The latest figures from Accountant in Bankruptcy show a significant jump in the number of new debt payment programmes approved under the Debt Arrangement Scheme.

Quarterly statistics for the second quarter of 2016-17 up to the end of September show 662 approvals, up 29.8 per cent on the previous quarter and a significant 45.2 per cent higher than the same quarter a year ago.

A total of £9.2 million was repaid through DAS to creditors this quarter, which is a slight 0.6 per cent decrease on the amount repaid during the previous quarter.

Over 400 people paid off their debts in full this quarter through DAS, with 408 DAS debt payment programmes completed, which is 12.1 per cent up than the previous quarter, and a 14.3 per cent rise compared to the same quarter of 2015-16.

After a period of decline since the first quarter of 2014-15, the number of approved debt payment programmes under DAS had remained stable, albeit at a lower level, in the previous five quarters until this quarter’s rise.

Since the average length of a DAS debt payment programme is around seven years, it is anticipated there will be a steady rate of increase until 2018, followed by a lower but steady volume of completions in line with current applications approved.

In the second quarter of 2016-17, 494 applications to vary a debt payment programme under DAS were approved while 27 were rejected. The number of approved variations is equal to 3.7 per cent of live cases.

A total of 392 applications to revoke a debt payment programme under DAS were approved in the second quarter of 2016-17 and 152 were rejected, signifying an approval rate of 72.1 per cent.

Commenting on the latest figures, Business Minister Paul Wheelhouse said: “It is reassuring to see more people in need access the Debt Arrangement Scheme to help them make a fresh financial start without facing the distress of insolvency.”
Meet our new DAS apprentice

This month we speak to Neal Currie, a Modern Apprentice in the DAS team to find out his experiences of working with the Debt Arrangement Scheme.

Tell us a little bit about your job role and the work you do?
I’ve been with the Debt Arrangement Scheme in a Modern Apprentice role for nearly nine months now. I do the same tasks as the other case officers in the team which range widely from checking new applications and answering emails in the DAS mailbox to raising revocations and closing completed cases. The job I do helps ensure DAS cases run smoothly and everyone abides by the rules. The work I do varies regularly due to case volumes and the team operates a rota system to cover all tasks.

Describe your day-to-day involvement with DAS, money advisers and payment distributors?
My involvement with each of the groups varies depending on which task I’m working on a specific day. With new applications, contact is centred usually around the money advisers but with completions it is more around contacting the payment distributor. However, due to the DAS helpline which is used by debtors, money advisers, payment distributors and creditors, I tend to speak to all of these groups on a daily basis and try to assist them all the best I can.

What do you like about DAS? Is there anything you would change?
I think DAS is a forward-thinking, good way of allowing debtors to pay back their debt in affordable instalments and it also allows the creditor to recoup most of the amount owed to them. DAS is not perfect and we do acknowledge there are some changes that need to be made however we are always keen on working with our stakeholders and looking for ways to improve.

How are you finding using the DASH system? How could it be improved?
Anyone who uses DASH knows it is a temperamental system at the best of times. One minute it could be working quickly and easily and the next it could be kicking you out and error messages will be appearing. My managers keep in close contact with the IT team here at AIB and we are always looking at ways to improve DASH and make it quicker and better for everyone to use.

What do you like about your job?
People may disagree but I feel you get a real sense of self achievement when you close a case. I feel like I’ve helped a person to better their lives when they pay off their debt payment programme. On the other side of things, when a case for a debtor has been rightfully revoked and they have been breaching regulations and possibly misusing the DAS system, you do feel as though you have justified helping a creditor as well.

Tell us about a challenge you or your team have had recently?
We face many challenges at the DAS team on a daily basis. Recently we faced the challenge of keeping workloads under control during a period of leave and unanticipated sick leave. We worked closely as a team and with everyone pulling together we managed to process all applications within our time scales and be available to answer our customer queries via email and the telephone hotline.
Debts owed to Lending Stream

Any debt owed to Lending Stream will now be administered by Credit Resource Solutions. Money advisers should still choose the Lending Stream major creditor option on DASH when allocating Lending Stream as a creditor to a DAS DPP.

Important information regarding confirming levels

When confirming debt levels with creditors who do not use DASH, money advisers should be adding the details in the debt tab within the DPP. This information should no longer be placed in the notes section or anywhere else on DASH. Information to be provided is:
i) the date the debt was checked
ii) how it was checked
iii) the name and department of the creditor contact who confirmed the details

Important. New process in deletion of draft cases

As you will be aware, in line with current our data protection policy, we implemented an archiving policy to DASH during our last release of upgrades to the system. Part of the archiving policy states that draft cases will be removed from the system 365 days after they were created.

