

STOP PRESS

news and views from the credit management industry

IMFS Improved Financial Solutions

Is the Credit Crunch affecting our Industry?

I was recently asked to give a talk at the Debt Purchase and Sale Conference regarding the impact of the Credit Crunch on the Debt Collection Agency Market. Having spoken to a number of peers, DCA Company Directors and Managers, an informed consensus of opinions gave me the format for my speech.

Firstly, it was generally agreed by the DCA community that the credit crunch would probably create a boom time for us and that we could all expect more accounts, higher than average balances and hopefully more collections, which would improve our profits, BUT, being as old as I am and being able to remember the last recession, times have changed and the key elements of what we are all seeing now is really the following:

1. Some clients are keeping hold of the debt longer and have not quite decided yet what their credit crunch strategy might be.
2. Clients now have measurably better analysis details and segmentation strategies than they had years ago and this allows them to squeeze as much cash out of the accounts before using DCA's.
3. Some clients are clearly holding on to the debt for a longer period before passing it on to DCA's.
4. The emergence of debt management companies, the increase of IVA's and bankruptcies, has also hugely affected the cases that would normally be passed to DCA's to administer.
5. The DCA's are seeing, in some cases, lower average balances.
6. In overall terms, the debt is generally harder to collect, full and final or potential discount on settlements are fewer, and are also at present of a much lower value than previously seen.

So in conclusion, we all need to work harder to get cases under control and as low as possible, to be smarter with processes and ride out the storm. Good luck everyone and here's to better times next year (or the year after!).

Jim Burton - CEO

CCA REQUESTS on the increase

More and more debtors of our consumer clients are delaying payment by requesting copies of their Credit Agreements under the Consumer Credit Act 1974 and also requesting Subject Access Requests (SAR's), before they will enter into communication regarding repayment. The whole process from the request, to supplying the information back to the debtor, is extremely time consuming and costly for agencies and clients alike, despite the fact that we receive the sum of £1 for each request!!

(I think the fee needs reviewing by the relevant government department somewhat! says Denise Crossley MD). The deadlines involved are also quite tight and, if not adhered to, allows for the debt to become unenforceable by law! This is therefore a very hot topic at present.

The consumer websites, which are numerous and highly active, are increasing the volume of requests by providing debtors with template letters to send to lenders and agencies which is becoming a huge headache for

the industry. Some of the advice given on these sites is also inaccurate and although the OFT, FOS and other regulatory bodies are aware of the websites, they have unfortunately done little so far to discourage the use of them. Our industry body, the CSA, are already fighting the cause on this issue for agencies across the UK, but I envisage we will encounter many more months (if not years!) of this problem, which could be costly for us all!

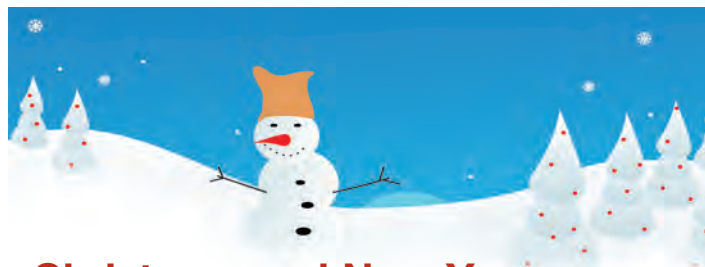
NEW CLIENTS FOR IMFS

Egg Banking

Mechanical Copyright Protection Society Ltd (MCPS)

Regus Group

De-Vere Group



Christmas and New Year

Wednesday 24th December: close at 12 noon

Saturday 27th: re-open 8.00am for normal hours

Wednesday 31st: close at 5.00pm

Friday 2nd January 2009: re-open 8.00am for business as usual

The management and staff at IMFS would like to take this opportunity to wish all our clients and suppliers a very merry Christmas and a happy, healthy and prosperous (the worlds' fingers crossed!!) New Year!

dialler

IMFS is pleased to announce that the Noble-Amcat dialler facility is now fully operational, allowing multiple campaigns to be run for our ever increasing client portfolios. All calls, both inbound and outbound are now recorded when the system is being utilised, allowing even greater client performance, whilst also aiding in the further training and coaching on the collections floor.

OFT setting guidelines on lending and collections

The OFT is to issue guidelines on irresponsible lending and collection practices. Last month a public consultation was carried out under the scope of its irresponsible lending project. It's set to involve consultation with business, consumer groups and other stakeholders. The OFT will then issue clear guidance on lending behaviours it considers to be irresponsible. The OFT will contact stakeholders directly.



"You have too many credit cards. I think you have a debt wish."

New Guidance on Tracing Debtors

Guidance on the "do's and don'ts" of tracing has been unveiled at the recent Credit Services Association's annual conference which was held last month. The tracing guide aims to detail what is required of a tracing agent when locating a subject as well as raise the profile of tracing activity within the industry, regulatory bodies and with consumers. It highlights best practice using public and other available databases, telephone or office based field investigation tracing. The guide was revealed alongside an updated CSA code of practice.



IMFS have grown to over 50 staff in total, a number of whom were caught on camera during a recent Friday Dress Down Day

IMFS start work on ISO 9001:2000

IMFS are now well underway with preparations to achieve accreditation under a recognised Quality System. Denise Crossley MD and Fiona Dobson, IMFS Compliance and Quality Officer,

have been busy collating existing procedures and data and the first step is almost complete. Denise said, "because we already operate under our own bespoke 'quality system' it should just be a box ticking exercise but will give us a much tighter control of our processes as we grow". Further updates to follow!

putting the fun in credit

A new computer game has been launched, aimed at children which is helping them learn about managing their finances. Developed by Experian, "Credibility" is a role playing game that takes gamers on a journey through four different environments. There they can learn, through a range of challenges, about issues such as money, borrowing and spending. This game is free and can be downloaded from www.experian.co.uk/learningzone

If you would like to discuss any of the points mentioned here, or find out how IMFS can improve your returns call us on **0870 428 1992**