Subject		Page
Debt, initial	'	2
Presenting Problem	~	2
Income / Expenditure	~	3
P / NP Debt	~	4
Emergency Debt	~	5
Benefits	~	5
Insolvency – Bankruptcy	~	6
Insolvency - DROs	~	7
Insolvency – IVAs	~	8
Insolvency – Admin Orders	~	8
Insolvency – other	~	8
Rent Arrears	~	9
Council Tax	~	11
Hire Purchase	~	13
Mortgage Arrears and Secured Loans	~	14
Unsecured Lending	~	15
Student Debt	~	15
Financial Statements	~	16
The Courts – small claims		17
The Courts – Representation and Hearings		
The Courts - Magistrates		
The Courts – County and High Court		
Judicial Review		
Misc		19
And Bailiffs		
Conflict of Interest		
Casework		21
Default Judgment		23
Social Policy		24
Utilities		
Self Employment / Company Debts		
Bank Accounts		
Things I haven't heard of		
Miscellaneous		

Debt initial

Composite question

- a) what information do you need about a client's circumstances in addition to their specific debts and why
- b) why do need to know the reasons for a debt
- c) why must you have accurate information on a clients debts
- d) name some reasons for getting into debt
- e)

The answers

- a) their sources of income to determine which solutions are available and which they can afford; their family circumstances might affect liability (eg joint accounts) or solutions (eg? their form of housing affects what solutions are available (eg no DRO for a homeowner)
 If the client or a family member is disabled / vulnerable this might affect the outcome (eg bailiffs / disconnection)
- b) not sure
- c) the totality of debt must be know to determine the solution (eg DRO limits); the details of each debt (eg creditor, acno) is needed if the advisor is to contact the creditors; more needed
- d) divorce/separation, redundancy; pregnancy; interest rate rise

Presenting Problem

Composite answer

The presenting problem is that with which the client approaches the advisor. It is not necessarily the only problem, nor even the most significant problem as pride or embarrassment may affect how the client approaches the interview. For example, a person may wish to discuss relationship problems and yet conceal domestic violence. In addition many problems are interlinked: benefit issues may lead to debt.

Income / Expenditure

Inc/Exp Answers

Maximising Income

Define 'maximising income' and give the examples, stating where they would be appropriate. Considering MinInc is important as it can lessen the burden of debt and increase the chances of resolving debt issues (eg by enabling a more acceptable offer to creditors) Work extra hours (though noting the effect this will have on existing benefits

Check interest rates on savings accounts (not a common option in debt cases)

Ask ND residents for a higher contribution)

Take in a lodger – if renting, check tenancy - Secure and flexible tenants have a legal right to take in a lodger and don't need their landlord's consent to do this. (Aguide)

Tax code, benefits

Minimising expenditure

Why is minimising expenditure important: give three examples

Considering MinInc is important as it can lessen the burden of debt and increase the chances of resolving debt issues (eg by enabling a more acceptable offer to creditors)

Water – install a meter, particularly in a small household. Can be capped if 3x kids <19 or a disability requiring water (whatever that may be – OCD?)

Electricity & Gas - check for cheaper tariffs

Council Tax – check for single person or second adult discounts

Mortgage - longer term or switch to a better deal, payment 'holiday'

Insurance – look for a cheaper policy

Shop at Lidl rather than Waitrose

Telephone

P3Q1 - Verification

A) In which official guidance does it state that you must take reasonable steps to verify a client's income and regular outgoings prior to submitting an offer of payment? (1 mark)
B) Identify 2 reasonable steps (one for income and one for outgoings) (2 marks)

A) FCA Handbook Conc 8.5 https://www.handbook.fca.org.uk/handbook/CONC/8/5.html

B) income – payslips/P60 or benefits statements from Council / DWP

outgoings - check bills and also trigger figures

Deficit budget

Define 'deficit budget' and describe three causal factors See Week 3 - 4) FinStats Where a client's expenditure exceeds their income.

"This might happen for example following an unexpected occurrence such as redundancy, reduction of working hours or illness where the liability of essential expenditure exceeds the level of income. If the person's financial situation is genuinely in a deficit then the Financial Statement should reflect this, however this can only reasonably be expected to continue in the short term."

So maxinc and minexp

P / NP Debt

Composites

Covered in W2 Priority and W3 NP

Define P & NP, explain the difference PDs have more serious sanctions that can result in eviction, imprisonment, disconnection, bankruptcy, repossession

Identify 5 PDs and state what makes them so Rent / mort arrears – eviction
CTax – imprisonment
Gas/Elec /Phone arrears – disconnection
Income tax / VAT arrears – bankruptcy, imprisonment
Hire purchase - reposession

3 ways to reduce PDs
Mortgage – payment holiday or switch to interest only
Secured loan – time order
Check for PPI
Energy tariff

3 reasons a NP debt could not be enforced statute barred – usually 6y, 12y for mortgage Limitation Act 1980 a dispute – eg faulty goods
Fraud / theft – The Negi Solution
Pre action protocol

3 ways to deal with NP debts other than insolvency token payments, no spare income, no assets, better than nothing full or partial write-off, where client's situation is difficult (eg vulnerable) and unlikely to improve full and final settlement payment – where client has as asset to raise capital a discounted offer might be accepted

disabled client P/EEx/NP

see P3Q5 (rent, phone, payday loan) and P5Q5 (Ctax' telephone, overdraft) Relevant course material not found but it seems likely that a telephone is more essential for a disabled person.

P7Q6 List four pieces of information a letter to a non-priority creditor should include when making an offer of payment (4 marks)

Finstat, explanation, future prospects, authorisation, assets have been considered

P7Q10 Give three examples of when a non-priority debt may be treated as a priority (3 marks) Unsecured loan post CCJ creditor can enforce by charging order Debts >£5k creditor can enforce by bankruptcy Water charges can be enforced in the High Court through a writ of control

Emergency Debt

Answer to all

An emergency debt is, effectively, a priority debt that has reached the stage of some form of enforcement).

Examples are:

- 1. Rent arrears leading to a Warrant of Possession and the emergency which is potential homelessness. The client/advisor should apply to the County Court for suspension on form N244 and also consider applying for remission of fees.
- 2. Utilities arrears leading to disconnection. In the case of fuel, consider protection for vulnerable customers (the Safety Net), whether responsibility for the debt can be disputed and whether due process has been followed. For water, residential premises cannot be disconnected, but commercial premises can.
- 3. Repossession of goods by bailiffs (eg hire purchase when less than a third has been paid). Note that in most cases Enforcement Agents cannot force entry so locking doors and windows can gain time for negotiation or action
 - a. County Court warrants of control form N245 for suspension and check for fee remission
 - **b.** Warrants Parking fines (PCNs) and Council Tax arrears cannot be suspended by the courts negotiate with the local authority or EA
 - **c.** Cars are always at risk when parked on a public highway unless a valid disables badge is displayed.
- **4.** Council Tax arrears can lead to the issue of an arrest warrant attend court with a Financial Statement, pay what can be afforded immediately and do not promise more than you can afford. Contact the duty solicitor.

Benefits

P7Q4 Your client is 18, recently moved out of their family home into a rented flat on their own and has come to you because they have just lost their job. What may they be entitled to claim **AND** what additional information would you need from them? (4 marks)

A JSA, lower rate HB single room rate (LHA) Reason for losing job, possible sanctions. Needs a good reason if resigned.

