



# Inform

The CCTA Newsletter



## Coming Soon - CCTA's New Website

We are currently in the process of revising and updating the CCTA website. The new look website will be launched at the end of March, so watch this space for further announcements.

## Dear Member

### Welcome to the February edition of Inform Newsletter.

This edition of Inform newsletter features information on upcoming CCTA training courses, industry events, and a regulatory update.

The start of 2008 will again be a busy period for CCTA, with the launch of our new website towards the end of March, and our first CCTA Corporate Golf Day, which is to be held at the Marriott Forest of Arden on Thursday 8th May 2008. Places are still available for individual golfers or teams of four.

For further information please see the piece in this edition.

In this issue our Inform sponsors Oyster Bay Systems are covering the subject of uncertain economic times for 2008, and take a look back at the results of 2007 in areas such as net lending to individuals and new car registrations.

If you have any queries, please do not hesitate to contact me [chris.oakes@ccta.co.uk](mailto:chris.oakes@ccta.co.uk) or any member of the team on **01274 714959**.

## Industry Events

### CREDIT SHOW

14 May 2008 to 15 May 2008  
Olympia Conference Centre, London

The Credit Show is Credit Today's flagship event, and the largest exhibition and strategic conference of its kind in the UK, covering all sectors of the credit industry. Running over two days, the exhibition typically sees 1,000 people through the door, with a further 150 attending the conference. For the first time the 2008 show will also include free credit clinics and seminars. Visit [www.creditshow.co.uk](http://www.creditshow.co.uk) for more.

### CREDIT TODAY AWARDS

15 May 2008  
Grosvenor House, Park Lane, London

The Credit Today Awards honour the high achievers from all corners of the credit industry. This is always a major occasion, held in the five star Grosvenor House and attracting around 1,600 guests. Why not enter your company for an award? Visit [www.credittodayawards.co.uk](http://www.credittodayawards.co.uk) for more.

### CREDIT AWARENESS WEEK

11 May 2008 to 17 May 2008

Supported by Credit Today, Credit Awareness Week ran for the first time in 2007, and is aimed at helping consumers understand a number of confusing credit issues, and make informed decisions about their future financial commitments. Visit [www.creditawarenessweek.co.uk](http://www.creditawarenessweek.co.uk) for more.

## CONTACTS

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CREDIT US WITH INDEPENDENT THINKING

# Upcoming **CCTA Training Events**

CCTA courses are highly cost effective and will provide you with a complete overview of the subject matter covered, enabling you to take back and use practically focused information for the benefit of your business.

As part of our continuing development strategy we aim to provide training of the highest possible standard with relevant, effective and powerful presentations delivered professionally with impact and style.

We have the following courses available in March:

## **Wednesday 5th March 2008 - UCCL/1/08 Understanding Consumer Credit Law**

The course aims to assist delegates in the understanding of specific Consumer Credit Law by providing a review and update on the main provisions of the Consumer Credit Act 1974 (as amended) together with details of the further changes to the law under the Consumer Credit Act 2006 including the various implementation dates.

### Course Content

- Credit Agreements, Hire Agreements and Exempt Agreements
- Licensing of Credit and Hire Businesses
- Seeking Business
- Entry into Credit or Hire Agreements
- Matters Arising During Currency of Credit or Hire Agreements
- Default and Termination
- Judicial Control – Orders of the Court
- Further changes under the Consumer Credit Act 2006.

## **Wednesday 19th March 2008 - CCA/FOS/1/08 Consumer Credit Act 2006 and the Consumer Credit Jurisdiction under the Financial Ombudsman Service**

Significant provisions of the 2006 Act were implemented on 6 April 2007, which includes the new Consumer Credit Jurisdiction under the Financial Ombudsman Service (FOS).

FOS under the new Jurisdiction provides for 'Alternative Dispute Resolution' (ADR) for Consumer Credit Customers to resolve disputes between them and all Consumer Credit Standard Licence holders.

The course aims to assist members to meet the 'challenge' of the Consumer Credit regime by providing:

- A review and update on the main provisions of the Consumer Credit Act 2006 together with various implementation dates; and
- An overview of the role of FOS, its complaint handling process, its historical outcomes of resolved cases and by providing an in depth review of the rules for the new Consumer Credit Jurisdiction

This course has been reviewed and approved by the FOS.

For further information please contact Jeanette Beaumont on **01274 714959** or email [jeanette.beaumont@ccta.co.uk](mailto:jeanette.beaumont@ccta.co.uk)

## **CCTA Corporate Golf Day**

There are still places available for the CCTA Corporate Golf Day, sponsored by Oyster Bay Systems, on Thursday 8 May 2008 at The Marriott Forest of Arden Golf Club.

