

17 September 2013

**Response to consultation on the authorisation requirements and standards for debt management firms.**

Dear Sir/madam,

Having reviewed the documentation associated with the authorisation requirements and standards for debt management firms, the following is our response;

1. With regard to Professional Indemnity insurance (PI), the requirement that “the amount insured shall be at least equivalent to the total value of all the debts of consumers related to the services of the debt management firms subject to a minimum cover of €1,500,000, with no limit on the number of claims in any one year”.
  - a. To have PI insurance to cover “the total value of all debts of consumers” will make the associated PI cover prohibitively expensive and unpractical in many cases and for many firms.
  - b. The other parts re minimum PI cover of €1.5m with no limit on the claims in any one year, appears reasonable and appropriate.
  - c. We would therefore request that the reference to “at least equivalent to the total value of all the debts of consumers” be removed from the PI requirement, but the rest remain the same, i.e. that PI cover should be for a minimum of €1.5m and with no limit on the number of claims in any one year.
2. The other parts to the proposed requirements appears balanced and appropriate given the serious nature of this service, i.e. debt management and the significant implications it will/can have for debtors/potential clients.

Kind regards,

*Brian Leslie*  
Prima Finance