

20 September 2013

## Response to Consultation on the Authorisation Requirements and Standards for Debt Management Firms

My submission is a general one.

I believe that I provide Debt Advisory Services and that this term better describes what I do than Debt Management. The client in all cases I deal with, manages his/her own debts. I merely gather the necessary information, analyse as necessary and advise and support my clients.

I support fully the concept of regulating Debt Management firms but believe that the regulation of

*(a) "giving advice about the discharge of debts (in whole or in part), including advice about budgeting in connection with the discharge of debts,*

should be primarily focussed on the qualifications, competency and experience of the service provider.

The broad breadth of the consultation paper will- if universally implemented, - disqualify a large portion of the market capable of providing these services.

1. For example;  
my firm **never**
  - a) holds clients funds,
  - b) meets a client's creditor unless the client is present,
  - c) signs any documentation on behalf of a client
  - d) invoices a client until the process is complete
  - e) handles more than 3 cases at the one time
  - f) never delegates, outsources or sub-contracts work
  - g) retains any information on a client once a case is closed as we return all documentation to the client.
  
2. I have
  - a) The QFA and Chartered Banker designation,
  - b) A Masters degree from Manchester Business School in Accounting & Finance,
  - c) A Bachelor of Financial Services (Hons) degree from UCD
  - d) 35 years experience in financial services
  - e) 10 years experience in advising on Personal & SME financing
  - f) Never had a complaint made against me in respect of any aspect of my work.
  
3. This proposal would seem to require me to;
  - a) maintain my qualifications up to date by CPD (have no problem with this)
  - b) Appoint a Compliance Officer (significant cost and I would suggest unnecessary when you consider Section 1 above. ) (Sec 4.5)
  - c) Have my Financial Accounts audited (when the Revenue & Companies Registration Office do not require this) (5.2)
  - d) Appoint or Provide an Internal Audit function (4.6)
  - e) Obtain & maintain Professional Indemnity Insurance for every euro of every debt that a client of mine might have (Sec 3.2) which seems, to say the least, excessive for someone providing financial advice regarding debts.

I believe that Firms providing Debt Advisory Services on the lines set out in Section 1 above and whose income from Debt Advisory Services is less than say €20,000pa should only be regulated as to the;

Qualifications, competency and experience of the service provider (MCC)

Solvency (Sec 2)

Outsourcing (Sec 7)

Other Places of business (Sec 8).

Otherwise the small service provider will be forced to exit this side of the business and leave everything to large companies, many of whom are exempt from these requirements as they can claim that within their larger business, debt advice is merely incidental!

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