

### Approved Debt Management Scheme

The CSA recently met with the Ministry of Justice to discuss the proposals for the Approved Debt Management Scheme. The scheme is to be rushed through due to a delay in the implementation of the Administration Orders (AO) and the Enforcement Restriction Orders (ERO). This delay has been caused by problems with the courts I.T. systems and therefore the changes cannot be introduced for two years. As a result the Approved Debt Management Scheme is currently being consulted upon with a view to an April 2010 roll out.

The consultation gives four options (do nothing, self-regulation, light touch regulation or a fully regulated scheme). There are a number of options for the scheme which need to be discussed, there is an option of writing off the debt at the end of the scheme, and repayment amounts could be based on surplus income and may or may not include all of surplus income. There will be common features with the Debt Relief Order, AO & ERO (regular information updates, debts excluded in bankruptcy cannot be included, method for calculating ability to repay, consequences for failing to make payments). The scheme will be open to fee-charging debt management companies however the consultation will explore the possibility of fee capping.

You can answer the consultation by going to the Lobbying section on the CSA or DBSG website. The CSA is taking part in stakeholder meetings to be held in September.