P8Q2 Your clients, who are on means tested benefits, have a son who is a school leaver aged 18. He has passed his exams but has not managed to secure a place in Higher Education. Your client's are struggling to support him - what advice could you give them about their benefits? (3 marks)

CB & CTC will stop. JSA does not affect parents' HB as <25

P9 Question 1 (5 marks)

Identify 5 benefits or allowances which are neither means tested nor contribution based.

https://www.moneyadviceservice.org.uk/en/articles/disability-and-sickness-benefits-check-your-entitlements

Personal Independence Payment Disability Living Allowance Attendance Allowance

Child benefit

One more needed – Income tax personal allowance?

Insolvency - Bankruptcy

Definition from W3 NPs

Bankruptcy

Bankruptcy is a formal insolvency procedure where it is acknowledged that a person cannot repay their debts within a reasonable period. A bankruptcy order prevents creditors from pursuing the debts, most of which are eventually written off. Any assets or disposable income is distributed to the creditors by a Trustee.

Composite questions

Define bankruptcy and give 2 pros and cons What happens to the home What debts cannot be included. What does it cost

- Definition an insolvency process for people who cannot pay of their debts in a reasonable time frame.
- Pros Most debts written off, stress removed as creditors have to accept, Trustee takes over dealings with creditors
- Cons exclusion from some professions (sol, acct); an application for citizenship would probably be rejected. Bank accounts frozen
- Excluded –fraudulent debt, Mag fines, student loans, maintenance payts, some secured loans, social fund loans
- House the home is likely to be sold, even if in joint names. Sale can be delayed 1y if dependents living there. Can be bought out eg by partner. If neg equity (val <£1k) unlikely to be sold- Trustee will check after 2y3m and if still <£1k will transfer back.
- Cost £180 court fee and £525 deposit. Court fee can be remitted (EX160), but not the deposit.

Insolvency - DROs

(See also Hire Purchase)

Definition from W3 NPs

Debt Relief Order

DROs provide debt relief, subject to some restrictions. They are suitable for people who do not own their own home, have less that £50 per month surplus income, assets of less that £1000 (excluding a car, which can be up to £1000 in value) and less than £20000 of qualifying debt (£300 assets and £15000 debt before 1st October 2015).

Composite questions

Define DRO – debt relief with (compared to bankruptcy) restricted qualification criteria. Homeowners excluded because either their assets or their debts (or both) will be too great.

Criteria - £20k debts; £1k assets + £1k car; <£50pm available to pay; no DRO 6y or other insolvency process active; AND you've lived, had a property, or worked in England or Wales in the last three years.

Pros – covers most debts, easy, no court appearance, no further action from creditors.

Cons – poor credit rating, on the Insolvency Register, limits on borrowing, running a company

Excluded – Mag, maintenance, student loans, social fund, death/inj compensation (these not in the total) fraudulent – in the total but still repaid

Rent arrears – continue to pay during the moratorium period.

Hire Purchase – can be included but may have to give them back. Treatment is complex and not made clearer by the W6 handout. See W6 insolvency p24-5

Council Tax – W6 insolvency p23 – arrears should be included. Future current year payments cannot be included unless Council has demanded payment in full. Confusion followed *Kaye Vs South Oxfordshire District Council* 2013on a bankruptcy case.

Cost - £90, charitable help possible

Insolvency - IVAs

Definition from W3 NPs

Individual Voluntary Arrangement (IVA)

This is a Court Order which, if agreed allows the client to repay a percentage (to be agreed by the creditors) of what is owed in full and final settlement of the debt. An IVA is supervised by an Insolvency Practitioner.

Usually used for NP debts, has the usual exclusions. Payments agreed over 5-6 years with creditors with remainder written off. >1 debt, Monthly spare income >£100, regular income – flexible but creditors can reject if amount and likelihood of payments too low.

Pros – keep the house (though remortgage may be required at end); fixed term (5-6y); practitioner deals with creditors.

Cons – expensive (fees average £4-5k); creditors might not agree); strict budget for the duration of the IVA; can affect profession; credit rating

Insolvency - Admin Orders

P2 Q16 How would you explain to a client what an administration order is? (2 marks) Identify 3 essential conditions which must be met for a client to be eligible for an Administration Order. (3 marks)

Definition from W3 NPs

Administration Order

An Administration Order is a method by which a client who already has a CCJ and total debts not exceeding £5000, can apply to the County Court to 'administer' their payments. They do this by completing a form N92. All the debts are lumped together and one monthly payment is divided amongst the creditors who appear on the order. There is no upfront fee for the application but 10% is added to the value of the debt to cover the Court's costs.

CCL - <£5k - 2+ debts

Insolvency - Other

P5 Q13 A) Identify 2 forms of personal insolvency. (1 mark)

B) For each identify two factors which would make each form of insolvency appropriate, and two factors which would make each form of insolvency inappropriate for a client. (4 marks)

Туре	App 1	App 2	Inapp 1	Inapp 2
Bank	Only option if >£20k; suitable >£10k		Some professions	expensive
DRO	<£20k	<£50 pm	Homeowner	
IVA	>£10k	>£100 pm	Irregular income	expensive
Admin	<£5k	CCJ		

Rent arrears Week 2 PrDebt p.9+

P1Q4 If a client tells you they have rent arrears what should you investigate or and consider before you take any action? (5 marks)

P3 Q6 If a client tells you they have rent arrears what should you investigate or and consider before you take any action? (5 marks)

P2 Q7 Explain why it is important to establish the kind of tenancy a client has when assisting a client with rent arrears? (2 marks)

P5 Q6 Explain why it is important to establish the kind of tenancy a client has when assisting a client with rent arrears? (2 marks)

Composite answer "For debts relating to rent arrears it is vital to check the client's tenancy agreement and Housing Status before advising the client because it will affect the kind of action the landlord can take; and the kind of rights and protection the tenant has." (Ref above)

Also consider who is/are the named tenant(s); are the previous tenant's arrears included; is clt enttled to HB.

The is an obscure point in the course notes – if the rent includes water rates it might be an unfair contract and subject to challenge.

P6Q 9 Your client is two months behind with his rent under an Assured Tenancy, he has made an offer of repayment to the landlord but the landlord is not happy with this offer. What issues would you explore with your client? (3 marks)

Has the landlord started possession procedings? What ground used?

Check HB & DHP

If Section 8, can clt reduce debt to <8 weeks?

P6Q 10 If the case outlined in the previous question progresses to a possession hearing,

A) Identify three orders the court can make (3 marks); and

B) How would you explain the implications of each of these orders to the client? (3 marks)

Already answered in previous notes – also check HB entitlement

Composite questions

Relevant factors with rent arrears

Type of tenancy; named tenant(s); are a previous tenant's arrears included?; is clt entitled to HB See Aguide, Things to check when you have rent arrears

Relevance of tenancy type

Shelter - Most people who rent from a private landlord, and don't live in the same building, have an assured shorthold tenancy.

Some tenants with private landlords have an assured tenancy or a regulated tenancy. This would give you much stronger tenants rights.

http://england.shelter.org.uk/get_advice/private_renting/private_renting_agreements/renting_agreements nts

11.5.6.2 Assured tenancies

P6Q9-10

Pay it anyway as the court will look favourably (AGuide Paying off your rent arrears).

