

## **LAUNCH OF OVERSIGHT BODY FOR BAILIFFS COMES AS NEW RESEARCH REVEALS OVER A THIRD OF FAMILIES WITH CHILDREN IN ENGLAND AND WALES FEAR GETTING INTO SERIOUS DEBT**

- **Almost 1 in 4 (24%) people in England and Wales are very worried about getting into serious debt over the next six months, rising to over a third (36%) among those with children, new independent research has found.**
- **The total amount of council tax owed to local authorities in England stands at £5 billion – an increase of £540 million since 2020.**
- **UK energy debt has reached £1 billion, with 1 in four (23%) customers in debt to their supplier.**
- **New independent oversight body, the Enforcement Conduct Board, has now launched to ensure those experiencing enforcement action are treated fairly.**

**30 November 2022**

The Enforcement Conduct Board (ECB) is the new independent oversight body for the enforcement industry (bailiffs) set up to ensure that all those who are subject to enforcement action in England & Wales are fairly treated. It has launched as new research reveals the devastating impact that the cost-of-living crisis is likely to have on household debt.

The ECB has been created with agreement between the enforcement industry and leading debt advice charities including Money Advice Trust, Christians Against Poverty and Step Change. It will have a special regard for those experiencing financial difficulty or other vulnerable circumstances.

Until now, there has been no independent oversight of the enforcement industry. [Minimum standards](#), published by the Ministry of Justice, expect enforcement agents to treat those in debt fairly, but these standards are not legally binding.

The organisation's first Chair, former Chief Executive of the Food Standards Agency Catherine Brown, was appointed in March, and the ECB announced the appointment of an experienced group of non-executive Board members over the summer.

The Centre for Social Justice has reported that the number of enforcement orders and warrants across the UK has risen in recent years to an estimated 3.5 million annually.<sup>1</sup> This is anticipated to rise significantly as the cost-of-living crisis intensifies, bringing many more people into contact with debt enforcement.<sup>2</sup> According to StepChange Debt Charity, the first year of the pandemic alone drove a sharp rise in the number of people in 'severe' forms of debt from 600,000 to 2.4 million.<sup>3</sup>

Now, new research commissioned by the ECB and conducted by Community Research reveals that almost 1 in 4 (24%) of people are very worried about getting into serious debt over the next six months. This figure rises to over a third (36%) among families with children.

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<sup>1</sup> [Taking Control for Good, The Centre for Social Justice](#), 2021, p.8

<sup>2</sup> [Taking Control for Good, The Centre for Social Justice](#), 2021, p.20

<sup>3</sup> StepChange Debt Charity, Statistics Yearbook, 2020

This is driven in part by rising energy bills, which has pushed 23% of households into debt with their supplier – an increase of over half (52%) compared to last year.<sup>4</sup> Protecting these already financially vulnerable people is a key objective of the ECB.

Meanwhile, local councils in England – a major commissioner of debt enforcement services – have £5 billion worth of council tax payments still outstanding (as of 31<sup>st</sup> March 2022), an increase of £540 million in the last 2 years<sup>5</sup>, and the National Audit Office reports that the likely combined cost and non-tax income pressures following the pandemic may be as high as £9.7bn in the current financial year.<sup>6</sup> This increases the importance of local authorities being able to collect debt effectively to properly fund local services, and the pressure on the enforcement industry. Accordingly, it has never been more important to ensure empathetic, yet effective, debt collection.

The predicted increase in the numbers of people experiencing debt enforcement – and the concerns that a minority of enforcement officers are not following the National Standards when it comes to collecting money from debtors - have highlighted the need for independent oversight of the sector.<sup>7</sup> The ECB's early priorities are:

- Raising standards - set out new effective standards of behaviour and supervise performance and conduct in the industry.
- Improving accountability - hold enforcement firms and agents to account, including a firm and fair system of operational and financial sanctions.
- Complaint handling - ensure public confidence in an accessible and independent complaint-handling system.
- Protecting the vulnerable and achieving fairness – develop and introduce new, affordable repayment and vulnerability protocols.

