

DEBT RESOLUTION FORUM FOUNDED AS INDUSTRY VOICE AND REGULATOR

At a meeting held on 11 October 2006, 27 firms in the debt resolution industry indicated their willingness to participate in the foundation of an industry body for debt resolution companies. The new organisation will be known as the Debt Resolution Forum (DRF).

Subsequently, a further 7 organisations have said they wish to consider participation in the organisation, which will provide a voice for the industry and which will set best practice standards for members which will be policed and enforced by a respected, independent regulator.

The meeting elected a founding board, which has been charged with the responsibility of turning the meeting's vision into reality.

The board first met on Thursday, 2 November 2006 and agreed that the aims of the organisation would be:

- To provide a voice for companies involved in all aspects of debt resolution, (including debt management, debt consolidation, Individual Voluntary Arrangements and Trust Deeds) throughout the United Kingdom.
- To widen consumer access to debt advice, driven by best advice principles
- To create a set of standards, driven by best practice principles, which would ensure debtors and creditors are treated fairly and transparently by members and that claims made by members for their services are accurate and reasonable.
- To provide a reputable accreditation system for debt resolution organisations that meet appropriate standards of practice and advice.
- To invite the Insolvency Practitioners' Association (IPA) to provide administrative support to the DRF and, separately and independently, establish an organisation to audit members activities and to investigate complaints that cannot be satisfactorily dealt with by members' internal procedures.
- To create training and education programmes for members' staff to formalise standards of practice across the industry
- To lobby for developments in public policy which assist with the effective practice of debt resolution.
- To provide a forum for the debt resolution industry to create a dialogue with creditor organisations.
- To create a dialogue with funded sector and not-for-profit debt resolution organisations
- To fund activities that make consumers aware of the standards practiced by member organisations.

Only organisations that commit to the standards and principles of the Debt Resolution Forum will be allowed to join. A programme of independent audit and independent complaints investigation will ensure membership becomes a valuable commercial privilege. The DRF also commits to improving standards over time and in response to marketplace changes.

The DRF is concerned that, whilst creditor organisations can adopt an effective regulatory role by refusing to deal with organisations they regard as ineffective, the Government's clearly stated view that there is no evidence of the need for statutory

regulation of the industry over and above what is already in place means that no organisation effectively protects consumers' interests. The DRF believes the standards it will create will provide reassurance for debtors that they will receive best advice and that they have a strong, independent route to resolution of complaints.

The Debt Resolution Forum intends to formulate initial proposals for both representative and regulatory proposals in the next few weeks, with a view to obtaining commitment and funding from members.

- ENDS -

Further Information:

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Appendix

Founder organisations:

- 1 A&E Business Solutions
- 2 Accuma
- 3 All Clear Finance
- 4 Baines & Ernst
- 5 Blair Endersby
- 6 Bridgestones
- 7 Brightside
- 8 Church Wood Financial Services
- 9 Clear Debt
- 10 Clear Start
- 11 Compass Debt Counsellors
- 12 Debt Advisory
- 13 Debt Clear Direct
- 14 Debt Connect (UK) Ltd.
- 15 Debtfreeme
- 16 Debt Release Direct
- 17 Debt Matters Group
- 18 Gemstone
- 19 Gregory Pennington
- 20 Haines Watts
- 21 Invocas
- 22 Lewis Alexander
- 23 Money Debtand Credit
- 24 PayPlan Partnership
- 25 Unity Debt Solutions
- 26 Varden Nuttalls
- 27 W3/Begbies Traynor