



ENFORCEMENT
CONDUCT
BOARD

ECB Board Meeting – 8 August 2022

Via Zoom 9.30am to 11.30am

Attending: Catherine Brown (CB) (Chair); Alan Cavill (AC); Ged Curran (GC); Althea Efunshile (AE); Marc Etches (ME); Jenny Watson (JW).

Minutes

1. Welcome & declarations of conflict

CB welcomed all present and invited declarations of conflict relating to the agenda. No conflicts were declared.

2. Minutes of the previous meeting – 6 & 7 July 2022

The minutes were accepted as being an accurate record.

3. Matters arising

In terms of actions arising:

- Appointment of Directors – Companies House Register has been updated to record AC, GC, AE, and JW as Directors of the Company as of 1 July 2022.
- Directors' Liability Insurance - A Management Liability Package Insurance from AXA Insurance UK Plc based on a Limit of Indemnity of £5 million is now in place. **ME to circulate insurance certificate to Board members.**
- Change of company name - Enforcement Conduct Board has been registered with Companies House and the Articles of Association have been updated.
- CIVEA Loan Agreement – A copy of the agreement has been circulated to Board members as requested.
- Funding letters to CIVEA & HCEOA members – see Agenda Item 4.
- CEO recruitment – see Any Other Business.
- Website development – ME has initiated contract with i10 Consulting Ltd to undertake the building of a robust website to be available ahead of an autumn launch.
- Research – see Agenda Item 5.
- Dates & locations of future Board meetings – dates have been agreed through to July 2023 and circulated to all Board members. **AC and ME still to liaise regarding details for the November Board meeting to be held in Blackpool.**

4. Funding

CB and ME summarised the various discussions, meetings and agreements that have taken place over the last 12 months regarding the industry's commitment to funding both the establishment of the ECB and the implementation of an annual levy, including expectations as to the likely scale of funding required once the ECB is fully operational.



Board members discussed the implications of the most recent discussions held with CIVEA representatives, CDER, Bristow & Sutor, and Marston (Holdings) Limited, which have centred on the quantum of funding required (£625,000 for 18-month establishment costs for period ending 31 March 2023, plus £375,000 for secure cash transition into 2023/24 and £125,000 toward building of modest reserves; and, £2 million to £3 million likely annual cost of fully operational ECB), and agreement regarding ECB functions, including complaint handling in particular.

CB outlined her concerns about the ECB taking responsibility for hosting a complaints system beyond providing guidance about how such a system ought to operate. However, CB had reflected on the expectations of the industry and the debt advice sector around this issue, and the difficulty the industry would have in addressing the need for a fully independent final stage in the near term, and proposed a possible way forward that could be considered for implementation in 2023/4 if appropriate funding was agreed:

ECB to agree a maximum number of complaints to be included within the baseline levy (considering the 200 complaints currently dealt with by the CIVEA care panel). If that agreed total was exceeded there would need to be an agreement for further funding. This would enable the establishment of a single independent point of redress, which could then facilitate moving this function to an external body at a later stage if that proved desirable.

GC identified the significant risk of reputational damage to the ECB if such arrangements were not fully thought through, appropriately resourced, and effectively implemented.

Board members agreed to support the proposition subject to:

- rigorous processes being agreed for the entire complaints system including how customers could readily access the system and standards for companies' internal processes
- secure and appropriate funding for the function
- adequate data collection
- clarity regarding what outcomes/sanctions might look like in the case of complaints being upheld

In the meantime, Board members resolved to focus on achieving minimum funding of £625,000 before the current cash surplus is used up by October. **CB/ME will continue to engage in dialogue with the leading businesses and CIVEA and to keep the Board informed of progress.**

There was a discussion about the importance of ensuring smaller enforcement businesses felt fully engaged and had sufficient confidence in the independence of the ECB. There was also

a recognition of the usefulness of providing an indicative high-level plan to go alongside indicative budgets in underpinning discussion on the levy.

CB reported on her positive meetings with Ian Duncan-Smith, MP, Transport for London representatives, and Senior Master Fontaine (appoints High Court Enforcement Officers).

In parallel to the discussions with industry, Board members agreed to actively encourage all significant creditor bodies such as HMCTS, energy companies, and local authorities to ensure that procurement of enforcement services are open only to those companies who submit themselves to oversight by and funding of the ECB. **GC and ME will work together to encourage the Local Government Association to make a commitment of support to the ECB in time for the launch.**

CB/ME will write to Lord John Hutton, chairperson of Energy UK to seek the positive engagement of the UK energy sector ahead of the next increase of the energy price cap in October.

It was agreed that **CB/ME will update debt advice members of the Enforcement Oversight Working Group on the funding situation**

It was also agreed that given the likely ongoing robust discussions about longer term funding **CB/ME will explore options for raising questions in the Houses of Parliament relating to progress, support and funding by the government and industry.**

5. Research update

ME updated Board members regarding the approaches made to three research organisations: Nat Cen Social Research; Revealing Reality; Community Research. Various initial proposals have been received with an objective to project at the launch in November the ECB's commitment to being evidence-based. Board members discussed options relating to the focus of the early research programme, i.e., those facing enforcement action and those delivering enforcement action.

Board members delegated to **ME and AE the task of commissioning the first tranche of research within the budget set-out at the July Board meeting.**

6. Any Other Business

- a. **Board member inductions** – CB reported that each of the four new directors have been introduced to separate enforcement companies to spend time on enforcement officer visits. **AC, GC, and ME were asked to consider how best to inform Board members about the experience and challenges of a local authority in relation to enforcement action and to use Blackpool as a 'case study' in November.**
JW will take up the offer to visit CDER and watch examples of body-worn-camera footage, and will extend the offer to other board members who may be interested

CB will revert to StepChange welcoming their invitation for the Board to visit them in Leeds and hear their perspectives on the industry

- b. Secondment/recruitment of CEO** – CB briefed Board members about her discussions with two prospective secondments and, despite some setbacks, there is reason for optimism that there will be a successful outcome by October. If not, Board members agreed, subject to securing funding of £625,000 – which would be expected to represent the minimum annual funding thereafter – to commence recruiting for a permanent full-time CEO.