



DAPA Scheme Newsletter

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February 2021

Welcome

And so it is our final newsletter of the financial year, and what a year it has been! A year that I am sure we all never thought we would experience in our lifetimes. Whilst we still have not seen the true impact of the Coronavirus pandemic within our roles as debt advisors, we all know that this is coming and 2021-22 is where the challenges are likely to start.

As was mentioned in the previous newsletter, when the increase in demand for debt advice services hits, it will remain as important as ever to ensure that the quality of the advice being provided to the client is evident in your clients' case record. There are many reasons why Advisors should be producing a detailed case record, this is not just being produced to score well in a DAPA Assessment. Reasons include it being a means of evidencing case actions in responding to any potential complaint and also for continuity of work. A seamless transition from adviser to adviser can take place where there are good case records which are easy to follow i.e. if an adviser falls sick. Equally, a detailed case record can help advisers recall the case progress from one visit to the next, avoiding any duplication of work. The case record is critical in evidencing not only the advice that has been given, but also the information on which the advice was based.

Where case files provide limited evidence of the client interaction and/or the advice given, the DAPA approach will be to clearly distinguish this as a contributing factor to the assessment score. A DAPA Assessment is not a tick-box exercise and requires much consideration from the DAPA Scheme Assessors as to whether each individual criteria has been met. The DAPA Scheme criteria was developed in collaboration with the debt

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sector, and each case is assessed against the DAPA Scheme criteria that is relevant to the channel being assessed i.e., Advice Only, Casework, Webchat, Telephone. Not all criteria are relevant to every case, but every relevant criterion will be assessed. We are looking forward to Telephone coming on board in the 2021-22 grant year and, fingers crossed, to also getting back to Technical Site Visits later in the year.

The DAPA Scheme not only provides MaPS with greater visibility of the quality of advice that it's funding, but also provides valuable feedback for advisers to assist with their personal development. Being involved with the Scheme from when it was the Peer Review Scheme to its current status, I know we should all be proud of the improvements that have been made, not only in the Sector but also for our clients who are the ones who benefit from receiving a high quality service.





Dear DAPA

We recently had some discussions how we should score 3.9a regarding the option of 'write off' I hope you can guide us with the following question: If an advisor has not advised the client on requesting a write-off, how would it impact the score of the file for 3.9a in these scenarios (i) The client has a deficit budget and has health conditions, (ii) The client has a deficit budget and no health conditions (so circumstances may change in the foreseeable future, such as finding employment, although this is not guaranteed), (iii) The client has a disposable income and has health conditions, (iv) The client has a disposable income and no health conditions.

When would 3.9a be 'not met' when write-offs are not discussed, and would this be an area of concern?

It is difficult to give a definitive answer to each scenario as we take many factors into consideration and not just those stated. Where there are health conditions, it is also difficult to comment without knowing what the health conditions were and how the client was affected by them. Generally, the Scheme expects that the client will be advised on each of their available options (each option that they could access as it is of course the client's decision which option they choose to pursue). All available options need to be explained to the client in detail, in a way that they can understand, so that the client can make an informed decision about how to deal with their situation. Where the client is not advised on all available options, this will be marked as an Area of Concern. Therefore, if the option of a write off is missed, this would usually be an Area of Concern however there can of course be exceptions, depending on the facts of the case.

The Scheme would follow the guidance in the CPAG Debt Advice Handbook on when a write off request would be available to the client. You may also find it useful to review our Newsletter article on 'Write off Requests,' (Vol 1 Edition 3 August 2020)

Dear DAPA

When the client is interviewed (CIA) client says they have CT debt, but in the actual debt appointment they do not mention that and adviser has not asked the client to confirm why they said they had CT debt but adviser says, you advised me that you do not have any other debts' and there is no mention of CT debt, would that be actual, potential detriment or areas of concern.

We would class it as an Area for Concern in Exploration as we cannot be sure if there is a debt or not but it should have been explored why the client stated they had a CT debt.

Dear DAPA

We have noticed that not all cases that have an Area of Concern have Urgent Remedial Actions. How do you decide whether an Urgent Remedial Action should be recorded?

Whilst it is likely that urgent remedial actions will be present in cases where actual or potential detriment has been identified, due to the perceived risk of the detriment, this is not always the case in files where an Area of Concern has been identified. The assessment process will only require re-engagement with the client in those examples where it is felt that the client's circumstances could be improved through further advice from the organisation. Consideration also extends to the circumstances of the case so, for example, if the client was advised whilst in rehab, and it was known the client had now left rehab and the clients current address was unclear, it would be unlikely that we would be asking the Organisation to contact that client.

Spotlight— Available Options and Suitable Options

The DAPA Scheme criteria 7.5(a) CW / 3.9(a) AO considers advice on the clients' available options to deal with their indebtedness. When considering a client's available options, it is important that they have enough information to **understand** each option and thus, make an informed decision about which option is the best one for them.

Sometimes, one option is insufficient in dealing with all of the client's debts. What this means is advisers need to explore additional options – for example, to deal with excluded debts for a DRO or Bankruptcy application.

The Scheme would expect a client to be advised on **all** their available options in detail (*even where a client prefers a specific option they may have heard about or researched*), and even where other options appear to be more suitable. This is to ensure that the advice given is holistic and informs the client completely about the options they could access.

