

Dean Beale
Inspector General and Chief Executive
The Insolvency Service

15 July 2021

Dear Dean

Debt packagers and IVA referrals

Thank you for your letter following our helpful meeting on 21 April, setting out the actions you are taking in relation to IVA referrals in the light of concerns about the poor conduct of FCA authorised debt packagers and Insolvency Practitioners. We share your concerns and agree that we should continue to work together to address the risk of harm in this area.

Our priority is identifying and mitigating the risk of poor-quality advice from debt packager firms and we currently have a significant programme of supervisory activity in this regard.

We are in the process of reviewing the quality of advice provided by a number of debt packager firms and, where concerns are identified and there is risk of customer harm, we are taking action. We will share further details with you shortly.

Longer term, we are planning to review our approach to our debt advice rules, in light of the significant changes in this sector that have taken place over the past few years and in anticipation of further change resulting from the introduction of the Statutory Debt Repayment Plan. This will enable us to look in depth at debt advice services and how the connections between debt advisers and debt solution providers impact consumers. We would welcome your input into our considerations on these issues.

We welcome the programme of work you set out in your letter, in particular your work on a holistic view of the personal insolvency framework. We are keen to continue to feed into this work and would like to explore with you how to ensure the connections between different parts of the consumer journey promote good outcomes at each stage.

We have well-established links with the Insolvency Service to exchange intelligence on operational matters and to co-operate in addressing specific complaints. We are currently facilitating exchange of more detailed information on our recent Supervision work and our teams are in touch with regard to furthering our sharing of complaints information.

Thank you for your engagement on these issues so far. We look forward to continuing to work closely with you and to seeking every opportunity to strengthen our cooperation to make the IVA market work well for consumers.

Yours sincerely,

Sheldon Mills
Executive Director of Consumers & Competition