



# MaPS DAPA Scheme Newsletter, June

Volume 2, Issue 1

June 2021

## Welcome

Welcome to the June 2021 edition of the MaPS DAPA Scheme Newsletter. What a first few months of the new financial year it has been.

There have been many changes for the front line debt adviser to advise their clients on. The changes included the introduction of the Debt Respite Scheme more commonly known as Breathing Space on the 4<sup>th</sup> May, which will already be a memorable day for any Star Wars fan out there. The introduction of Breathing Space has meant the Scheme's criteria were amended to take into account the new role that debt advisers will play in the implementation of the Breathing Space. The introduction of a statutory moratorium period to allow debtors to obtain debt advice and implement a strategy to resolve their debt issues is another step forward in recognising that debtors need time to resolve their issues and the opportunity to obtain specialist expert advice.

Another positive change for debt advisers and their clients is the increase in the limits for Debt Relief Orders with effect from 29<sup>th</sup> June 2021:

- Increase in the threshold on the value of assets that a debtor can hold and be eligible to enter into a DRO from £1,000 to £2,000.
- Increase in the value of a single motor vehicle that can be disregarded from the total value of assets from £1,000 to £2,000.
- Increase in the level of surplus income received by the debtor before payments should be made to creditors from £50 to £75 per month.

## Inside this issue:

Welcome	1
Dear DAPA - > Breathing Space > Water Disconnection > SFS errors	2/3
Spotlight— > Benefit Checks > Confirmation of Advice > Tailoring vs Comprehensive Advice	4/5
DAPA RLD Common Themes	5
Webchat—Income Maximisation / Dear DAPA (Webchat)	6/7
Webchat DAPA Common Themes	7

- Increase the total debt allowable for a DRO from £20,000 to £30,000.

Both changes will assist more debtors to resolve their debt issues and enable debtors to improve their circumstances.

The MaPS DAPA Scheme has implemented the Telephone DAPA Scheme and has undertaken the first assessment of a participant organisation. This was a different method of assessing for the Scheme as the actual calls with the client were listened to along with any documentation provided to the client.

The Scheme is asked many questions regarding approach and also scenarios regarding cases. The Scheme has always been transparent and some of the questions and responses are in this newsletter. For previous newsletters and the various DAPA documents such as the DAPA Scheme Principles Document please see the RE website at [Debt Advice Peer Assessment Scheme \(DAPA\) \(recognisingexcellence.co.uk\)](http://Debt Advice Peer Assessment Scheme (DAPA) (recognisingexcellence.co.uk)).





## Dear DAPA

**If an adviser has failed to advise on Breathing Space as an available option, would that be marked as 'Not Met' within options (7.5 CW / 3.9 AO) OR would you comment on anything in relation to Breathing Space under 7.7 CW / 3.11 AO? I would be grateful if you could clarify this for me.**

Any comments regarding Breathing Space will be made in the relevant Breathing Space section. So, in the above example, it would be noted in 7.7 CW / 3.11 AO as opposed to 7.5 CW / 3.9 AO. Following discussions with MaPS and consultations with the Lead Organisations, it was decided that as the Debt Respite Scheme is a unique development for the Debt Sector, and to ensure that the role of the Adviser is considered fully in the context of the debt advice process, additional criteria should be introduced into the DAPA Scheme.

If the client was advised on Breathing space, the Scheme would consider all of the criteria in 7.7 CW / 3.11 AO to check whether it is appropriate for the client, and that full comprehensive advice has been given to the client regarding Breathing space if available. If a client has not been advised on Breathing space, and it was available, then 7.7(a) CW / 3.11(a) AO would be NM on this basis and the remainder of the section marked as N/A to avoid dual counting.

## Dear DAPA

**We are frequently seeing the finding 'There was no evidence the client was made aware that water companies cannot disconnect the supply even if the client has water arrears.' Our cases explain what a priority and non-priority debt is and that a priority can lead to the loss of an essential service. The notes go on to explain that water is a non-priority. How explicitly do the notes need to say that water cannot be cut off?**

We are frequently seeing clients being advised that water is a non-priority debt but not that it is being made clear to the client that their supply of water cannot be disconnected. Due to most utilities being able to disconnect, it is unusual that water supply companies cannot, so it is important that the client is fully advised on the consequences of non-payment so they are aware on what action the water supplier can take to recover the arrears, and the client can decide on their next steps to prevent further recovery.

## Dear DAPA

**When we are looking at housing tenure, is housing association enough/private rent enough or do we have to say the tenancy type e.g., length of tenancy and would it differ if there are or no rent arrears?**

In most cases the Scheme would expect an adviser to explore who the client rents from (private, Council, Housing Association etc), or the property ownership type.