However as part of the follow up, an audit of cases found a substantial number of cases sitting at draft status approaching the 365 day destruction date, and where no action had taken place since the creation of the case. As no action has been taken on these cases for almost a year, it is reasonable to assume that the debtors have either changed their minds, or reapplied. It is likely that most of these cases will never become live DPPs.

As of 10 October 2016, we will automatically delete cases from DASH which are at the status of draft four months after the date the cases were created if they have not been moved to live status. This will also apply to cases which have been returned to draft due to any missing information or errors made in the application.

In addition to the cases at draft, we have found a substantial number of cases sitting at the status of awaiting debt confirmation where no action has taken place on the cases in a number of years. In keeping with the above policies, we will be implementing a regular housekeeping exercise where, once a month, we will go through the system and change any case at awaiting debt confirmation over to draft where there has been no action taken on a case in the last four months. This will mean that these cases will follow the archiving policy for draft cases. Due to the fact that many of these awaiting debt confirmation cases were created more than a year ago, far beyond the four month period, this means that when the status is changed back to draft these cases will automatically disappear for the system.
DAS drive coming 2017

The Debt Arrangement Scheme will be firmly in the spotlight in early 2017 as Accountant in Bankruptcy (AiB) launches a new campaign to raise awareness of DAS.

By highlighting where people can access the right information and support, the campaign seeks to encourage those with money worries to take the first steps towards regaining control of their finances by seeking the right advice.

The campaign is aimed at people who could benefit from talking to a money adviser about DAS and will be promoted through a range of channels, both digital and mainstream.

As part of the initiative, changes will also be made to AiB’s suite of online resources and the standalone DAS Scotland website is going to be phased out, with all relevant and fresh content migrating to the main AiB site www.aib.gov.uk.

The money advice community will still be able to access DASH, but the main portal to the system will be housed on the front page of the AiB website instead.

AiB chief executive Richard Dennis said: “The start of the year can be a difficult time for families, when the bills associated with the festive period start to come in - but it can also be a time when people turn their attention to their finances for the year ahead.

“This campaign seeks to encourage people who are starting to struggle with their finances to take early action and speak to the advice services available, which can help them decide whether DAS is right for them.

“Since it was launched in 2004, DAS has made a difference to thousands of people, giving them some vital breathing space and helping them pay their debts in a dignified, orderly fashion.

“As part of the campaign, we’re looking to make better use of our websites and we believe now is the right time to consolidate all of our debt management and debt relief resources in one place. It makes sense that all the information those in debt will need is housed within aib.gov.uk, ensuring people have all the material they need to make the choices on what is right for them.”

The marketing campaign is expected to commence in January 2017.

DAS Review – Update

The DAS Review looking at the changes introduced by the Debt Arrangement Scheme (Scotland) Amendment Regulations 2013 and 2014 is almost complete.

The responses to the consultation are being carefully considered. This has taken a little longer than we originally thought, however, we hope to be able to publish our response soon.

More information will be available in the next edition of the DAS Digest.
DAS case reviews and decisions

Following feedback from readers, it is clear there is an appetite for more examples of real cases to illustrate the DAS Administrator’s decision making process. In particular, you have asked for more information regarding cases submitted for review.

From 2 June 2016 to 30 September 2016, the DAS team received 41 review requests. One was withdrawn, one upheld and 39 not upheld. Here we look at some cases and decisions made.

Revocations – Case A

- Three years into a 10 year DPP
- Third revocation application by creditor for non-payment of continuing liability
- Two previous revocation applications refused as debtor would pay the arrears after the action started
- Debtor disputed the debt was owed, creditor provided evidence and case revoked
- Debtor asked for review having paid the arrears in question after the DPP was revoked
- Review upheld the decision to revoke as, despite the arrears now being clear, at the time of revocation the debtor had breached regulation 27(2)(c) which is a ground for revocation.

