

Covid-19 Member Meetings

23-27 March 2020

Introduction

Amid the current uncertainty of the Covid-19 pandemic, the Credit Services Association (CSA) has been hosting a number of member meetings via video conference, in order to understand what members key concerns are as well as what measures they are taking to respond to the current crisis. The meetings also presented an opportunity for the CSA to outline what steps it is taking.

The notes in this document highlight some of the key points coming out of those discussions.

All key CSA updates relating to the pandemic can be found in the following area of the CSA website: <https://www.csa-uk.com/page/covid19-information>

Please note: The content in this document is based on informal discussions and these notes may not always provide context for the comments; it does not therefore represent formal advice and should not be relied on as such. Furthermore, the situation is ever-changing and some of this content may no longer be relevant. We would encourage members to consult the CSA's Covid-19 webpage and other regularly updated and legitimate sources, such as the government and FCA's respective webpages, for up-to-date guidance.

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CSA update

- The entirety of CSA's head office workforce is now working from home. The CSA remains operational and committed to supporting members during this crisis.
- The CSA is engaging with all key stakeholders, including the FCA, members, debt advice organisations and other trade bodies. In particular we have been trying to understand client and regulatory expectations from all relevant stakeholders. We have also spoken to the Money and Pensions Advice Service and are in discussion around potentially aiding them with training needs. That said, we acknowledge that everyone is coming to terms with the situation and determining the appropriate way forward, which means there are a range of responses right now.
- The CSA board has held both its quarterly meeting this week, as well as an additional emergency meeting at the beginning of the week to discuss the Association's response to the crisis. The output of those meetings will be apparent in the coming days and weeks.
- The CSA's head of policy, Henry Aitchison, has been speaking to the FCA to understand their expectations. The CSA is also set to speak to the Department for Business, Energy and Industrial Strategy this week.
- Claire Aynsley has been speaking directly to a variety of individual members, who have cited a range of challenges (operational and consumer related) and a number of measures that they are implementing to address those challenges.

FCA

- Although the FCA is itself figuring out its overarching response to the circumstances, they are clear that firms should continue to comply with the rules, which they consider are designed to accommodate the kind flexibility required by the situation. Firms should engage appropriately with customers and implement forbearance where necessary.
- The consistent message from all regulators is that consumers should be treated appropriately during this crisis.
- Vulnerability and forbearance are likely to be key focuses for the FCA during this period and in the immediate future.
- Firms' operational resilience is also likely to come under scrutiny from the FCA during and after the crisis. Firms should be considering their current operational resilience plans and adjusting where necessary; they should also be conscious of the implications of any changes
- There are not presently any suggestions that firms should cease collections or speaking to customers, but firms do need to think about their approach and the message behind their contact; they should consider whether their messaging needs to be adjusted, taking into account how it could be perceived (on this point, it is worth thinking not just about how it will be perceived by the customer, but also by the regulator and potentially the public, given the sensitivity of the circumstances).
- One attendee noted that they had been contacted by the FCA, who had asked about their business continuity arrangements and how they were treating customers. They had queried what forbearance measures were in place and whether any additional forbearance was being afforded. They had also asked about the companies' digital communications capabilities – both how they are being used and how equipped they are to pivot entirely to them if required. It was also apparent that the FCA is focused on how firms are protecting staff both on- and off-site.

- It was noted that the FCA appears to have been reasonably accommodating where it has requested information and firms are struggling to provide it immediately in the circumstances; firms are encouraged to notify the FCA of any challenges if they have received an information request.
- We would welcome insight or updates from any other members engaging with the FCA.

Operational challenges

Offices

- Where offices remain open, firms mentioned that they are employing the necessary social distancing measures recommended by government.
- One attendee mentioned the enhanced measures they had implemented where their call centre remained open – this included cleaners on-site all day and ensuring key areas regularly cleaned; doors remaining open in some areas to reduce touching; cleaning stations around the building; staff required to clean work stations at beginning and end of shifts; expanded workspace to enable social distancing measures; and staff canteen closure.

Working from home

- A large number of members are moving operations off-site where they are capable of doing so, with many staff now working from home. There are challenges and concerns raised by this approach, particularly around data protection and information security. Those concerns could also be affected by contractual requirements with clients or revised client instructions.
- Many firms have taken steps, including carrying out risk assessments, to identify vulnerable staff and ensure they are not placed at risk.
- Those working from home have generally been provided with the company's working from home policy, which often requires staff to have secure rooms for working or imposes restrictions where they cannot do so. Restrictions may include not taking card payments and re-directing customers to an IVR system. Firms taking card payments should consider how they ensure ongoing PCI-DSS compliance too, possibly considering options where customers input payment details from their phone which cannot be accessed or seen by staff.
- Employees are also being expected to complete risk assessments on their home working space. Some firms have visited premises to deliver equipment and ensure a suitable workspace is available. Another attendee noted that they had obtained attestations from staff regarding their working environment and its suitability. They were also operating flexible working patterns to accommodate staff needs, such as parental responsibilities.
- Some are also training staff in other areas to enable more to step in and assist wherever necessary. They are also providing coaching to support individuals working from home.
- Support for those working from home is also being provided through regular engagement with staff – often through video-based meetings using platforms like Zoom and Teams – or through company-wide communications.
- Another challenge presented by remote working is dealing with in- and out-bound post. Some are limiting their outbound post, or have arrangements with printing companies that would enable this to continue (where necessary). Several are making efforts to reduce in-bound post by informing customers of the current working arrangements and the issues it presents, and encouraging them to use other methods of communication. Another attendee mentioned that they had staff who were going in to the office once a week to deal with the post (with suitable arrangements in place to keep them safe).

