



Institute of Credit Management

Our ref. GB/PJK/TC

30 September 2014

Mrs Jane Wright
Secretary to the Civil Procedure Rule Committee
Post Point 4.32
Ministry of Justice
102 Petty France
London
SW1H 9AJ

Institute of Credit Management

The Water Mill, Station Road
South Luffenham, Leicestershire
LE15 8NB, United Kingdom

T +44 (0)1780 722900

F +44 (0)1780 721333

E info@icm.org.uk

Email: paps_consultations@justice.gsi.gov.uk

Dear Mrs Wright

RESPONSE OF THE INSTITUTE OF CREDIT MANAGEMENT TO: THE MINISTRY OF JUSTICE – PRE-ACTION PROTOCOL FOR DEBT CLAIMS

The Institute of Credit Management is the largest professional credit management organisation in Europe. Its members hold important, credit-related appointments throughout industry and commerce, and we feel it appropriate to comment on this consultation.

We are aware of far more detailed responses being submitted by a number of other organisations including the Finance & Leasing Association, the Credit Services Association, and the Civil Court Users Association among others which will include comments and insight from ICM members, and we would urge you to consider these seriously, together with their proposed alternative Protocols.

We wish to raise a number of points of principle:

- The consultation has been inadequate and the rejection of our request for an extension to the deadline was unreasonable given the importance of the subject matter and the number of stakeholders
- The absence of any cost benefit analysis makes the consultation process fundamentally flawed
- The Protocol is poorly drafted and the associated documentation will have a negative impact on those receiving it
- The proposals are disproportionate to the scale of the problem; data suggests the number of disputed cases is 5% at worst
- The requirements are excessive, and will have a negative impact on the environment, on cost (to all consumers ultimately), and on defendants who receive huge volumes of information
- The 28 day notice requirement will lengthen the process unnecessarily
- We understand HMRC may be excluded from the Protocol and, if so, would like to understand why this is the case
- The poor drafting of the Protocol includes inappropriately technical language and, in some cases, incorrectly refers recipients to the Financial Ombudsman Service
- The Protocol is duplicating requirements that already exist under Consumer Credit Act and FCA rules
- It is likely that creditors will use alternative recovery action leading to an increase in bankruptcy petitions

If we can help in any further way, including by way of engaging in more detailed discussions to ensure the potential impact of unintended consequences are assuaged, please do not hesitate to contact us.

Yours sincerely

Glen Bullivant FICM
Chair of Technical Committee

E-mail governance@icm.org.uk
T. +44 (0)1780 722912