
Paragraphs 2.12f and 2.12 g of the Debt collection guidance published in July 2003

27 August 2003

Both these paragraphs relate to debt collection visits.

We have clarified the context for these provisions and defined the terms we use as follows:-

Our aim is to ensure that visits are not used in a threatening way. We have seen examples of letters and other communications where debt collectors refer to visits in vague and/or threatening ways and cases where visits are not appropriate

2.12f: Visiting or threatening to visit debtors without prior agreement when the debt is deadlocked or disputed.

By 'deadlocked' we mean where a debtor (or debtor's adviser) agrees there is a debt and has offered a repayment programme which has not been agreed by the creditor or debt collector. We are not saying that any offer must be accepted but we have seen cases where offers are disregarded and a debtor is told that 'we are sending field agents'. Many debtors are unlikely to understand this term and are likely to view the visit as a threat designed to make them offer more money when they can pay no more. Some letters appear to be designed to give this impression.

By 'disputed' we mean genuinely disputed. We are not seeking to protect 'won't pays' but those who are being pursued for a debt they do not owe or genuinely believe they do not owe. Debt collectors who can show that the debt is due and that any dispute has been looked into and the debt confirmed will not be in breach of this provision.

2.12g: Not giving adequate notice of the time and date of a visit

When a door-to-door debt collector makes an initial home visit to a debtor it may not always be possible for them to give adequate notice of the time and date of that visit. This is not necessarily unfair.

The key word is adequate. This was inserted to ensure that what the debtor regarded as adequate was key.

What is adequate will vary from debtor to debtor. When initial contact is made a debtor may be happy to speak to the debt collector there and then. If that is the case the visit would not be unfair. Where a debtor prefers to use that first visit to agree to a future visit at a more convenient time a debt collector should respect their wishes. A debtor may prefer to do so at a later date so they can seek advice about their situation or arrange for a third party to be there. What is important is that a debtor is given enough time to prepare. They should never be coerced into immediate discussions.