Where there are rent arrears, in general, if this is not explored then this would be an Area of Concern. The extent of the exploration of the tenancy type (i.e AST, Secure, Introductory/Starter etc) would depend on the stage of enforcement. Of course, many clients would not know this, but again the expectation here would depend on the assistance being offered (is the case CW or AO, have they been referred to a housing specialist, have court forms been sent, what is the urgency of the matter?). There are several factors and variables to consider when determining if it is an Area for Concern or an Area for Improvement.

## Dear DAPA

### **If incorrect figures have been input into an SFS for income or expenditure, when would this be deemed an Area for Concern?**

*Financial statements are used in several ways, for example, to negotiate with creditors, in support of client applications (such as, charitable funds, Discretionary Housing Payments and DROs) and clients also use them as a budgeting tool.*

*The Scheme expects financial statements to accurately reflect the reality of the client's situation and how they deal with their finances in practice (CONC 8.5.1).*

*If the impact of an error within a financial statement will only have the impact of increasing the surplus, then consideration should be given to the wider impact on the client's options in determining whether it would be considered an Area for Concern or an Area for Improvement.*

*The way the Scheme determines the outcome depends on the impact of those incorrect figures. For example, if an incorrect figure resulted in the client applying for a debt solution that they would not be eligible for if the correct figures were used, then this would be an Area for Concern. If the client was advised to make a payment arrangement which would not be affordable due to the error, then again this would be an Area for Concern. If there was a minor error which effected the surplus positively then this may be an Area for Improvement.*

*If Child Benefit figures are entered incorrectly on a financial statement this would be an Area for Concern, unless the financial statement was a draft as it would then be deemed as an Area for Improvement.*



---

## Dear DAPA

### **Will Breathing Space be considered in relation to files open prior to 4th May, if they are still open when the Debt Respite Scheme, more commonly known as Breathing Space comes into force?**

It has been confirmed by MaPS that the Breathing Space criteria will only apply to files opened on or after 4th May 2021. The Scheme's position will therefore be to mark the Breathing Space criteria in files opened prior to 4th May 2021 as N/A.

---

## Dear DAPA

### **Will the Scheme expect cases to be left open where the client has pursued Breathing Space, in order for the Mid-way review to be carried out?**

The Scheme will usually only consider up to the point of case closure. However, in relation to Breathing Space, we have received guidance from MaPS that the midway review should be assessed, regardless of whether the file is still open or closed. It will therefore be down to the Participants organisation to decide their Policy on whether or not the file should be left open or closed, pending the midway review being carried out.



## Spotlight— Benefit Checks

The MaPS DAPA Scheme criteria **5.1 (c) CW / 3.2(c) AO** considers income maximisation via a **benefit calculation** only. Benefits/Income which can maximise the client's income that would not be identified through a benefit calculation is considered under **5.1(a) CW / 3.2(a) AO**. If there is no copy of the completed **benefit calculation** on file, this is also considered under **5.1(c)**.



A **benefit check** should be carried out, or the client signposted appropriately for this, in **all** cases. Where it was clear that the client was entitled to benefits which were not claimed and a **benefit check** was not carried out or the client signposted/referred for a benefit check, this will be an **Area for Concern**. If it is not clear whether the client was entitled to any additional benefits, failure to carry out a **benefit check** will be an **Area for Improvement**. If the client is already in receipt of Welfare Benefits, the adviser should check that the benefits are being paid at the **correct rate**.

Where it is identified that a **benefit check** had already been carried out, the adviser should explore when it was carried out, by whom, whether the client's circumstances have changed since and what the outcome of the application was. If it is stated that the client's income is too high for benefits, it needs to be evident how this conclusion was reached. If it is not noted, then this will be an **Area for Improvement**. If it is stated "*No further entitlements*" or something similar, we need to question how the adviser knows this if no benefit check has been completed. This will usually be an **Area for Improvement**.

Where the benefit calculation is inaccessible i.e., the Scheme is unable to open files (i.e., saved as .qb1), this will be noted as an **Area of Improvement** as we cannot assess the accuracy of the calculation.

## Confirmation of Advice

**"The Scheme has not set any specific length for a Confirmation of Advice letter"**

There seems to be some confusion over the Scheme's requirement for Confirmation of Advice. The Scheme has not set any specific length for a Confirmation of Advice (COA) letter. The MaPS DAPA Scheme considers it appropriate that the client receives written confirmation of advice where the advice is complex or where the client has vulnerabilities in Advice Only cases and in all Casework Cases.