Go through the eviction procedure.

Remembering it is Assured,

What decisions can the judge make:

At the court hearing, the judge will listen to both sides of the story and look at the evidence brought to court. The hearing will be in private and it generally won't last very long.

At the end of the hearing, the judge will make a decision called an order. The judge will tell both you and the landlord what that decision is and the court will send a copy of the court order to both

of you. This is usually within a few days of the hearing. However, you should make your own note of the judge's decision as there's sometimes a delay in the court posting the order out.

There are several types of decision a judge can make. These are to:

throw the case out (dismiss the case). This could happen, for example, if you aren't responsible for the arrears make a postponed possession order make a suspended possession order make an outright possession order – N244 EX10 make a money judgment.

Council Tax W4 PrDebt p

P1Q5 Your client tells you they have just had a visit from an enforcement agent in relation to a council tax debt. Identify 4 practical steps you would take*(4 marks)

P3 Q9 Your client tells you they have just had a visit from a bailiff in relation to a council tax debt. Identify 4 things you would do. (4 marks)*

P6Q 11 A client tells you that a bailiff has recently called at their property in relation to a Council Tax debt. What issues would you explore with the client and why? (6 marks)

P7Q15 A private certificated bailiff has called on your client to collect Council Tax arrears but it sounds as though the bailiff is behaving very aggressively.

- A) What advice would you give the client? (3 marks)
- B) What steps would you take to help the client with this bailiff behaviour issue? (3 marks)

Check liability; what did the EA do – entry?, check other documentation fro council & EA; has client paid anything; negotiate with the bailiff; ask the court to take back the debt; vulnerable?; controlled goods agreement; FinStat; offer to the council.

P1 Q23 Your client has received a summons for a means enquiry in relation to committal proceedings for non-payment of council tax.

A) What must the Court consider before making an Order (2 marks); and

B) What outcomes could there be to the Hearing? (3 marks) (5 marks)

P5 Q 18 Your client has received a summons for a means enquiry in relation to committal proceedings for non-payment of council tax.

A) What does this mean (2 marks); and

B) Explain 3 implications for the client? (3 marks)

CPAG p. 373

P5 Q7 Your client has 3 years of council tax arrears and asks you to help them pay this by deduction from benefit. What would you need to check to advise them fully about this? (3 marks)

P7Q13 Other than benefits - describe 3 ways a Council Tax liability might be reduced? (3 marks)

P8Q12 Excluding benefit entitlement identify 4 personal circumstances which can reduce the household liability for Council Tax? (2 marks)

P9 Question 5 (10 marks)

Outline the recovery procedure for Council Tax arrears.

Composite Questions

Clt visited by bailiff regarding council tax. Name 4 practical steps Aggressive baliff, what to do

See p17 of course notes

The EA will usually want the debt to be cleared within at least 13 weeks; special circumstances may allow a longer period; certain benefits indicate vulnerable client – suggest account returned to LA; vulnerability may also allow reference to Taking Control of Goods Regulations 2013

"EA powers of entry - The EA cannot force entry. However, if they do enter by usual means (i.e. not through a window, climbing over a fence), the EA will usually make a payment arrangement subject to a 'Controlled Goods agreement', this allows the EA to return and force entry and remove goods if the taxpayer defaults on the arrangement."

Seizure – only items owned by the taxpayer (not fittings of rented property, not rented or HP, not owned by another, not tools of employment, not household essentials) **Complaints** -

"If the client is aggrieved by the way an EA has seized or tried to seize goods, complaints can be made to the County Court on form EAC2 with no fee and no costs risk (unless the claim is without

foundation). This is a new procedure implemented by the Tribunal Courts and Enforcement Act 2007 schedule 12, section 66 (effective from April 2014)."

Acting for LA so can complain to Local Authority and if necessary, to the Local Government Ombudsman (LGO).

An EA firm may also be aligned to the Civil Enforcement Association (CIVEA) and their code of practice could be used to complain to the firm, and then to CIVEA.

If returned to LA then may move to Committal Proceedings, p.19 course notes and see below

Other than benefits, name 4 ways of reducing CTax liability

Mad (severe mental impairment) exempt (all crazy, house exempt); student normally exempt; lone adult 25%; 2nd adult rebate (not partner, low income)

Summons for means enquiry, List and explain possible outcomes - see below

Outline of the recovery procedure for council tax [rates] arrears. (From course nates)

- · A Council Tax [NI: Rates] Bill is issued and sent to the client
- A Red Reminder is sent to the client
- A Final Notice is sent to the client and the whole bill becomes due
- A Magistrates Court Summons is issued and sent to the client
- A Hearing is arranged in the Magistrates Court
- A Liability Order states that the client is liable for the outstanding Council Tax [NI: Rates] and will be usually be issued by the Local Authority [LPS]

Fees are added for the summons and the liability order – the total varies between authorities as the liability order cost is set locally. The total cost is usually £70-£100.

• Enforcement will include consideration of such things as deductions from benefits, Attachment of Earnings, Enforcement Agents (bailiffs), Charging Orders and Bankruptcy [NI: the Enforcement of Judgments Office (EJO)]

Where Council Tax [NI: Rates] remains unpaid, the process continues as follows:

- A Committal Summons/Warrant will be issued [NI: a summons to court imprisonment is not an option]
- A Hearing will be arranged known as a means enquiry hearing; heard in the Magistrates Court to consider the clients financial means
- Imprisonment [not in NI] may be considered where wilful refusal or culpable neglect is found. A term of imprisonment can be suspended upon certain repayment terms, or part or all of the debt can be written off (remittance)
 Following imprisonment Council Tax arrears can no longer be enforced as above and become a non-priority debt.

See National Debtline CTAX Recovery

https://www.nationaldebtline.org/EW/factsheets/Pages/02%20EW%20Council%20tax%20recovery/Page-06.aspx

Hire Purchase

P1Q6 Your client is finding it difficult to meet payments on a hire purchase agreement.

A) What advice would you give them if they tell you that the item is not essential to them? (3 marks)

B) What are the different financial implications of termination/voluntary surrender of goods for a client as an alternative to repossession? (3 marks) (6 marks)

P2 Q9 Your client has arrears on an HP agreement for goods they no longer need. They have not vet received a default notice.

Identify two options (other than time orders) that the client has for dealing with this (2 marks), explaining the advantages or disadvantages of each option? (2 marks)

P3 Q7 What is the significance of having paid a third of the purchase price of goods bought on a Hire Purchase agreement? (1 mark)

P3 Q14 Your client wants to apply for a DRO and fits the criteria. The client has an HP agreement for a fridge freezer which is in arrears.

