

**Question 1: Do you agree that the proposed changes make for a clearer set of rules that enable compliance to be achieved with a greater degree of certainty?:**

The Credit Services Association response is:

2.2: The CSA agrees with the inclusion of the word marketing, as debt collection companies, due to the legal obligation debtors have to repay their outstanding accounts, will need to be able to establish telephone contact with the consumer.

However revealing the identity of the company creates problems for debt collection companies as in doing so may lead to a breach of the Data Protection Act and the Office of Fair Trading Debt Collection Guidelines. It has been suggested a pseudonym (or trading style) should be used, however Data Protection problems are still present. Often people will use an internet search engine to discover the nature of the company who has contacted them. Even if the pseudonym does not create a website, consumer forums will most likely feature it revealing the nature of the company. This may also lead to embarrassment for the debtor if a third party intercepted the message.

Secondly, the use of a pseudonym may leave a situation where the consumer is misled into thinking they are being contacted by two different companies for the same debt. Again, this could be seen as a breach of OFT Guidance and the consumer may raise a complaint.

Cost implications must be taken into consideration particularly in reference to 1.24.

**Question 2: Do you agree with Ofcom's approach to determining whether the use of automated messages constitutes misuse?:**

The Credit Services Association response is:

To consider all automated messages as constituting misuse is misapplication of the Privacy and Electronic Communications (EC Directive) Regulations 2003. This does not give the power for Ofcom to ban automated messages for non-marketing purposes. Nor should they decide to do so anyway. While it is clear Debt Collection companies must be careful not to breach the debtors' privacy they may wish to use such systems for tracing or where the debtor is the only resident at the address. If it is decided that it is possible for Debt Collection companies to leave a message such as is required in 2.2 they must as a matter of fairness be able to use automated messages.

The technology should be available where is not used for marketing purposes and does not breach Data Protection. Whilst some may consider it a nuisance it is no different from taking a call from a 'live' caller and it actually benefits the consumer as it allows costs to be kept low which keeps charges made to the debtor to a minimum.

**Question 3: Do you believe that it is possible to define objective criteria for applying the public interest test.:**

The Credit Services Association response is:

Yes, but on an industry basis as certain industry?s can offer benefits, such as lower costs, to the consumer from using these methods.

**Question 4: Do you believe that outbound call steering should only be used with customers who have given their prior consent?:**

The Credit Services Association response is:

No, as the majority of debtors will not give their permission in an attempt to avoid their financial obligations.

**Question 5: Do you agree with Ofcom?s clarification that the exploitation of all types of revenue-sharing numbers represents a form of misuse?:**

Yes.

**Comments:**

Background to the Credit Services Association

The Credit Services Association (CSA) is the only National Association in the UK for Debt Recovery Agencies, Tracing and Allied Professional Credit Support Services.

The Association can trace its roots back to 1902. The CSA aims are to uphold the highest professional standards within the Credit Support Industry.

The CSA has a formal Code of Practice, which has become an industry benchmark for members and non-members alike. Additionally, since 1999, the Association offers its members a City & Guilds accredited Diploma Course and in-house training, further underpinning the Association?s aim to provide the highest level of standards and professionalism.

The following is an overview of the Association and its members:

The CSA has over 290 UK members, all of which are companies, and all within the debt collection arena.

An estimated 25,000 persons are employed by member companies in either a full or part-time capacity.

In excess of 15 billion pounds annually is referred to members for collection.

This represents some 22 million individual debt cases.

20% of members also collect internationally.

A number of members are part of large international corporations.

Most of the largest debt purchase companies in the UK are CSA members via the Debt Buyers & Sellers Group (DBSG).

DBSG Members reported debt purchases in 2006 of around 6 billion.

Typically, in the consumer sector, clients of CSA members are the High Street Banks, Building Societies, Credit Card Companies, Finance Houses, Utility Companies, Local Authorities, Government Agencies, Universities, Health Authorities,

Telecommunication Companies, Mail Order Houses and in the B2B sector, large national and international industries as well as a multitude of the Small to Medium sized Enterprises.

The Association produces regular market surveys and is often consulted by press, TV and radio.

The CSA is a founder member of FENCA, the Federation of European National Collection Associations and has assisted in respect of relevant past and current EU consultations.

The CSA is a member of the Money Advice Liaison Group (MALG) which promotes a better understanding between creditors, their agents and consumer groups (please see Appendix 1 for a full list of MALG Members).

The CSA is an active user of the court system for recovery of debts.

It is estimated that some million debt actions started in England and Wales annually are originated by CSA members.

Over 95% of these are undefended and primarily issued through the Northampton County Court Bulk issue Centre (CCBC).