Information should be tailored to the client's specific circumstances and written in language the client can understand, avoiding jargon and technical terms. These should summarise the problem(s), issue(s) discussed, advice given, options discussed and next steps. Examples of written information resources can include a Confirmation of Advice letter, a copy of the Case Record, Tailored Fact Sheets or a combination of these.

However the MaPS DAPA Scheme acknowledges there maybe situations where this is

not in the client's best interests. This may be where the client's first language isn't English or the client has literacy issues. The Scheme does not specify that full advice has to be in a COA letter. Where clients have difficulties understanding English, the COA letter could be shorter and targeted as long as the other relevant advice is recorded elsewhere in the case file. This would allow the COA letter to be translated at a reduced cost to the organisation, if the client has nobody to assist them with its translation. The Scheme would expect the client to be asked how they manage other written correspondence they receive; Do they have family or friends that translate documents for them? A copy of the written advice provided should be retained on the case file in English to enable colleagues/supervisors to understand the advice given to the client. If a client has literacy problems and no one to assist them with reading a letter, DAPA would expect these facts to be recorded within the case notes and be sufficiently detailed to ensure there is a clear record of

the advice given to the client. In this situation, the Scheme would not expect a written record of the advice to be sent to the client.

There was an article in the August 2020 Newsletter on Confirmation of Advice for

vulnerable clients, in the February 2020 Newsletter there were articles on Confirmation of Advice (COA)—Language Barriers and Confirmation of Advice—Tailored Fact Sheets. Please refer to these articles for further details.

## Spotlight— Tailored Advice vs Comprehensive Advice

The Scheme has had some queries as to how these two criteria compliment each other. How can the advice be comprehensive and also tailored? Clients require full information to ensure they make the right decision for their particular situation. Only the client can do that as they know their situation better than anyone else. That is why the Scheme looks for comprehensive advice so, for example, the client has the full knowledge of how their debts will affect them, how the creditor could take enforcement action against them and the possible solutions to resolve their debt issues.

If a client has a non-priority debt then that client needs to know that if they don't pay that debt what actions the creditor can take against them. This includes possible court action and subsequent enforcement of that debt, to ensure the client understands the possible consequences of non payment. It cannot be assumed that the client will return at a later date to obtain further advice.

If each individual criteria are considered then comprehensive advice can be provided for each criteria, for example all available options so the client can make an informed

decision on what their best option is. Comprehensive advice means the client is informed and educated regarding the possible actions of the creditor, meaning the client has the knowledge that whatever an Enforcement Agent says to them or a creditor says they can do, that debtor knows what those bodies can actually do.

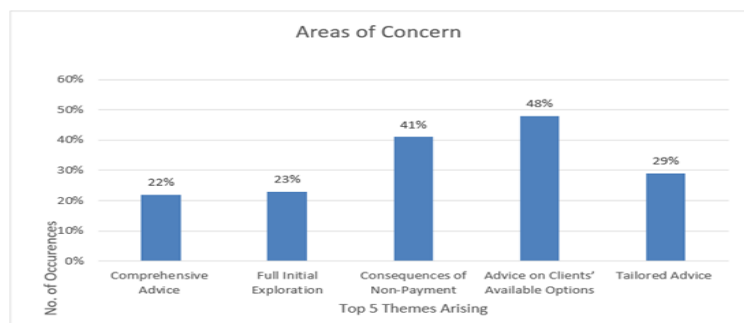
Tailored advice means that the advice given is applicable to that client. If it is recorded within the case notes or in a Confirmation of Advice letter or factsheet that a Debt Adviser advised a client, who rents their home, about a Charging Order, the Scheme has no option but to consider it as untailored advice. This is because all the evidence presented for the assessment indicates that has happened. The client only needs to be advised about their particular situation and to provide untailored advice may confused the client.

If tailored advice is provided to the client, advice which is specific to their situation, that can then also be comprehensive advice. The client needs this level of information so they can make that informed decision.

**“Clients require full information to ensure they make the right decision for their particular situation.”**

## Recipient Level DAPA (RLD) Top 5 Area’s of Concern across all Participants

This data has been taken from the most recent round of Recipient Level DAPA Assessments (April 2021), with the graph below showing the top 5 most common themes in relation to Area’s for Concern seen by the DAPA Scheme.





