

Motion to Council January 2019

Ethical Debt Collection

People fall into debt for a variety of reasons for example unemployment, relationship breakdown and illness. It is a counter-intuitive fact of our society that just when people are at their most vulnerable creditors utilise tactics that further add stress, increase debt and hinder the financial recovery of the individual. The use of bailiffs to collect council tax arrears is one example of such a strategy that has a significant impact on our vulnerable residents already struggling.

Two local authorities, Hammersmith and Fulham¹ and more recently Bristol City Council² have adopted innovative ethical debt recovery policies that aim to phase out the use of bailiffs. Such policies have been welcomed by charities such as the Money Advice Trust, The Children's Society, StepChange Debt Charity and Citizens Advice Bureau.

The latter charity produced a report³ in November 2018 reviewing the impact of 2014 rule changes to bailiff regulations and national standards. They concluded that the reforms to the industry have not worked and the lack of an independent regulator is a significant factor in this lack of progress. They ask that the government, in its post-implementation review⁴, consider the introduction of such a regulator.

This council believes:

That it is incumbent on all local authorities to show care and consideration to its residents and not cause additional stress and debt burden to those in financial difficulty in pursuit of council tax arrears.

That the use of bailiffs should not be used in the collection of council tax owed by individual residents.

This council resolves:

To review its debt collection policies and implement an ethical debt collection approach

To reduce or cease entirely its use of bailiffs

To write to the government supporting the Citizen's Advice Bureaus call for an independent regulator for the debt collection sector.

Proposed: Allison Gardner

Seconded: Sara Pickup

¹ <https://www.lbhf.gov.uk/articles/news/2017/07/new-ethical-approach-debt-collection-hf>

² https://www.bristolpost.co.uk/news/bristol-news/council-cut-back-heavy-handed-1854032?fbclid=IwAR0Swx7MJ1crEeTGNFJVep_BXbOrSJbs3gR7q1DVVWVGONmY-A9TDE39nf84

³ <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/debt-and-money-policy-research/a-law-onto-themselves-how-bailiffs-are-breaking-the-rules/>

⁴ <https://www.gov.uk/government/consultations/review-of-enforcement-agent-bailiff-reforms-call-for-evidence>