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Tiana Pathmanathan,  
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12 March 2013

Dear Ms Pathmanathan

## **Achieving consistent and high quality Debt Advice: an approach to standards and quality assurance for the debt advice sector**

This is the Financial Services Consumer Panel's response to the Money Advice Service consultation on achieving consistent and high quality debt advice.

Given the nature of the debt advice sector, the diverse needs of indebted individuals across the UK, and the broad spectrum of organisations involved in this space, we agree that the quality of individual advisors and advice organisations should be subject to regular, transparent, proportionate and consistent quality assurance processes.

### **Applicability**

Whilst the Panel fully supports the introduction of a minimum standards quality framework for debt advice, we believe it must be applied to all sector participants (free and fee charging organisations and individuals), if it is to achieve its intended objective.

All debt advice service providers are required to hold a Consumer Credit Licence for Debt Advice. As such, the Panel believes that being part of a standard, recognised by the proposed Framework, should form part of the licensing requirement. The Financial Conduct Authority (FCA) will take over responsibility of the Consumer Credit Regime in April 2014, including responsibility for licensing. We would therefore encourage the Money Advice Service to explore this proposition with the FCA at the earliest opportunity. Thought would, of course, need to be given to monitoring arrangements. However, we believe many of the tools required for this already exist as part of the standards' accreditation and on-going evaluation processes, which will form part of the framework.

Having membership of the Framework as a licensing requirement, would remove the need to introduce a kitemark.

## **Framework standards**

Whereas the Panel does not have particular views on which quality standards, membership codes, etc, should be included within a framework, we believe that any proposed framework should not be rigid and that existing and new quality standards that do not initially meet the framework requirements, should aspire to do so and be supported to improve their processes, as necessary.

In addition, although we recognise the importance of organisations being able to demonstrate they meet minimum standards, as we have set out above, we do not believe that organisations meeting the minimum requirements should see this as a completed action. We would like to see a framework that incorporates standards that encourage innovation in the delivery of debt advice and promote constant improvement and stretching targets for the benefit of service users.

We hope you find these comments helpful and look forward to hearing further details on your approach as it develops in due course.

Yours sincerely,

Adam Phillips

Chair  
Financial Services Consumer Panel