Other operational matters

- One attendee noted that they were now having regular calls with their board twice a day, given the pace of developments and the business requirements.
- In a blog post, the ICO has acknowledged that there may be delays to Data Subject Access Requests responses, and has informed consumers to expect this.
- Some firms expect to have cash flow problems in the immediate future, which means they are having to make decisions around whether to furlough staff. This is compounded by clients putting work on hold, unsure if they are going to resume sending work out or expressing concern about the risks posed by working from home. Some have approached clients to consider whether there are other services that can be provided on an outsourcing basis for the time-being, such as customer service support.
- There is some question around members' access to the government liquidity support schemes, with some available only to certain types of business. The CSA is due to speak to the Department for Business, Energy and Industrial Strategy regarding the support schemes.
- There are concerns that those who have obtained business interruption insurance will struggle to make claims if this situation is not covered by their policies.

Supporting customers

- Firms are taking steps to provide additional forbearance, with many treating all customers as vulnerable under current circumstances.
- Additional forbearance measures being considered or implemented by members include payment holidays, extending breathing space (with one member offering 2 months across the board), reducing payments and offering alternative payment methods (particularly for those who have been making payments via methods involving face-to-face interactions).
- Firms should be aware that many customers are experiencing a heightened state of anxiety and something innocuous could have a significant impact on somebody right now; consider more customer service approach.
- It was acknowledged that debt advice organisations could struggle with an influx of customer contact; for this reason, some firms noted that they would offer extended breathing space where an individual could not make contact.
- The majority have suspended enforcement and litigation, other than those which are in progress. It was noted that a sensible approach would be taken to on-going cases, should there be a need to cease due to other issues.
- Many firms are noting records where Covid-19 is cited as affecting the customer, in order to better understand the numbers involved.
- Firms have been updating their websites to provide key messages to customers, such as their current approach, how they can contact the firm and how they can alert the firm to Covid-19 related issues.

Outbound communications

- One of the more contentious topics in this situation concerns whether or not to continue outbound contact. There have been a variety of approaches to this. This can also be further complicated by client requirements / expectations.

- Some have suspended outbound entirely, particularly given their operational capabilities are diminished due to volumes of people working from home. Those firms have prioritised inbound contact but are likely to revisit the approach when they better understand inbound traffic and what government and regulatory expectations are.
- Others continue to operate as normal, albeit with slightly different messaging – acknowledging current circumstances at the outset, explaining the company’s approach and advising of availability of forbearance measures. In some instances, outbound may be necessary, such as payment plan failure and providing customer support.
- One firm mentioned that they have a letter campaign aimed at providing reassurance to customers in the circumstances and acknowledging the potential difficulties.
- Any references to visitation should probably be removed given the potential trauma this could cause an individual in self-isolation, particularly somebody vulnerable.
- It was suggested that the FCA is likely to be concerned if a firm is employing its normal outbound strategies; at a minimum, steps would need to be taken to acknowledge current circumstances and make changes to tone and content of communications.
- There are concerns for some agencies around balancing the desire to take a different approach without losing a client’s business. There is no clear answer to addressing this conflict.
- Many clients are facing similar uncertainty about the correct approach. Some clients have been less focused on the collections side of their business and have been driving resource towards other priority areas – such as the technical side of things, to get staff capable of working from home and getting online facilities equipped for increased consumer contact.
- Concerns have been raised about the potential exploitation of the situation, but the volumes are likely to be minimal compared to those legitimately impacted by the pandemic. The pandemic’s impact is wide-ranging and identifying someone who was seeking to exploit it would be incredibly challenging and likely damaging to the firms’ relationships with customers in genuine difficulties. A customer-centric approach is encouraged in present circumstances.

How you can help the CSA

- This crisis is bringing up a diverse range of unprecedented issues. In order for the CSA to effectively represent its members and for the industry to come up with appropriate and innovative solutions to ensure the industry’s survival, we would [encourage members to get in touch with us with information](#) in the following areas:
 - Which sectors are pausing or terminating collections work and what are their reasons for doing so?
 - Where sectors / clients are doing this, what are they doing with the work in the meantime? Is it a temporary pause?
 - What conversations are you having with the regulators?
 - What kind of forbearance measures are you currently offering and what might you be contemplating?
 - Do you have business interruption insurance and who have you taken the policy through?

Contact us

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