- A) Explain the options a client currently has for dealing with this in the DRO application? (2 marks)
- B) Explain the implications for the client regarding payments and retention of goods if they include an HP debt in a DRO. (3 marks)

P5 Q9 A) Your client is in finding it difficult to meet payments on a hire purchase agreement. What advice would you give them if they tell you that the item is not essential to them? (3 marks)

B) Your client has received a letter from a hire purchase company telling them that they have terminated the client's agreement with them. Explain the implications of this for the client? (3 marks

P6Q 12 In relation to Hire Purchase agreements, explain the significance for the client of

- A) The client having paid a third of the purchase price (1mark),
- B) The creditor ending the hire purchase agreement (3 marks); and
- C) The client ending the hire purchase agreement? (3marks)

P7Q14 How would you advise a client who is thinking about selling hire purchase goods during the period of the agreement? (3 marks)

P8Q17 How would you explain to a client the difference between the

- a) creditor ending a hire purchase agreement, (3 marks), and
- b) the client ending it? (3 marks)

P9 Question 17 (2 marks)

Is the client at liberty to sell hire purchase goods during the period of the agreement? **CPAG p90**

- Goods belong to the hirer (creditor) throughout the agreement and the client can buy the goods (usually for a nominal sum at the end of the hire period.
- The goods cannot be sold without the hirer's permission
- The client can (and has an unconditional right to) end the agreement and return the goods but should make clear in writing that they wish to terminate. The amount then payable depends upon how much has already been paid under the agreement (the total purchase price TTP is the cash price plus credit charges):
- If less than half, the amount payable is the greater of
 - Half the TTP less the payments already made;
 - Any arrears of payments which have become due by the termination date
- If **more that half**, the goods can be returned without further payment, but arrears remain payable
- If the client has not taken reasonable care of the goods, they are liable to compensate the hirer.
- An HP agreement can be included in a DRO but the goods might be recoverable. A hire
 purchase or conditional sale agreement is a priority debt only if the goods are essential, for
 example a car to get to work.
- If the client cannot afford the payments, the hirer often recommends "voluntary surrender" but this is not the same as termination: it is equivalent to the hirer terminating the agreement.
- The hirer is not obliged to collect the goods and may charge
- If the hirer terminates (including voluntary surrender) then the client is liable for the outstanding balance less the sale proceeds.

If client has defaulted on payments, the hirer can repossess if <1/3 paid and not on private premises, otherwise a court order is needed.

Often better for clt to terminate, but check the sums Essential – consider a time order / Non-E. probably clt termination

Mortgage Arrears and Secured Loans W3 PrDebt p.3

P1 Q7 Your client has arrears on a Secured Loan (CCA regulated). The lender has now started court action to take possession of the property. You believe they should make an application for a time order.

- A) Explain what a time order is. (3 marks); and
- B) Explain what the court must consider in deciding whether to make a time order (2 marks)(5 marks) P2 Q18 Your client has arrears on a Secured Loan (CCA regulated). The lender has now started court action to take possession of the property. You believe they should make an application for a time order.
- A) Explain what a time order is. (3 marks)
- B) Explain what the court will consider in deciding whether to make a time order (2 marks)

 Time Orders CPAG p.338 A TO is made under ss.129-36 of the Consumer Credit Act 1974 and allows the court to reschedule payments under a credit agreement regulated by the Act (eg loans ccards, overdrafts). The court can set the payments and interest rate. Difficult to get, normally after a change of circumstances, court had to decide whether the client 'deserves' it. Client an only apply after creditor has issued an arrears or default notice or gone to court.

P1 Q16 Before talking court action for mortgage arrears a lender must comply with the Pre-Action Protocol for Possession Claims based on Mortgage or Home Purchase Plan Arrears in Respect of Residential Property.

- A) Describe 4 of the steps that the lender should have taken to comply with this. (4 marks)
- B) Identify 2 actions the court could take if the Lender fails to follow this protocol? (2 marks)(6 marks) P8Q9 In your own words outline the general recovery process for mortgages and secured loans (4 marks)

General recovery procedure for mortgages and secured loan debts see https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/prot_mha

- A reminder letter is sent by the creditor
- A contact letter is sent to the client
- A solicitors letter or a Default Notice (if it is a CCA 1974 regulated Loan) is sent to the client
- A Possession Summons and a Notice to Occupiers is sent to the client
- A Possession Hearing in the County Court is scheduled*
- A Possession Order (28 days) is made by the District Judge in the County Court**
- A Warrant of Possession is issued by the Court
- Eviction occurs

P3 Q18 What is the difference between a first mortgage and a secured loan (1 mark)? Why is this significant for a client faced with possession proceedings for arrears? (4 marks)
P5 Q14 What is the difference between a first mortgage and a secured loan, and why is this significant for a client faced with enforcement action through the county court by a creditor? (3 marks) Answer 1st mortgage gets priority in the proceeds of disposal of any assets and so creditors with subsequent charges on the property would not benefit from proceedings unless the borrower had significant equity.

?? (CAB) You can get additional loans secured on your home for things like home improvements. This may be called a second mortgage, second charge or further charge. They all mean the same thing.All secured loans give the lender similar rights to repossess your home if you don't keep up repayments. If a house is repossessed, the money from the sale will be shared out among the secured lenders in the order that the loans were given.

P3 Q20 A) As if advising a client, explain what the Mortgage Conduct of Business (MCOB) is and to whom it applies (2 marks).

B) Identify 3 things a creditor covered by the MCOB are expected to do. (3 marks) (Wiki) The Mortgage Conduct of Business rules (MCOB) govern the relationship between mortgage lenders and borrowers in the United Kingdom. They were issued by The Financial Services Authority in October 2003. They apply to Regulated Mortgage Contracts which are entered into after 31 October 2004.

(CAB) The rules say that your mortgage lender must treat you fairly and give you a reasonable chance to make arrangements to pay off the arrears, if you are able to. They must consider any reasonable request from you to change when or how you pay. Your mortgage lender should only start court action as a last resort, if all other attempts to collect the arrears have got nowhere.

If you took out your mortgage from 31 October 2004 onwards, your mortgage lender has to follow the FCA rules when dealing with mortgage arrears.

If your mortgage lender doesn't follow these rules, you can complain to the Financial Ombudsman Service.

P2 Q6 A) Identify 2 methods of managing mortgage arrears (2 marks)

B) For each method identify 1 advantage and 1 disadvantage of this method (4 marks)

P6Q 7 A client comes in for help with mortgage arrears. Describe the options available to them in the following circumstances;

A) They have surplus income (2 marks); and - come to an arrangement with creditor

B) Client has no surplus income (2 marks) – equity release?

Other options see below

P9 Question 8 (5 marks)

Identify 5 strategies for dealing with mortgage arrears Answers

Maximise Income – homeowner specific – Rent a Room scheme, • Support for Mortgage Interest Payments from DWP (see p5 W3 PrDebt) plus the general ways PPI

Local Authority schemes

Lender Forbearance - payment holidays, interest only, extend term, capitalise arrears, remortgage

P8Q24 Identify 5 documents that advisers can refer to in order to check that creditors have behaved appropriately? (5 marks)

Lending Code; Civil Procedure Rules; Pre Action Protocols;

Unsecured Lending

P3 Q12 Identify 5 points advisers should consider in order to check or reduce liability for credit debts? (5 marks)

PPI; Statute barred; regulations; unfair relationships; dispute

Student Debt

P3 Q13 Describe 3 different issues do you need to consider when advising a full-time student with debts (3 marks)

P8Q4 When compiling a financial statement for a student what additional issues will you need to consider? (3)

This is tricky and not addressed directly by the course material. Some random thoughts:

- Fluctuating income
- Student loans cannot be included in a DRO (or bankruptcy)
- Often exempt from CTax (see W45 Student Debt p.15
- Debts to the university (etc) may result in sanctions.

