer Finance and Zoe Cuthbertson as head of marketing.

Poole was one of the founders of MBNA Europe (now part of Bank of America) and has held leadership positions at Tesco Bank, KPMG, TSYS and Barclaycard.

Cuthbertson spent four years at BPP, a provider of professional and academic education, and has held marketing positions at online retailer Shop Direct Group.

Brian Brodie, group chief executive of Freedom Finance, said: "Freedom Finance continues to invest in some of the most experienced, exciting talent in the industry, and Zoe and Jeff joining us is further evidence of the successful growth story we are starting to tell to the marketplace."

Elizabeth Denham
Information Commissioner's Office

Elizabeth Denham has been appointed as the new UK information commissioner. She will be responsible for leading the Information Commissioner's Office (ICO), the UK's independent authority that regulates the Data Protection Act, Freedom of Information Act and the rules around marketing calls and texts.

Denham, who will serve a five-year term, has held senior positions in privacy regulation in Canada over the last 12 years. Since 2010 she has been the commissioner at the Office of the Information and Privacy Commissioner for British Columbia, Canada. She replaces Christopher Graham, who stepped down last month after seven years as information commissioner.

Denham said: "I look forward to working with staff and stakeholders to promote openness by public bodies and data privacy for individuals."

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Contact David Gallagher

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LOWELL GROUP

The Lowell Group takes its monthly look at some of the key economic indicators

FTSE 100: This closed in June at 6,504.33 points, its highest level for 2016. The index was up by 4.4 percent compared to May 31, its biggest monthly gain since October.

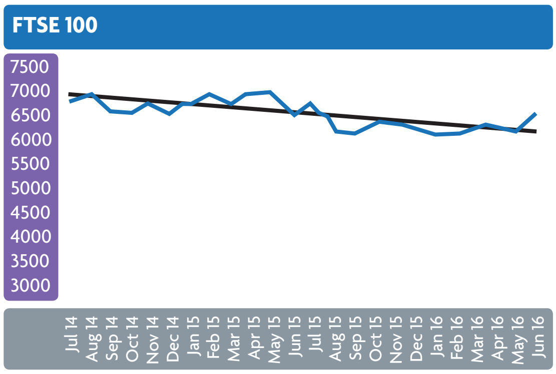
Consumer Price Index: According to the ONS, the CPI rose by 0.5 percent in the year to June 2016, compared with a 0.3 percent rise in the year to May. The June rate is a little above the position seen for most of 2016.

Crude oil prices: The average weekly spot price rose to $49/barrel in June, up from $47/barrel in May.

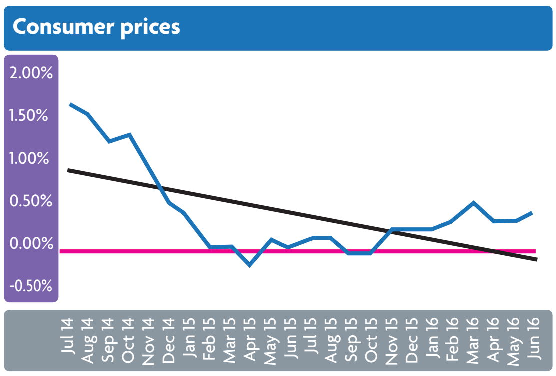
Unemployment: According to the ONS, there were 1.65 million unemployed people in the three months to May 2016, down 54,000 on the three months to February 2016. This was also 201,000 fewer than for a year earlier.

House prices: Data from Halifax shows house prices in the three months to June 2016 were 1.2 percent higher than in the previous quarter, slightly below May's 1.5 percent increase. The annual rate fell from 9.2 percent in May to 8.4 percent in the three months to June.

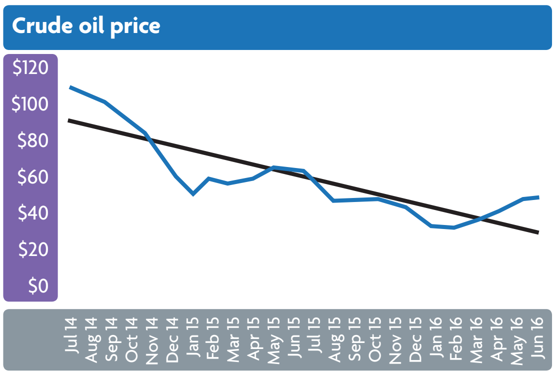
Retail sales: According to the ONS, the volume of retail sales in June 2016 was estimated to have increased by 4.3 percent compared with a year ago.



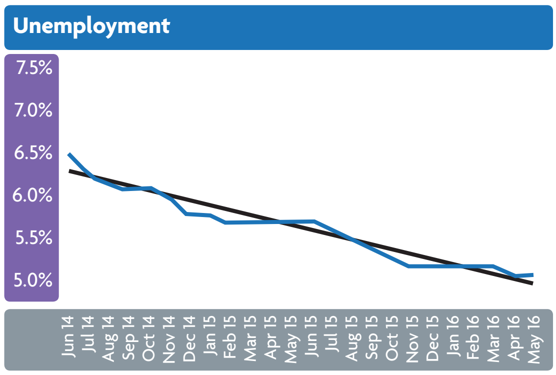
Source: Digital Look



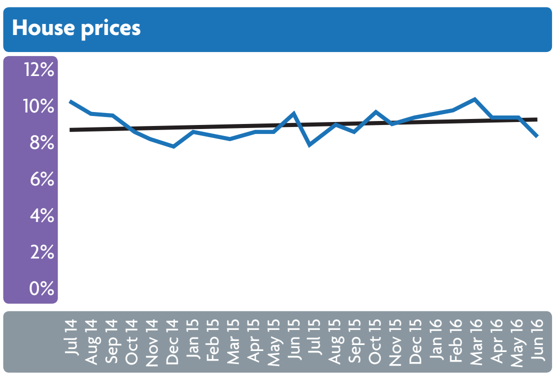
Source: Government Statistics



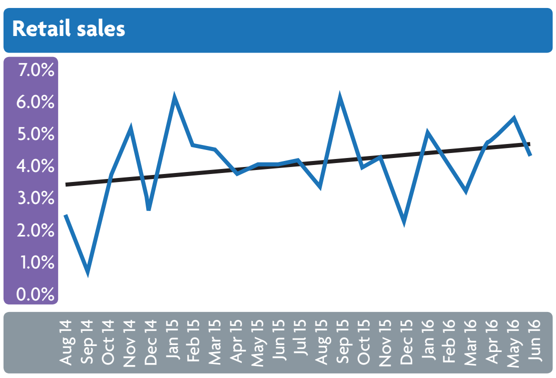
Source: Energy Information Administration



Source: Government Statistics



Source: Halifax



Source: Government Statistics

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- Skill Based Routing
- Live Call Listening, Whisper and "Take Control" Functionality

- An Enterprise Contact Centre Solution is delivered through the seamless integration of both Ascent and callcent
- Complete Visibility across your Contact Centre, Real Time, through Dashboard Technology Available on your Smart Phone
- Born in the Debt Collection Environment
- Embracing FCA Standards through Technology
- No Upfront Costs and Ongoing Low Cost of Ownership

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