

## **Response to:**

### **Statement of policy on the persistent misuse of an electronic communications network or electronic communications service. Consultation.**

We are the one of the UK's leading Credit Management and Debt Recovery companies who employ over 850 staff across the United Kingdom and Republic of Ireland. Innovation has always been at the heart of our approach and our commitment to investing in people and technology has always been a core driver throughout the growth of the business.

We currently utilise Predictive dialler technology in order to increase speed, productivity and efficiency of our outbound collections campaigns. This technology enables us to stay competitive in our market and collect outstanding debts efficiently and cost effectively for our clients. Without companies like ourselves investing heavily in such technology, debt collection costs would greatly increase. These increased costs faced by companies would be passed back to UK consumers leading to a detrimental impact on the UK economy.

We endorse OFCOM's stance that change is needed in the way that some predictive diallers have been operated. We have always had this stance ourselves and invest in a dedicated team of dialler experts who monitor our dialler during all of our outbound calling times ensuring we have always minimised the nuisance of abandoned calls. With no clear regulations previously in place we have always looked to follow the guidance set in the past by the Credit Services Association and have always strictly operated our dialler within their guidelines.

Whilst we agree that regulations need to be put in place we feel however that some sections of the proposed new code will have an adverse effect on the debt collection industry as a whole. We would therefore urge that careful consideration is given to these sections of the code and we would request debt collection calls be exempt from the following sections:

#### **Section 5.16**

**Identifies the intended purpose of the call (i.e. "an unsolicited sales call", "a call as part of debt recovery", etc)**

1. When making debt collection calls we must not only adhere to OFCOM regulation but also data protection practices and OFT guidelines. We believe that when playing an automated message there is a risk of the message being heard by a third party. If we state the purpose of the call in the message this may lead to unnecessary embarrassment for the debtor we were trying to contact. OFT guidelines state we must make every effort not to cause any undue embarrassment and after speaking to the Office of the Information Commissioner they have advised ourselves that we may also be in breach of the debtors data protection rights if we were to leave this message. We therefore feel calls for debt collection purposes should be excluded from this section of the code.

Offers the called person the possibility of declining to receive further calls from that company by contacting a no charge (0800) or Special Services basic rate (0845) number;

2. We understand the reasons behind this section of the code for telemarketing calls, however we feel this is not workable when dealing with debt collection. The debtors we are calling had contracts with our clients and as part of these contracts they were aware that failure to pay timeously for the products or services used would result in the debt being passed to a DCA for collection. A major part of the recovery process is making outbound calls to establish contact. If we promote declining calls from our company before we have had an opportunity to speak to debtors we feel this will have an adverse effect on the debt collection industries' collection capabilities as a whole and also lead to many debtors seeing this as an easy way to avoid the issue. This could therefore lead to further financial problems for the debtor if the debt moves further down the debt recovery process, as we have not had an opportunity to properly explain all of the options available.

Debt collection is a skill which requires dedicated individuals to negotiate in order to find the best resolution for the debtors we call, and our clients alike. This section of the code would greatly hinder the chances of DCAs making resolutions with debtors, therefore leading to escalating financial problems for the individuals. This would also lead to major losses for companies operating in the UK which again would lead to a detrimental impact on the UK economy. We therefore feel again that this section of the code should not apply to debt collection calls.

Either a recorded message or a live operator is available at the CLI number presented to inform called persons of the identity of the organisation that called them, the intended purpose of the 'abandoned call' and that the called person's number will be deleted from the organisation's database and added to its in-house suppression list at the called person's request if they leave their name and telephone number;

3. We feel as this code is to protect individuals from the nuisance of silent or abandoned calls there should be no need to offer any special informational messages on the CLI call back number as there is no way of guaranteeing the callers to this number received an abandoned call. We believe the vast majority of callers to this number will not have received an abandoned call. Any individual who received an abandoned call would also have already been provided with this information via the automated message. We also again feel the content of this message can not be adopted for debt collection calls as explained in section 1 and 2 of this letter. We are happy to provide an informational message with the company name and a message to explain why we have called. Alternatively, we could route the calls to our call centre where an agent can deal with the enquiry. Again due to the reasons stated above we would ask this section of the code does not apply to debt collection calls.

Overall we would like to reiterate our happiness that OFCOM are looking to more stringently regulate the use of dialling equipment and that we believe most of the proposed changes will be very beneficial to the general public and businesses operating diallers.

We do however ask that careful consideration be made to the points we have raised. We feel if the regulations are imposed as currently drafted the derogatory impact to the debt collection industry and the wider British economy would be severe in time.