





## The content

# Debt Advice Handbook 15th edition

## Description

With living costs and unemployment rising, budgets squeezed and problem debt on the increase, no adviser should be without this essential guide to the practice and process of giving money advice in England and Wales.

Who's this book for?

It is essential for debt advisers, welfare rights advisers, lawyers, local authority and housing association staff, social workers and union official.

What does it do?

The handbook provides the most comprehensive information needed by advisers on the key stages of money advice, including interviewing clients, establishing liability, prioritising debts, preparing a financial statement, negotiating with creditors and dealing with bailiffs. Fully indexed and cross-referenced to law, regulations and official guidance, and to court and tribunal decisions Includes tactical guidance and examples

What's new?

Fully updated to cover all recent changes to legislation, caselaw and court procedure and practice Emphasis is placed on taking due care of vulnerable clients and making sure that any payment arrangements agreed are appropriate. There is a focus on sustainable credit arrangements that do not affect a client's abilities to pay essential living expenses and priority debts.

## Properties

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## 5. Changing policy

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If a particular law, practice, structure or policy adversely affects many clients or affects vulnerable groups of clients, debt advisers should work to change the policy.

When contacting individual creditors, stress that this is a general social policy approach and not an attempt to reopen a case that has already been discussed.

Other organisations can be helpful. The ways in which creditors deal with debt may be controlled or overseen by one of a number of organisations.

You should also pass on details to umbrella organisations, such as Citizens Advice, AdviceUK or the Institute of Money Advisers.

## Financial Conduct Authority

The Financial Conduct Authority (FCA) is responsible for regulating consumer credit.

Running a consumer credit business and other credit-related activities requires authorisation by the FCA. Debt counselling, debt adjusting and providing credit information services (ie, assistance to obtain details of credit reference files or information about how to change credit reference files) are also all credit-related activities requiring authorisation.

You can check whether a firm is authorised at [register.fca.org.uk](https://register.fca.org.uk). Firms that are not authorised can be reported to the FCA helpline (tel: 0800 111 6768). It is a criminal offence to carry out a debt-related activity without the appropriate authorisation.

**Note:** local trading standards departments may be able to help resolve individual cases. As the regulator, the FCA cannot provide redress in individual cases.

## Ofgem, Ofcom and Ofwat

The suppliers of fuel, telecommunications and water all have regulatory bodies (see Appendix 1), which have varying powers to investigate and comment on their activities. The fuel regulatory bodies are responsible for preventing unlawful price increases or disconnections. They can also

be useful in exercising pressure in other areas.

## Trade associations

Many industries have trade associations. These are bodies that are regulated by their members, but impose certain agreed standards as a membership condition. A list of trade associations is in Appendix 1. Many have a code of practice or conduct, and all have some kind of complaints procedure, which can be used to resolve individual cases.

Trade associations exist primarily to protect their members. However, they can be useful in changing the behaviour of an individual company, as trade associations do not want the good name of their members to be affected by the poor behaviour of one company. The peer-group pressure they can exert, either through a complaints procedure or less formally, is probably much greater than the pressure an advice agency acting on its own could create.

## Local councillors and MPs

Much debt is payable to local or national government. This includes council tax, income tax, VAT and rent. The statutory powers which the state has given itself to enforce these debts are considerable, so they are all priority debts. However, as government debts, they are subject to scrutiny by elected members – ie, councillors and MPs. This can provide a powerful method of ensuring that the state's powers are not used in too draconian a fashion.

Elected members are often not aware of the measures being used by their officers to collect debts. For instance, many local councillors are unaware of the extent to which their authority uses private enforcement agents (bailiffs) and, once briefed by an advice agency, can raise this as an issue and change the way these debts are collected. Under a protocol drawn up between the national bodies representing advice agencies and local government, regular liaison is encouraged at a local level on practices and policies on the collection of council tax arrears.

## Ombudsmen

[Parliamentary and Health Service Ombudsman](#)

[Local Government and Social Care Ombudsman/Public Services Ombudsman for Wales](#)

[The Adjudicator's Office](#)

[Financial Ombudsman Service](#)

[Energy Ombudsman](#)

[Legal Ombudsman](#)

If the administration of debt collection by the state is poor and results in individuals experiencing

hardship, a complaint can be made to an Ombudsman (see Appendix 1 for addresses). Ombudsmen are not regulators and their primary role is to help resolve individual cases. They expect the client to give the creditor the opportunity to investigate their complaint and resolve the matter before referring the case to them.

## **Parliamentary and Health Service Ombudsman**

The Parliamentary and Health Service Ombudsman investigates complaints of maladministration by any central government department. Complaints must be made via an MP. If possible, send a simple statement, with dates and supporting evidence, to the MP with a request that it be forwarded to the Ombudsman.