Financial Statements Week 3 notes and CPAG p.52

P1 Q8 Imagine you have finalised a financial statement with your client and have made offers to their creditors. Your client returns to say that they cannot afford to pay what has been offered. What steps would you take next?

(4 marks)

P3 Q11 Imagine you have finalised a financial statement with your client and have made offers to their creditors. Your client returns to say that they cannot afford to pay what has been offered. What steps would you take next? (4 marks)

P8Q3 Imagine you have finalised a Financial Statement with your client and have made offers to the creditors. Your client returns to say that she cannot afford to pay what has been offered. What steps would you take next? (4 marks)

Sally's answer to P8Q3:

Investigate the reasons for the change

Seek ways of increasing income

Update the CFS and send revised offers, together with an explanation of what has changed and what efforts are being made to remedy the problem.

P2 Q11 A) Identify 3 reasons why a financial statement may not be accepted by a creditor (3 marks)

- B) Identify two steps you would take if this happened. (2 marks)
- A) CPAG states i) may not be familiar with CFS guidelines; ii) do not accept offers lower than their min payt; iii) they may have information about the client which contradicts the CFS.
- B) i) point out the commitment of creditors; ii) pay the offer anyway iii) ask to freeze interest

P8Q4 When compiling a financial statement for a student what additional issues will you need to consider? (3)

Sally – fluctuating I&E, education debts may attract sanctions and so be considered Priority. In maximising inc, consider benefits incl CTax exemptions

P6Q 3 A) Explain how are the CFS 'trigger figures' compiled (2 marks)

- B) What steps would you take if a client's expenditure exceeds a trigger figure? (3 marks)
- A) W43 FinStat "These trigger figures are determined using government research on average household expenditure for people in the lowest 20 per cent of income brackets. As such, the trigger figures which are regularly reviewed and updated reflect modest expenditure for people living on a limited budget. The trigger figures provided with the CFS are an important impartial measure of reasonable spending in certain areas and should be used to educate the debtor about spending reasonably."
- **B)** this will not necessarily invalidate the CFS, so long as the excess can be reasonably explained and justified. For example a client with a physical disability might have additional transport costs or special dietary requirements.

As part of this process advisers must be aware of their **professional obligations** arising under the regulation of debt advice by the FCA which requires that in establishing a client's case advisers must take reasonable steps to verify a client's income and expenditure CONC 8.5.4.

From W3 NP

Making the weekly or monthly offer

The offer letter to the creditors should contain the following:

A letter of authorisation; An explanation of the debtor's personal and financial circumstances, why
they are in debt, details of the family situation, i.e. numbers, ages, and health etc; Reference to
an attached financial statement which includes details of income, expenditure, debts and offers of
payment.

Together with:

- An explanation of any unusually high expenditure, e.g. travel, fuel, clothing etc
- An offer of pro rata payment/nominal payment/nil payment/request for a write-off
- How and when payment should be made and when it will commence
- A request to suspend any interest that is accruing
- · A request to stop any further recovery action
- A request to review the case within 6-12 months time
- Request a payment method
- A request for a copy of the client's credit agreement (if appropriate)

The Courts (answers pinched from Sally) Small Claims

P1 Q17 A money only claim against your client has a value of £14,572, which track will it be allocated to? Which rules provide you with this information? (2 marks)

Small claims fast track Civil Procedure Rules 1998.

Small claims track – generally for lower value and less complex claims with a value of up to £10,000 (although there are some exceptions).

Fast track – claims with a value of between £10,000 and £25,000.

Multi-track – very complex claims with a value of £25,000 or more. HMCTS EX306

Representation and Hearings

P1 Q20 What should you ensure your client understands in order to represent themselves effectively at a county court hearing? (5 marks)

P1 Q22 As an adviser what are your rights of representation?

(2 marks)

P2 Q20 As an adviser what are your rights of representation?

see W11 RepCli

Can only represent in Small Claims track

Can be McKenzie Friend in MagCt following McKenzie v McKenzie [1970] CA see 4.5.1.5 What the client needs to know before going to court

P3 Q19 Identify 4 pieces of evidence/information that you would advise a client take with them to a county court hearing at which they intend to make an offer of payment? (4 marks)

P7Q23 Identify 4 key pieces of information that you should ensure your client understands in order to prepare them for a court hearing (4 marks)

P5 Q 20 What information should an adviser be able to provide the court with in order to effectively represent your client in a mortgage possession hearing? (5 marks)

Take FinStat and documentation to establish: details of contract/agreement, proof of payments made, correspondence with creditor.

Misc

P1 Q21 A) Immediately following a hearing what should you discuss with your client? (2 marks)

- B) What 2 actions should you take following that verbal review? (2 marks) (4 marks)
- A) Explain the decision and any actions the client must now take (eg payments)
- B) Confirm in writing to the client, emphasising what is required; write up the case and consider diarising a reminder to the client

Magistrates

P3 Q21 Identify 2 debts which are dealt with in the Magistrates court (2 marks) Council Tax arrears, maintenance payments, TV licenses?

Under what circumstances can the Magistrates court imprison for these? (3 marks)

P2 Q21 Identify 2 actions the Magistrates Court can take following a means enquiry (1 mark) explain what each involves(2 marks) and in what circumstances may each be appropriate (2 marks) W11 Courts p.24 Remit; allow further time; search his pockets; MPSO (payments supervised by probation office); immediate or suspended committal.

P6Q 15 A) Identify 4 powers the magistrates have for dealing with a debtor who has not paid a fine? (1 mark); and

B) For each of these explain the circumstances in which the magistrates would use them? (4 marks) P8Q15 Before a Magistrate can issue a warrant to imprison someone for non-payment of a fine what must they first have considered?(5 marks)

See P6Q15 above

P7Q24 In your own words describe the process of appealing a decision of a district judge? (4 marks) W11 Courts p.4,

In order to appeal, the appellant must identify grounds. This will usually be that the judge in the original hearing got either the facts or the law wrong. It is not usually sufficient to say that the outcome was not fair – judges are permitted to exercise discretion in many cases. The same party can only appeal a decision twice, so if an appeal from the county court to the High Court is unsuccessful, it is open to apply to the Court of Appeal (although it is likely the appellant would not get leave to appeal if the first appeal had been dismissed), but it is not possible for the same appellant to appeal to the Supreme Court if the decision remains unsatisfactory.

County and High Court

P5 Q 15 A) Identify a debt which would be dealt with in (a) the county court, and (b) the high court (1 mark)

- B) For each explain the implications of this for a client (4 marks)
- a) debts <£100k b) claim >£100k or complex or public interest
- All regulated Consumer Credit Act 1974 claims have to be dealt with in the county court. W11CtsP3
- B) (a guess) cost, rules of representation

P5 Q 17 What can a debtor do if they have not responded to the County Court claim within the prescribed time and a judgement has been entered in default? (3 marks)

Ask for set aside if they have a valid reason (eg change of circs)

Ask for variation in terms (N245) if cannot afford it. See w11 Enforcing

P2 Q19 Identify 2 methods of enforcing a county court judgment (1 mark). For each explain what this method involves (2 marks) and what next step you would take to manage the resulting situation (2 marks)

P7Q21 Describe four potential implications for a client of failing to pay a County Court judgment debt (4 marks)

Attachment of earnings; deduction form benefits; 3rd party debt order; charging arder

P8Q16 Your client has received a County Court Judgement and tells you that this is the first notification they have received of this debt.