## WEBCHAT SPOTLIGHT

Assessment of Webchat activity is carried out on a six-monthly basis for organisations who are receiving MaPS funding for this channel of advice. The Scheme will therefore include a Webchat dedicated section within the newsletter on a six monthly basis. If there are any particular areas in relation to webchat that you would like to see covered, please can these be sent via email to [peerreview@recognisingexcellence.co.uk](mailto:peerreview@recognisingexcellence.co.uk)

---

### Income Maximisation

Income Maximisation is an essential part of the debt advice process. Assistance to maximise income/reduce expenditure is very important for clients to maintain long term behaviour change. The Scheme acknowledges that webchat is not an appropriate channel for carrying out income maximisation however, it is appropriate for signposting.

Whether the income maximisation criteria is engaged or not, will depend on whether there are any relevant **'triggers'** within the case. Some examples of when it will be usually engaged include if the client has indicated that they are in financial difficulties, if they have a deficit budget, if the client has indicated that they had a long-term health condition or a disability and/or revealing they are overdrawn either continuously, at the end of every pay period, or regularly resorting to pay-day loans. A change of circumstances could also be a trigger, depending upon the impact of this change.

The Adviser needs to ensure the webchat transcript evidences that income maximisation (including a benefits check) has been considered and the action(s) resulting from this, including signposting or referring the client. It is also worth noting here that although webchat criteria 3.2 refers to 'sources' of income maximisation and 'signposting' for a benefit check, where a client's situation appears complex, or they appear to lack capacity to self-help, a channel shift would be expected to be recommended.

**"The Scheme acknowledges that webchat is not an appropriate channel for carrying out income maximisation however, it is appropriate for signposting"**

---

### Dear DAPA (Webchat)

#### **How does the DAPA Scheme view unexplained delays within the transcript?**

The management of the webchat interaction with the client is extremely important to ensure the client is engaged in the process and that the client receives the correct level of advice appropriate to their debt issue.

Client's questions need to be answered promptly and appropriately. The balance between further exploration by the adviser, and answering the client's query, is paramount in keeping the client engaged. If there is a long delay between the client's statement and the adviser's response, then there is a risk that the client may disengage with the process.

---



*If the reason put forward for the delays do not relate to the adviser needing to, for example, read the enquiry, look up anything or consult with a colleague (which really should be explained to the client where relevant) but to organisational issues for which the adviser was not responsible i.e.. the need to deal with more than one client at a time, then this criteria will still be Not Met as the Scheme cannot take this into consideration.*

*Essentially, in order for Criteria 5.4 Webchat to be Met, any delays should be explained and not be in relation to organisational issue such as targets and completing multiple chats at the same time.*

## Dear DAPA (Webchat)

**The client's car had been clamped by a PCN bailiff. The adviser informed the client about bailiff's entry rights and spoke about using a budget to negotiate a repayment plan, but did not warn the client that if he was unable to set up an arrangement or pay the debt in full, that the bailiffs would be able to remove the vehicle and sell it.**

**Would not informing the client about the risk to the car be detrimental even though it has already clamped?**

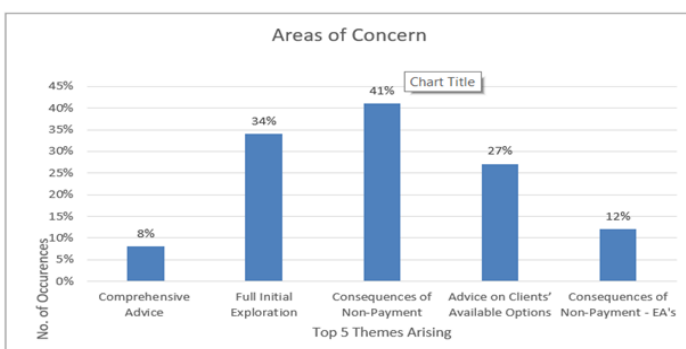
*On the information provided it would be classed as detriment, for the reasons stated, that the car has been clamped and if payment in full is not made or a payment arrangement agreed which is kept to then the car is liable to be taken.*

*However, there are a number of other factors to consider e.g. the value of the car - would the EA's actually take the vehicle or are they using it as leverage, if the car is subject to any finance, is the client the owner of the vehicle, is the vehicle deemed protected goods, the value of the debt etc.*

*If clients are informed about the powers of EA's, what they are legally able to do and, equally, what they are not legally able to do, then the client can feel more in control when they receive communications or visits from the EA.*

## Webchat DAPA Top 5 Area's of Concern across all Participants

The following data has been taken from the most recent round of Webchat DAPA Assessments (June 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.



**Recognising Excellence Ltd**  
 Unit 3, Twigworth Court  
 Business Centre,  
 Tewkesbury Road,  
 Twigworth, Nr. Gloucester,  
 GL2 9PG.  
 Phone: 01452 733 510