In considering the advice on available options further, the Scheme splits this into 7 different sub-sections within the criteria. The Scheme would expect each of these areas to be addressed for **each** of the available options.

A further point that should be considered is differentiating between **available** and **suitable** options. The Scheme has seen instances where some available options are not advised upon because they are not suitable; for example, advice on Bankruptcy where a DRO is available and more suitable.

In this particular instance, the Scheme would expect that the advice on Bankruptcy (which is an available option) is discussed in detail as outlined above, but advice is then given on the differences between the two and why a DRO may be more suitable than Bankruptcy. Of course, in some cases, the client may feel that Bankruptcy is better for them even when they meet the criteria for a DRO and it seems more suitable – for example, where they have multiple debts with creditors who perhaps would not show up on credit reports.

In conclusion, it is important to ensure that all **available** options are advised upon and evidenced within the case record. In doing this, the adviser is ensuring that the client is both aware and able to make an informed decision about their chosen option.



County Court and Time Limits

The Scheme, over the past few months, has seen a marked increase in the number of clients being advised about the Pre-Action Protocol for Debt Claims, with clients being advised about the procedure the creditor has to follow and the time period of 30 days the client has to reply to the Letter of Claim. The Scheme has seen a case recently where the creditor was challenged regarding the time period as the creditor gave the client 21 days to respond the Letter of Claim.

However on occasion the Scheme does not see advice regarding the time limits to reply to County Court Claims. It is beneficial for clients to be advised of these time limits as complying with the time limits can mean the difference between a Default Judgment and possible further enforcement action or an affordable payment arrangement. If a County Court Claim had been issued or it would seem to be imminent from the actions of the creditor, the Scheme would require the time limits to respond to the Claim to be advised to the client. If these were not advised to the client, this would be treated as an Area for Concern, dependant on the other facts of the case. If a Claim had not been issued and was unlikely to be issued imminently then if the time limits were not advised to the client this would be treated as an Area for Improvement

Pre-Closure and Case Closure

Before closing cases, attempts should be made to contact clients who have disengaged. Additional attempts should be made when clients are vulnerable and internal policies relating to vulnerable clients followed.

It is good practice for clients to be sent a pre-closure warning letter stating that the file will be closed if they do not make contact (this is in addition to any efforts made to contact the client when they are vulnerable). Before cases are closed, advisers should ensure there are no outstanding issues which need addressing.

At the point of actually closing the case, the outcome of the enquiry should be noted and a closing letter sent to the client, to confirm the case is closed. The Scheme has seen a number of good examples of closing letters which include the stage of the case, what matters were resolved, what issues were still outstanding and inviting the client to contact again. The organisation would need to confirm how the details/records of the client are to be held under data protection legislation if this had not already been advised to the client. If there was no evidence that the client was informed that the case was closed following casework being carried out this would usually be an Area for Improvement.

CPAG Debt Advice Handbook

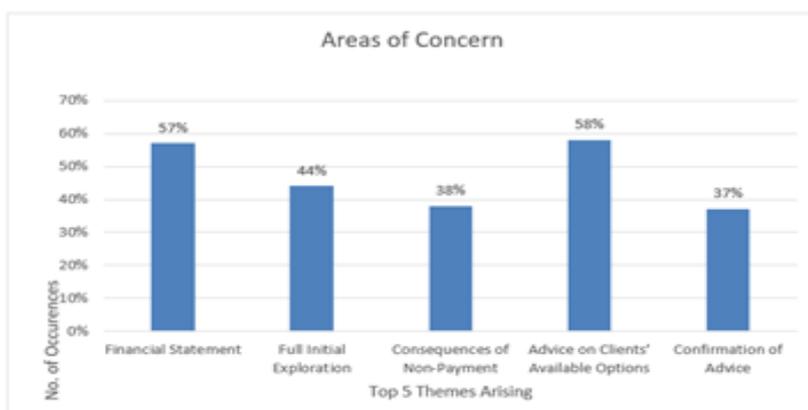
The CPAG Debt Advice Handbook, which is currently in its 13th edition, is a well-established central and reliable resource that is used as a reference point to support advisers in ensuring the delivery of quality debt advice. The DAPA Scheme also uses this as a reference point for technical issues. The current edition of the book is for the first time hosted on AskCPAG, following a partnership approach with MaPS. This allows open access meaning it will be accessible to all, for free, from any computer or mobile device.

This digital resource compliments and adds to the range of existing MaPS resources and tools provided to advisers including the [Good Practice Toolkit](#), the [IMA Adviser Networking and Information Sharing](#) website and the [Specialist Support Service](#) provided by Shelter.

Following feedback from advisers across the debt advice sector, MaPS recognised that it can be difficult accessing updated technical debt information. Having this range of resources available digitally to advisers, whether working from home, in the office or out in communities, means that advisers are able to easily access the latest information to provide high quality debt advice to those who need

Common Themes

The following data has been taken from the most recent round of Recipient Level DAPA Assessments (February 2021), with the graph below showing the top 5 most common themes in relation to Area's for Concern seen by the DAPA Scheme. Any Area's for Concern identified within assessments should be a priority when developing an action plan and taking steps to improve in preparation for the next assessment.



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