- a) What investigations would you do as an adviser? (4 marks)
- b) What options would your client have for dealing with this? (3 marks)

Prompt response essential. Form N244 (Ex160 for fees) and ask the court for stay; set-aside; redetermine or vary the order. Check whether the debt is owed, whether there is a reason for default (eg moved so mail not delivered)

P7Q22 A) In relation to the courts, how would you explain "jurisdiction" to a client? (1 mark)

B) In what circumstances would the County Court have exclusive jurisdiction? (3 marks)

Cases are directed to the various courts depending on the seriousness or value of the case (eg small claims). Appeals are always directed to a 'higher' count.

All regulated Consumer Credit Act 1974 claims have to be dealt with in the county court. – W11CtsP3

Judicial Review

P1 Q24 What is Judicial Review? Explain in your own words, as if to your client

(2 marks)

P8Q20 How would you explain to a client what is meant by Judicial Review? (2 marks) W11 The Courts p.17

A Judicial Review is a hearing in court where a judge reviews the lawfulness of a decision or action by a public body. The court is not able to consider whether the public body has made the correct decision, but will look at whether the correct legal basis has been used in reaching the decision. The court will not normally consider an application for Judicial Review that is more than three months after the decision complained about.

Misc

P5 Q8 Your client has received a notice of a fine which has been imposed for a speeding offence. The client did not attend court and cannot afford to pay the amount in full. Outline their options for dealing with the fine, explaining what the courts powers are if the client is unable to pay and/or takes no action. (5 marks)

P7Q12 A) You are attending a Possession Hearing regarding a Consumer Credit Act secured loan. The client cannot currently afford to pay the Contractual Monthly Instalment but wants to keep the property.

- A) What order can you ask the judge to make? (1 mark)
- B) On what terms could this order be made? (2 marks)
- C) Describe how the application for this can be made and any cost implications? (4 marks)

P8Q8 At a possession hearing...

- a) What is the maximum period of repayment you could request mortgage arrears to be paid over? (2 marks)
- b) Explain how you would support your request for this and(2 marks)
- c) What legislation / case law has established this precedent? (1 mark)

P8Q10 What does it mean if the judge makes an order for a 'money judgement' during a rent possession hearing? (2 marks)

P8Q11 Your client is a secure tenant and has informed you that they have not kept to the terms of a suspended possession order. Explain in your own words the implications of this to the client. (4 marks)

HW W11 Question 3

What is a Summary Disposal? (1 mark)

The dismissal of a case where one of the parties has no chance of arguing its case on the grounds presented. CPR Part 24

www.justice.gov.uk/courts/procedure-rules/civil/rules/part24

/pd_part24

This is a term used where a court has used its discretion to 'strike out' a claim or defence.(1 mark)

And Bailiffs

P8Q21 (a) List 4 items which a bailiff is NOT allowed to levy on in the home? (4 marks)

(b) for each item explain the reason why the bailiff may not levy on that item. (4 marks)

P9 Question 6 (2 marks)

In the context of bailiffs, what do you understand by the term execution?

P9 Question 7 (9 marks)

Provide a brief outline of the following three types of bailiff; Certificated, County Court and Private

Conflict of Interest

P1 Q12 In your own words explain the concept of a conflict of interest (2 marks) giving one practical example (1 mark)

(3 marks)

P5 Q 19 In your own words explain the concept of a conflict of interest, giving one practical example. (3 marks)

P7Q19 In your own words explain the concept of a conflict of interest, giving one practical example. (3 marks)

Casework

P1 Q13 When closing a case, outline in your own words the information that you should always include in a closing letter (3 marks)

P2 Q22 Identify 4 things which should always be included in your confirmation of advice letter (2 marks) giving reasons for each (4 marks)

- i) define the nature of the client's problem this should help to ensure that the essential issue(s) is/are being addressed
- ii) state the solution that has been agreed and the reasons for it to reinforce the client's understanding of the solution
- iii) identify the actions required of the client and the relevant timescales this will improve the chances of the agreed solution being implemented and reaching fruition
- iv) ask the client to notify any changes of circumstances as this will allow any consequential solution changes to be planned and applied

P1 Q14 Give 3 reasons why it is important to keep a good case notes / records of each case? (3 marks)

Up-to-date and accurate records allow colleagues to pick up a case; it will allow actions in a case and between cases to be prioritised; it minimises the risk of error and consequential reputational and financial damage.

P2 Q23 On a review of your caseload you identify you have too many cases. Explain 4 steps you should now take. (4 marks)

P3 Q22 Describe 4 actions or procedures which can be used to ensure that your caseload is managed effectively? (4 marks)

It is essential to identify the necessary future actions on all cases and to prioritise and diarise all those actions. Contingency for unexpected events and provision for the handling of new cases should be built into these plans. If the actions exceed the time available, then the caseload is too hinh. Possible solutions:

- i) work more hours, although this is likely to be only a temporary solution
- ii) exchange cases with colleagues to take best advantage of individual expertise
- iii) take on no more new work until the pressure has eased
- iv) review the priorities and scheduling of tasks
- v) involve colleagues and management in an assessment of workloads

P6Q 24 How do you ensure that your service is fully accessible to your client group? (3 marks)

P1 Q15 Describe 2 ways a client can be involved in improving the service given by an agency (2 marks)

P2 Q24 Explain the file review process identifying why it is important in relation to quality assurance (4 marks)

P3 Q24 Identify and explain 2 measures an agency can employ to assure the quality of its service? (2 marks)

P5 Q 21 How can independent file reviews help

- A) an agency to manage the quality of service client's receive? (2 marks)
- B) an adviser to manage the quality of their work? (2 marks)

P5 Q 22 Identify and explain 3 systems advisers can employ to ensure that all necessary actions on a case are completed in an appropriate timescale? (3 marks)

P8Q23 a) Identify 2 procedures which can be used to monitor quality of casework (2 marks); and b) Describe how these might enhance the quality of the service? (4 marks)

P3 Q23 When completing a routine review of a case what should you check? Identify 5 things (5 marks)

P6Q 22 Identify (3 marks) and describe (3 marks) three procedures which can be put in place to monitor the quality of advice given to clients? (6 marks)

By gum this is boring

Clients – include a questionnaire with the normal advice process; include a permission to contact in the client authority form and conduct targeted reviews with past clients; consult other groups and their clients to ensure that the service being provided is what the community needs.

The results of all of these should be fed back into the design of services and the education of staff.

Case Reviews – should be organised both externally and internally to ensure the quality and consistency of advice. This will feed into the identification of training needs and also encourage and allow the development of special expertise amongst advisors.

Reviews should examine i) the quality and accuracy of record-keeping; ii) the effective identification of priorities and emergency situations; iii) the suitability of the solutions proposed; iv) the identification and diarisation of actions, events and milestones.

Other stuff – cases should be exchanged between advisors to identify any weaknesses in the case-handling; broaden experience; allow specialisation.

