



1 July 2013

Insolvency Practitioners Association Awarded Group Consumer Credit Licence (CCL)

The Insolvency Practitioners Association (IPA) today announces that it has been awarded a Group Licence by the Office of Fair Trading (OFT).

This licence will enable the majority of Insolvency Practitioners (IPs) licensed by the IPA to undertake consumer credit counselling activity without the need to apply for their own standard licences, thus removing a level of bureaucracy and the associated licence costs, for those IPs that undertake limited levels of activity in the personal insolvency sector. The OFT continues to expect IPs who undertake high volumes of IVA or PTD work to hold a standard CCL.

The licence runs to the point when, in 2014, the current OFT licensing is due to be overtaken by the new Financial Conduct Authority (FCA) regime. It has just been announced that as a result of the submissions that the IPA and others made to the recent consultation by the FCA and the Treasury, the FCA will extend the proposed exemption for IPs from the new regime to include pre-appointment advice. Therefore, the regulatory burden of the CCL scheme will be lifted for IPs conducting debt advice in anticipation of an insolvency appointment when the new scheme comes into effect

IPA President, Charles Turner FIPA said:

“This represents a significant achievement for the Association in advancing the interests of its members and brings much needed clarity to the requirements upon them. The IPA will always act in the interests of members to ensure that the burden of regulation is proportionate and risk-based, so that their valuable work can be carried on without unnecessary hindrance.”

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About the Insolvency Practitioners Association:

The IPA is the only one of the Recognised Professional Bodies (RPBs) specialising solely in insolvency. It has approximately 2,000 individual and firm members and students and is the second largest, in terms of the number of licensed IPs, of the professional bodies recognised for the purposes of authorising IPs under the Insolvency Act 1986 (IA86). The IPA currently licenses around 550 IPs in the UK.

Advice given to debtors in financial difficulty is licensable activity under the OFT's CCL scheme. Most of that advice when given by IPs is provided in the context of a possible appointment as supervisor of an Individual Voluntary Arrangement (in England & Wales) or a Trust Deed (in Scotland). IPs are licensed as such under the IA86; the work of those who take insolvency appointments is monitored by their licensing body, and that monitoring extends to pre-appointment advice in accordance with Statement of Insolvency Practice 3 and other statutory and ethical requirements.