Funded initially by a voluntary industry levy, the Government has committed to reviewing the need to provide the ECB's oversight with full legal authority by 2024.

**Chair of the Enforcement Conduct Board, Catherine Brown said:** *“There are currently no mandatory standards for enforcement businesses and individual bailiffs to follow, and no effective independent oversight of their operations. We are pleased that the debt advice sector and the enforcement industry have come together to support the introduction of the ECB. As the cost-of-living crisis continues to bite in the months ahead, we will work to ensure that proper controls are put in place to make sure that everyone experiencing enforcement is fairly treated.”*

**Parliamentary Under Secretary of State in the Ministry of Justice, Lord Bellamy KC, said:** *“It is vital that vulnerable people in debt are treated fairly and there is proper oversight of bailiff activity. The Enforcement Conduct Board will help drive up standards so that this important part of administering justice is done appropriately, particularly in the face of increased economic challenges.”*

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<sup>4</sup> <https://www.uswitch.com/gas-electricity/news/2022/04/28/uk-energy-debt-reaches-one-billion/>

<sup>5</sup> [Department for Levelling Up, Housing & Communities](#), collection rates and receipt of council tax and non-domestic rates in England 2021 -22, p2

<sup>6</sup> [Local government finance in the pandemic \(nao.org.uk\)](#)

<sup>7</sup> [Ministry of Justice, 'Crackdown on rogue bailiffs', 2018](#)

**Chief Executive of the Money Advice Trust, Joanna Elson CBE, said:** *"Households across the country had barely begun to emerge from the devastating financial impact of the pandemic before they were hit with the current cost-of-living crisis. With these incredibly turbulent economic conditions driving more people into financial difficulty, raising standards across the enforcement industry and better protecting people in problem debt has never been more urgent. We are pleased that the Enforcement Conduct Board will work to deliver this, with a particular focus on protecting vulnerable people from further harm."*

**Chief Executive of CIVEA, Russell Hamblin-Boone, said:** *"The enforcement sector has rightly faced scrutiny in recent years and the establishment of an independent oversight body is the next stage in a programme of industry reform. The ECB is in a unique position to investigate the evidence and monitor the enforcement process. This will help us to build a stronger reputation and has CIVEA's strong support."*

*"Our members are committed to work with the ECB to drive up standards and protect those struggling with problem debt. The task now is for the ECB to get up to speed on modern enforcement practices and to set out its plan for supervision."*

Catherine Brown is available as a media spokesperson. Please get in touch using the contact details below.

The full results of the Community Research polling can be accessed [here](#).

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Notes to Editors

The website of the Enforcement Conduct Board is: <http://enforcementconductboard.org/>

Our Twitter handle is: [ec\\_board](#)

Our LinkedIn page can be found at: [linkedin.com/enforcement-conduct-board](https://www.linkedin.com/enforcement-conduct-board)

**Further Information**

- In June 2022, Catherine Brown gave evidence to the [Levelling Up, Housing and Communities Select Committee](#) as a contribution to its inquiry into Council Tax Collection and set out her thoughts regarding three early priorities:
  - Collect data from enforcement and debt advice sectors to inform a transparent evidence-base to better understand the reality of the situation.
  - Establish the widest possible coverage so that no enforcement agency, whether privately owned or in-house, can avoid the rules. This will require local authorities, Government departments and other responsible creditors to commit to only working with enforcement agents who are signed-up to being regulated.
  - Review the current processes for complaints and give guidance about how a robust, fair, and accessible complaints system ought to operate.

In the longer term:

- Consult widely on a robust code of practice including rules on how to identify and deal with vulnerability and affordability to be able to provide clear strong guidance as to how enforcement ought to behave.
- The House of Commons Library published in June 2021 a useful and detailed briefing paper - [Enforcement officers \(formerly known as bailiffs\) \(parliament.uk\)](#)

There are around 2,000 enforcement agents in England and Wales, and all are required to be licensed by a judge at the county court - [Certificated Bailiff Register – Justice UK](#)