P5 Q 23 Why is it important to check that information provided to a client is accurate and up to date? (1 marks). Identify 4 resources and adviser should use to ensure this? (2 marks)

Rule changes may affect the appropriateness of certain solutions for clients (eg the recent increase in DRO limits). To ensure this, the advisor should i) ensure client information is current and changes of circumstances monitored; ii) be aware of legislation changes, this usually being provided by the professional bodies; iii) check on case law and other relevant decisions that may impact the case; iv) monitor local changes, e.g. council policies.

P5 Q24 Identify 3 circumstances in which an adviser should refer a client to another agency (3 marks). How do you ensure that these referrals are effective? (2 marks)

i) conflict of interest; ii) specialist expertise required; iii) unfunded (eg client lives in another area) Ensure that accurate case notes are passed over; fully inform the client of why and what to expect; diarise a progress enquiry to the other agency

P6Q 23 What systems can be implemented to ensure that action on your cases can be prioritised? (2 marks)

Case action lists; diary systems; case reviews

P7Q20 Explain in your own words how you would establish the desired case outcomes and agree the case milestones with a client? (5 marks)

It is desirable that the client should be as fully involved as possible in working towards a solution. This will:

maximise the information provided by the client allowing the most appropriate and achievable solution;

the greater the client's understanding of the solutions available and the logic of that proposed, the better the chances of the client working towards that end;

if the client understands the process, they will appreciate the steps necessary to achieve the outcome:

having built the theoretical basis, the client should be supported by checklists, contacts and reminders.

P7Q18 Identify 3 benefits to a systematic approach to advice for clients and agencies (your answer should include examples of systems used) (4 marks)

Consistency, continuity, qa: make something up

P9 Question 19 (8 marks)

A good case record will have a number of key attributes identify 8 of them.

The accurate recording of case information is essential. In relation to debt cases the type of information that should be held about each case is:

Name, address and contact details for clients

Case reference number

Health problems

Ethnicity and or immigration status

National insurance number for identification

Date of birth

Relationship status

Household make up; dependants and non-dependants

living in household

Household income details

Housing status; type of tenancy, freehold, leasehold,

shared accommodation

Deadlines; Key dates diary for management of the file

Options for client

Agreed actions and desired outcomes

Steps to be taken to achieve agreed outcomes If appropriate and in consultation with a supervisor, a discreet note in a separate central folder if there are particular difficulties in dealing with a client (aggressive or inappropriate behaviour, very complex issues, preference to be seen by a man/women etc.) Remember that these comments are notes and could be accessed on request by a client

Default Judgment

P1 Q18 Your client has received a default judgement - in your own words how would you explain this to them? (2 marks)

P6Q 16 Your client has received a default judgement.

A) In your own words explain what a default judgment is? (2 marks); and

B) Describe 3 of the client's options for dealing with a default judgment (3 marks)

P9 Question 14 (2 marks)

What is a default judgment?

HW W11 Question 1

What happens if the client ignores a claim pack? (2 marks)

If no response within 14 days then an N30 Judgment for Claim in Default will be issued stating the date by which the claim should be paid in full or details on instalments.

The Courts, p.10

- Judgement will be entered in default (1 mark)
- The creditor / claimant will specify the date by which the whole amount should be paid (1 mark)

HW W11 Question 2

What can a client do if they have received a judgment in default, because they ignored the claim, and it has been set to a rate they cannot afford? (2 marks)

Once a Judgment in Default has been issued, then the creditor (or advisor) can apply to vary it, set it aside, or redetermine it.

Note that such a judgment cannot be issued if the creditor has acknowledged the debt and asked for time to pay.

The Courts p.10

- The client could apply to vary it if they are not able to pay as ordered (1 mark)
- Or if they have a good prospect of defending the claim they could apply to set it aside (1 mark)

The two questions in W11 homework W11 cover the known questions.

Social Policy

P1 Q25 Give 2 examples of current Social policy issues identifying 3 types of actions which can be employed to deal with them? (5

P2 Q25 The refusal of some creditors to negotiate directly with debtors is an identified social policy issue.

- A) What makes this a social policy issue? (1 mark)
- B) Identify 3 actions you could take in relation to this social policy issue? (3 marks)

P3 Q25 A) Identify a current Social Policy issue related to credit debt (1 mark)

- B) Explain why this is a Social Policy issue? (1 mark)
- C) Identify 3 means of addressing this issue at policy level? (3 marks)

P5 Q 25 A) Identify a current Social Policy issue related to welfare benefits (1 mark)

- B) Explain why this is a Social Policy issue? (1 mark)
- C) Identify 3 means of addressing this issue at policy level? (3 marks)
- P6Q 25 A) Identify a Social Policy issue related to Money Advice? (1 mark)
 - B) Explain why this is a Social Policy issue? (1 mark)
 - C) Identify 3 means of addressing this issue at policy level? (3 marks)

P7Q25 A) Identify a current social policy issue relating to debt recovery (1 mark)

- B) Explain why this is a social policy issue? (2 marks)
- C) Identify three means of addressing this issue at policy level (3 marks)

P8Q25 The term Social Policy has developed over time and has become an integral part of the world of advice. How would you explain the term 'Social Policy work' to a client? (2 marks)

P9 Question 18 (4 marks)

The term Social Policy has developed over time and has become an integral part of the world of advice. What do we meant by the term 'Social Policy work'?

Social policy relates to client problems identified as recurring or 'trending' through analysis of case records, or dedicated reporting systems. Such trends might be national or at various sub-levels (for example geographical, organisational or departmental), such as localised council interpretation of legislation; the practices of a particular lender, or an unintended consequence of recent legislation. Once identified, the detecting body can take various actions in an effort to correct the problem, for example lobbying the organisation at fault; publicising the problem to bring pressure for change, involving MPs or councillors and also alert other supporting organisations; help the individuals affected and look for others (in the existing client base or elsewhere) who might also have been affected.

Pick some examples:

Current (3) – Renting, Domestic abuse, Self-employment

Creditors (2) – bailiff excesses, payday lenders, landlords

Benefits (3) – lack of uptake by community sectors, eg the elderly; excessive sanctions by JC+; mandatory reconsideration

Money advice – payday loans – a good example of partial SP success

Debt recovery – bailiff malpractice

Renting In the last year more than 115,000 people came to us suffering a problem with a privately rented home. That's 315 people every day, hit by issues from illegal eviction to harassment to lost deposits and struggles to secure the most basic repairs.

DV Last year one in every fifteen women, and one in every 33 men experienced domestic abuse at the hands of their partner or former partner PDF.

Self-employment is now a mainstream career option and works well for many people, but it can be complicated, particularly when you're first starting.

Utilities

P2 Q8 Your client disputes liability for a recent energy bill.

- A) Identify 3 different things you might check when considering liability for an energy debt? (3 marks)
- B) Identify 2 organisations that could assist with a complaint (2 marks)

A) is the client liable – meter read at start?;

P3 Q8 Your client is a pensioner. They have come to see you in early December with a disconnection notice for their gas and electricity supplies (they have a dual fuel account).