The full day package is available for just £150.00 + Vat and includes:

- Bacon rolls on arrival
- Individual stableford competition
- Staggered Tee times of 10:30am until noon
- Prizes for the winner and 2nd place, longest drive and nearest the pin
- 3 Course dinner in the evening

This event is open to both male and female players.

For further information or to secure your place, please email [marketing@ccta.co.uk](mailto:marketing@ccta.co.uk) or contact Jenny on **01274 714959**.

## **New Members**

CCTA would like to officially welcome the following new members to the Association:

### **Hertfordshire Savings and Loans Plc**

Borehamwood  
Credit Grantor

### **Target Group Ltd**

Cardiff  
System Suppliers

### **Vantyx Systems**

Portugal  
System Suppliers

### **Shepherds Network Ltd**

Cheshire  
Credit Grantor

### **Eldercare Property Partners**

Welwyn Garden City  
Professional Services

### **Abacus Travel Services**

Manchester  
Other

### **Capital Finance**

Marlow  
Credit Grantor

# Regulatory Update

## December 2007: Department for Business, Enterprise and Regulatory Reform Tackling over-indebtedness in Britain

People struggling with debt are being helped by a range of government initiatives.

The fourth cross-government Over-Indebtedness Annual Report examines action that is being taken to tackle the problem.

Highlights in the report, which was published in December, include:

- BERR's £47.5m face-to-face debt advice project has gone from strength to strength. More than 500 debt advisers have been recruited and trained, and more than 66,000 people have been helped

- The biggest ever nationwide crackdown on loan sharks and illegal lending is now underway. New specialist teams have received £3m to hunt down loan sharks across England, Wales and Scotland

- DWP's £42m Growth Fund is increasing access to affordable credit, mainly through credit unions. As of October 2007, over 46,000 loans had been made with a total value in excess of £20million

- The National Debtline telephone advice service is helping approximately 4,500 people each month

The report also sets out things that will be done next year. These include:

- Revising the Secondary School curriculum to increase personal finance education, along with an £11.5m boost to personal finance education in schools

- Completing the implementation of The Consumer Credit Act 2006; this will put in place new laws to improve responsible lending and borrowing

- Using the £130 million Financial Inclusion Fund for 2008-11 to continue to support free debt advice and widen access to affordable credit

## November 2007: Consumer Credit Act 2006: Commencement Order (No 3) 2007

This Order commences all the remaining provisions in the 2006 Act, except for section 2 (removal of the financial limit) which is intended to commence in March 2008, to come into force 6 April 2008.

In summary, this Order:

- enables the OFT to publish guidance on fitness and the use of penalties;
- enables the Ministry of Justice to take forward work on transferring consumer credit appeals to the Tribunals Service, effective from 6 April 2008;
- enables the strengthened licensing regime to be in place for 6 April 2008;
- enables the exemptions for high net worth

individuals and business lending above £25,000 to come into force on 6 April 2008;

- enables the post contract transparency provisions to enter into force on 1 October 2008; and

- creates two new categories of business: debt administration and credit information services, on 1 October 2008

## The Money Laundering (Amendment) Regulations 2007

The Money Laundering (Amendment) Regulations 2007 (SI 2007/3299) (the Regulations) are now available on the Office of Public Sector Information (OPSI) website

## HM Treasury opens Consumer Credit Act consultation: Nov 2007

HM Treasury and the Department for Business, Enterprise and Regulatory Reform published a consultation document on proposed changes to the Consumer Credit Act 1974 to prevent the dual regulation of mortgages. Regulation of Modified Credit Agreements: a consultation asks for views on a proposed change to the Act to ensure that the regulatory regimes of the Financial Services Authority and the Office of Fair Trading for mortgages remain mutually exclusive. The proposed change will provide clarity on the regulatory position and reduce the potential burdens associated with dual regulation.

## Money Laundering Regulations 2007

New money laundering regulations came into force on 15 December 2007.

The OFT has been given a new role under the Money Laundering Regulations 2007 (the regulations).

The OFT is the Supervisory Authority for:

- Estate Agents - those engaged in estate agency work as defined by the Estate Agents Act 1979

- Consumer Credit Financial Institutions (CCFIs) - a CCFI is someone carrying on consumer credit lending activity who is not authorised by the FSA.

How will the OFT supervise firms?

"Our focus initially will be on raising levels of awareness and helping business to reduce the risks of being used for money laundering.

We have powers to take enforcement action against those businesses that fail to put in place the anti-money laundering systems and controls. We have powers to take prosecutions and to impose civil financial penalties for breaches of the regulations. If appropriate where we see non compliance we would aim to alert the business

and to ensure that they took the necessary action to address the issues identified.

We will publish our enforcement approach to the anti-money laundering supervisory regime in early 2008".