Revocations – Case B

- One year into a six year DPP
- Missed five consecutive payments. Debtor did not respond to correspondence intimating the revocation proposal
- Case revoked for missed payments
- Debtor requested review, stating: “I missed payments because I lost my job. I now want to start paying again.”
- Review upheld the decision to revoke. Debtor did not respond to the proposal, no point of law was demonstrated on why the revocation was wrong, and the debtor breached regulation 27(2)(b) by missing payments

New case fair and reasonable decisions – Case A

- £18,000 debt, proposal nine years, nine months
- 93% creditor objection. DPP rejected
- Debtor had a poor compliance history. Defaulted on two agreements with two creditors, continued accruing debt during the agreement periods. Majority of objecting creditors believed the timescale for repayment too long
- Sequestration hearing pending
- Review request from money adviser believing the timescale is reasonable
- Review application had to be rejected. By the time the application came in, the sheriff had awarded sequestration which superseded the DAS review application
More DAS case reviews and decisions

New case fair and reasonable decisions - Case B

- £105,000 debt, proposal eight years, 10 months
- 100% objection. DPP rejected
- Debts could not be quantified as debtor was not co-operating with the creditor
- Debtor responded with an offer to sell property. Did not specify if this would cover all or some of the debts
- Creditor believed the debt to be considerably higher than that quoted and this would add to the eight year 10 months which they believe to be already unreasonable
- Review request from debtor enclosing correspondence files between them and the creditors
- Review upheld original decision as the evidence did not verify the debt level or prove under any point of law why the decision was wrong

Existing case variations – Case A

- Three years two months into a five year, 11 month DPP
- Variation request to allow debtor to incur further debt
- DAS Administrator refused under regulation 38(2) believing the money adviser did not demonstrate the credit required to be an “essential requirement"
- Money adviser requested review believing the evidence to show the expenditure as being essential under reg 37(1)(g)
- Review overturned the original decision agreeing that the expenditure was essential, the creditors would not be disadvantaged as the DPP payments and duration were not affected

Existing case variations – Case B

- One year into a six year, five month DPP
- Missed the last six payments, and DAS Administrator started revocation action
- Money adviser then submitted an application for a six month payment break. By this time the seventh payment had been missed
- Majority of creditors refused the variation as approving the payment break would see the creditors have no payments for over a year
- Variation rejected
- Money adviser requested review, believing the debtor’s complex personal circumstances were not taken into account
- Review upheld original decision as the DAS Administrator decision letter alluded to consideration being given to the domestic situation, but on balance, there was no point of law to demonstrate that the decision was wrong
AiB customer survey goes live

AiB is inviting all of its customers to make their voices heard as it launches wide-ranging research into how its service measures up.

Independent research consultancy Ashbrook Research & Consultancy is conducting the customer satisfaction survey among a range of audiences, all of whom have engaged with the Agency in recent years.

AiB and its external providers and agents endeavour to provide a service that meets the needs of customers, treating everyone with dignity and respect.

While the online questionnaire is being proactively sent to survey participants, everyone who has had dealing with AiB is invited to have their say.

Money advisers have already been contacted to participate, but if you want to highlight any issues, please use this link and complete the survey.

All completed questionnaires will be automatically sent to Ashbrook Consultancy, maintaining privacy and autonomy for those taking part in the survey, ensuring identities and views expressed will be anonymous and confidential. It will not be possible for Ashbrook or AiB to identify any participant.

Results from the survey will help inform AiB’s approach to dealing with stakeholders and, ultimately, shape how AiB delivers its services to its customers.

Participants are invited to submit their views by no later than 19 November.
The DAS community has been consulted for its views on the current DASH system – and the feedback received is set to inform a new bigger and better system in the future.

In early September, AiB invited its stakeholders to participate in a survey to gauge opinion of DASH, request suggestions to improve the current system and ask how they would like to be kept informed of any replacement project.

Money advisers and payment distributors seized the opportunity to have their say and a total of 81 responses were received, with 131 suggestions being made through the survey.

Among the main findings, most respondents agreed DASH could be better, with the system receiving an overall score of less than five out of 10. The majority would also like a monthly email update on progress with the replacement system, which AiB has pledged to build into the project communication plan.

Recommendations for the new system included:

- Improvements to the layout and navigation
- Upgrading the financial statement to remove mandatory entries of £0
- Better communication between advisers and creditors
- Introduction of notifications by email in the replacement system
- Consideration of an interface between external IT and the new system

Brian Kennedy, senior business analyst at AiB said: “The survey has given us a real indication of the priorities the majority of users of DASH would like to see included in proposals to create a successor to DASH.

“By making some of the changes suggested, money advisers and payment distributors felt their jobs would be made significantly easier as the improved system would save them time by removing unnecessary steps and errors would be prevented through greater use of validation.

“We also received a number of comments about improving the process which could have the effect of encouraging more people to use DAS.

“The next step is to take the comments received and build a robust business case for the project. Subject to approval, we would hope to start developing the new system in the latter half of next year.”

AiB has asked representatives from StepChange, Carrington Dean and Citizens Advice Scotland to participate in a project working group and will gather further external requirements from this group.
Do you have something you want to say about the newsletter?

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