A) What advice would you give them about the imminent disconnection? (1 mark)

B) Identify 4 actions which could be taken to manage the debt on an ongoing basis (4 marks) See below on winter disconnection

Consider new tariff; payment plan; Fuel Direct arrangement with some benefits (incl Pension Credits); charitable grant; as part of an overall debt review

Priority Services Register for a pensioner; disabled or chronically sick; have a hearing or visual impairment

P6Q 8 A client comes in with a notice of disconnection for their electricity supply. What can the adviser do to help avoid disconnection? (3 marks)

P8Q13 In your own words, explain the process which a utility company must go through to disconnect a debtor's electricity supply when their account is in arrears? (3 marks)

The supplier must give the customer a chance to set up a payment plan Suppliers aren't allowed to disconnect you between 1 October and 31 March if you're:

- a pensioner living alone
- a pensioner living with children under five

The 6 largest suppliers have signed up to an agreement to make sure you won't be disconnected at any time of year if you have:

- a disability
- long-term health problems
- severe financial problems
- · young children living at home

If you don't come to an agreement with your supplier to pay off your debt, they can apply to a court for a warrant to enter your home to disconnect your supply. Your supplier must send a notice telling you they're applying to the court.

Before the hearing takes place, contact your supplier and try and come to an agreement to pay off your debt.

If you haven't contacted your supplier, there'll be a court hearing which you should attend. You can still come to an arrangement with your supplier to pay off your debt at this stage. You can take along a friend for support.

If the court grants a warrant, your supplier will be able to disconnect your supply. They must give you 7 days notice in writing before they do. In practice, it's rare for suppliers to disconnect customers. They're more likely to fit a prepayment meter in your home.

Your supplier won't need a warrant to disconnect a meter on the outside of your property (as the warrant is to enter your property), but most suppliers will still get one.

P8Q14 What would you advice would you give to a client if their water charges appear to be excessive? (3 marks)

Depending on the user, a large bill might be reduced by installing a meter although this is less likely to help a large family.

If the client is on a meter, ask the supplier to check for leaks into the property and the user should check for leaks (eg dripping taps and toilets) within;

If the client has moved in recently check that they are not being billed for a previous occupant's usage or if they have lived there for some time look at past bills and see if there has been a sudden change. If the user has requested a meter, they can usually change their minds within (the later of)12 months or two bills + 1 month.

Self Employment / Company Debts

P2 Q15 Identify two different ways in which a self-employed person could be trading (2 marks). For each explain the implications for the person in relation to liability for business debts should the business fail. (2 marks)

P6Q 21 Identify 4 debts which the director of a limited company could still be liable for after the business had ended? (4 marks)

P8Q22 Identify 4 debts which the director of a limited company might still be liable for after the business has ended (4 marks)

P9 Question 20 (2 marks)

Is a sole trader still liable for his or her business debts after they finish trading?

Bank Accounts

P6Q 4 Under what circumstances would you advise a client to open a new bank account? (2 marks)

P7Q7 What advice would you give your client if their unauthorised overdraft is due to payments being taken for a bank loan with the same bank as their current account? (2 marks)

P8Q5 Where a client continues to have their wages paid into an overdrawn account ...

- a) What problems might this cause for them (2 marks), and
- b) Identify two ways of managing this (2 marks)

P8Q6 Identify 4 characteristics of a 'basic' bank account (4marks)

P9 Question 2 (3 marks)

Why is it often in the client's interest to consider opening an alternative bank account?

Things I haven't heard of

P1 Q9 A) When would it be appropriate to use a moratorium as a strategy? (2 marks)

B) When would it be appropriate to use a DMP as a strategy (2 marks)

(4 marks)

P3 Q15 A) When would it be appropriate to use a moratorium as a strategy? (2 marks)

B) When would it be appropriate to use a DMP as a strategy (2 marks)

P1 Q19 A) How would you explain what a 'Controlled Goods Agreement'is to a client? (3 marks); and

B) Explain the implications it has for your client? (3marks)

(6 marks)

P1 Q10 A) Briefly explain what a limitation period is and identify the standard period for collecting unsecured credit debts?

B) In which legislation can this information be found?

(3 marks)

P2 Q14 Identify 5 possible unfair relationship situations (5 marks)

P6Q 13 Explain the term 'unfair relationships' in relation to the Consumer Credit Act? (2 marks)

P6Q 18 In your own words,

- A) Briefly outline how you would explain 'a Statutory Demand' to a client (1 mark); and
- B) Describe three of the grounds that could be used to set the statutory demand aside? (3 marks)

P9 Question 3 (4 marks)

- a. Explain what is meant by 'First Right of Appropriation' (2)
- b. How is 'First right of Appropriation' put into practice? (2)

P9 Question 10 (7 marks)

- A) Give a detailed explanation of a 'walking possession' agreement and the implications it has for the client? (5)
- B) When might a 'walking possession' agreement not be valid? (2)

P9 Question 11 (3 marks)

What is an Interim Charging Order, and what would you advise a client to do if they receive one?

P9 Question 12 (2 marks)

What are the Civil Procedure Rules and where are they to be found?

P9 Question 13 (1 mark)

What is used to describe deciding a claim where the court has been satisfied that there is no realistic chance of success?

P9 Question 15 (3 marks)

What is a Composition Order? how and why, would an adviser apply for one?

Miscellaneous

P5 Q11 A) In your own words explain what a code of practice is, giving an example relevant to money advice; (2 marks) and

B) Explain how you could use this code of practice to help a client? (2 marks)

P6Q 14 What can action can an adviser take if they notice that a creditor has not behaved in line with the codes of practice? (3 marks)

P5 Q16 Identify a pre-action protocol that relates to money advice (1 mark). How can an adviser use a pre-action protocol for the benefit of a client? (4 marks)

P3 Q17 A) Identify 2 pre-action protocols relevant to money advice. (1 mark)

(b) Explain 4 ways a money adviser can use a protocol to the benefit of the client. (4 marks)

P6Q 17 In your own words describe five actions a creditor must take leading up to making a claim in the county court for the recovery of credit debt regulated by the Consumer Credit Act? (5 marks)

P6Q2 Identify 3 one-off payments you might currently be able to apply for on behalf of a client who has just come out of Prison? (3 marks)

P7Q9 Identify AND explain the protection given by the Limitation Act 1980 (3 marks)

P8Q18 Upon receipt of a Statutory Demand, identify and explain 4 options a client could consider if they do not wish to be made bankrupt? (4 marks)

P9 Question 9 (12 marks)

In your own words, outline briefly how you would explain each of these to a client.

- A) Warrant of Execution (3)
- B) An Attachment of Earnings Order / Deductions from wages) (3)
- C) Order for Sale (3)
- D) Statutory Demand (3)

HW W11 Question 5

1. What is an Order for Sale? (1 mark)

An order to sell a property that is the subject of a charging order so that a debt can be paid out of the proceeds. CPAG debt p.304

An order for sale is a way for a creditor with a charging order to get the money that is secured by applying to court to force the sale of the property (1 mark)

HW W11 Question 4

- A) What is a Third Party Debt Order? (1 mark) and
- B) who cannot be included in a third party debt order? (1 mark)
- A) A third party (eg a bank) who owes money to a debtor is ordered to make a payment to the later's creditor instead. Previously known as a garnishee order.

CPAG debt p.309

B) Cannot be applied to a joint account where the second holder is not party to the debt. Ibid p.310

A) If a judgment debtor (e.g. the client) is owed money by a third party (e.g. a bank) the claimant can request an order which instructs the third party (the bank) to make payment directly to themselves. Applications to the court are made on a N349. (1 mark)
B) The DWP (1 mark)