What is Trading Standards role?

"Local authority trading standards services will share monitoring and enforcement powers with the OFT under agreements to be negotiated. Until the arrangements are in place the OFT will be responsible for supervision.

Further information

If you have any questions about the OFT's new role please email [amld3@oft.gsi.gov.uk](mailto:amld3@oft.gsi.gov.uk) Please note that OFT can only answer questions about the OFT role.

Information about registration and fees will be published on this site in due course".

## Consumer Credit Directive

The European Parliament has adopted its Second Reading of the Consumer Credit Directive. It is expected to be endorsed by the Council of Ministers without amendment and become law in early 2010.

## Agreement Reached for IVA Protocol-29 January 2008

A voluntary code of conduct has been agreed with the organisations and bodies involved in managing and agreeing individual voluntary arrangements (IVAs) following a series of discussions and negotiations facilitated by The Insolvency Service.

IVAs allow people with debts to manage their debts effectively by paying off an agreed sum to their creditors over a period of generally five years.

The voluntary code ensures the processes involved which lead to an IVA will be more transparent and includes standard terms and conditions, greater certainty on dealing with a debtor's home and greater reassurance for creditors and debtors that the best option has been presented.

## Revised insurance rules

FSA have published the new Insurance: Conduct of Business sourcebook. This updates the standards and requirements on how you deal with general insurance customers. The new general insurance regime came into effect from 6 January 2008. There is now a six-month transitional period and FSA therefore expect firms to meet the required standards by 6 July 2008.



# Caution is the watchword in uncertain economic times

By John Harman of Oyster Bay Systems

According to the latest forecast from the Ernst & Young ITEM Club (the economic forecasting group), the economy will avoid recession in 2008 but faces a necessary "rebalancing", as personal savings increase and consumer spending and house price growth slow. This will, at times, be painful. The abrupt reversal in the credit markets in 2007 will lead to a fall in economic growth, but ITEM believes that there is room for interest rates to be cut to cushion this. ITEM expects that the Bank of England will cut rates by a quarter of a point at least three times this year.

We have seen a large rise in the world prices of oil and food which are being amplified by sterling's fall and now coming through in our food, petrol, gas and electricity prices. Inflation could rise well above target and pose problems for the Bank of England in keeping inflation on track to meet the 2 per cent target.

Bank of England statistics show that the increase in total net lending to individuals in November 2007 (£8.9 billion) was in line with the increase in October but below the previous six-month average. The 12-month growth rate fell to 9.5 per cent and the three-month annualised growth rate fell by 0.3 percentage points to 8.6 per cent.

Within this total, the increase in net lending secured on dwellings (£7.8 billion) was above the increase in October but below the previous six-month average. The 12-month growth rate fell to 10.2 per cent and the three-month annualised growth rate also fell by 0.3 percentage points

to 8.9 per cent. The numbers of loans approved for house purchase (83,000) and other purposes (60,000) were lower than in October, but those for remortgaging (95,000) were higher than in October.

The increase in net consumer credit in November (£1.1 billion) was below that in October but in line with the previous six-month average. Net credit card lending rose by £0.3 billion, above the October increase. Net other loans and advances rose by £0.8 billion, lower than the October increase. The annual and three-month annualised growth rates of consumer credit were the same as in October at 5.7 per cent and 7 per cent respectively.

Business investment for the third quarter of 2007 is estimated to be 6.6 per cent higher than the same period of 2006 and 2 per cent higher than the previous quarter, according to the Office for National Statistics. It will be interesting to see if this trend is sustained or whether investment is reined in. The ONS reported that the quarterly rise in business investment was largely due to increased capital spending by industries classified as private sector non-manufacturing.

New car registrations in 2007 rose by 2.5 per cent, or 59,143 units, to 2.4 million units, according to the SMMT. They surpassed the forecast at the start of the year by almost 90,000 units and meant that 2007's performance was the sixth highest on record. Volumes in the final quarter rose by 4.6 per cent, or 20,516 units - the strongest rate of growth since the first quarter of 2004.

Despite a strong final quarter, the outlook for 2008 is not expected to change dramatically compared to year-end 2007. The Society of Motor Manufacturers and Traders (SMMT) forecast is for the 2008 market to drop very slightly to 2.34 million units.

The improvement in private car demand in 2007 was encouraging, since some commentators had predicted a slump on the back of the crisis in the banking sector. Fleet and business sales also posted growth in 2007 and the strongest gains.

The Prime Minister believes that the economy can maintain "stability in growth" during the current difficulties of tight credit and rising prices in the global economic environment. He recently said that while the economy will likely grow less quickly than last year, it will remain one of the fastest growing among the G7 group of industrialised nations. 2008 unfolds on an uncertain note.



John Harman  
Sales Director

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