## **Local Government and Social Care Ombudsman/Public Services Ombudsman for Wales**

Complaints about local government matters are made to the Local Government and Social Care Ombudsman (LGSCO), or the Public Services Ombudsman for Wales, and are important, even if the maladministration has been corrected in an individual case. Local government officers dislike negative adjudications by the Ombudsman and these usually lead to procedural changes to prevent a recurrence of the event complained about.

A complaint is probably best made through a local councillor, but can also be made directly by a member of the public.

The LGSCO/Public Services Ombudsman for Wales often investigates a particular department or function of an authority – eg, council tax collection. A report on the work of a department is much more powerful than a single case.

## **The Adjudicator's Office**

The Adjudicator's Office deals with complaints about the way things have been handled by HMRC (but not about the amount of tax or VAT the client has been asked to pay).

## **Financial Ombudsman Service**

The Financial Ombudsman Service handles complaints between clients and finance firms (including banks and building societies), complaints about firms with a consumer credit licence (including debt collectors and sub-prime lenders) and complaints about debt advice providers (including not-for-profit providers and those that charge a fee). See also here.

## Energy Ombudsman

For energy services, first make a complaint to the supplier and ask it to put the account on hold while it deals with the complaint. If, after 10 days, there has been either no response or an unsatisfactory response, the complaint should be escalated through the supplier's complaints procedure. Refer to its code of practice for details of how to do this. The case can be referred to the Energy Ombudsman either eight weeks after the complaint was made or after the supplier has issued a 'deadlock letter' – ie, negotiations have broken down and neither party will reconsider its position. The complaint must be referred to the Energy Ombudsman within 12 months of the deadlock letter being issued. Sometimes, the Ombudsman can investigate an older complaint if the client has not received a deadlock letter.

## Legal Ombudsman

The Legal Ombudsman considers complaints about legal services provided by lawyers (including solicitors, barristers and employees of businesses and partnerships). The complaint must relate to services provided by the lawyer to the client and, unless there are exceptional circumstances, the client must first have used the lawyer's or firm's complaints procedure. If the complaint is not resolved within eight weeks, it can be referred to the Ombudsman. The Ombudsman can consider the complaint earlier if they decide that delay would harm the client or if the lawyer has refused to consider it. The complaint must be made to the Ombudsman within six months of the lawyer's response and within 12 months of the matter complained of. The Ombudsman need not consider a complaint about an issue that is being dealt with by a court, unless the case is 'stayed' (ie, put on hold) either with the consent of all the parties or by a court order to enable the Ombudsman to deal with it.

## Monitoring local courts

Court procedures should be monitored on a local basis by debt advisers. Having collected information about the way in which a particular court operates, it is important to decide whether pressure for change needs to be exerted on the court staff, the judiciary, or both.

Neither judges nor magistrates are open to being lobbied by groups about individual decisions or types of decisions that they are required to take. However, particularly if you work for a charitable organisation with a good reputation locally, it may be possible to arrange meetings with the chair of the bench (ie, the senior magistrate, or representatives of the judges in a county court) to discuss ways in which the advice centre can assist the courts in their work or other issues of mutual concern. In practice, this means it is generally possible to discuss procedures and engage the decision makers in an analysis of the effects of their judgments.

## Local liaison groups

Some public services have liaison groups (eg, a local court users' group) and you should investigate whether any such groups exist (and perhaps advocate for them if they do not). Consider becoming a member to gain credibility through networking, and to change policies and procedures that are unhelpful or oppressive. Some groups may have existed for a long time with a fixed membership – eg, solicitors, members of the probation service and the police. You may have to spend time securing membership, but this may be rewarded with a direct line of communication to powerful local decision makers.

## Using the media

Discussion with the various bodies outlined above can often result in useful changes that prevent continued injustice. However, it is often only when something becomes a live, public, political issue that real change can occur. It is important, therefore, to cultivate links with local and national media so that publicity can be gained for particular issues.

When considering whether to use the media, you must bear in mind general advice work issues, such as confidentiality. However, even if an individual client does not wish to have their case publicised, it may be acceptable for an anonymous description of the issues involved in it to be part of a media campaign. There is an almost endless demand from media organisations for examples of individuals who have suffered by being in debt. Many people do not wish to have their private affairs made public, but for others this can be an important way of regaining a sense of power after the experiences they have faced at the hands of creditors. It is certainly the way to bring an issue to public debate.

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Please be aware that welfare rights law and guidance change frequently. This page was printed on Friday, October 17, 2025 and may go out of date.