

# IS AN EXTENDED REMIT FOR HCEOS A POSSIBILITY?

Industry experts believe the MoJ is waiting to see how the industry deals with the new regulations before reassessing whether HCEOs can handle regulated consumer debts

By Stephen Kiely

THE possible extension of the ability of High Court enforcement officers (HCEO) to collect on different forms of debt could still be introduced and the industry is still pushing for this change, according to a senior analyst.

Speaking at an Enforcement Round-Table Debate, run in association with the Burlington Group, Dennis Schulman, legal officer of Bradford City Council, said that it was a pity that the ability of HCEOs to collect debts, such as those under £600 or regulated by the Consumer Credit Act (CCA), had not been extended by recent changes to regulation.

But Adam Wonnacott, sales director of Burlington Group, said he believed that the demand was apparent and that the Ministry of Justice (MoJ) was, perhaps, seeking to review the impact of the recent Taking Control of Goods Regulations before committing to extend the jurisdiction of HCEOs.

Speaking at the debate, he said: "I think the MoJ were keen to see the impact of the new fee structure before



"The key is to gain the support of large creditors, lenders and their representative associations and for all stakeholders to continue to press for change."

John Ingram, managing director of Burlington Group, said: "As a business that offers both High Court enforcement and pre-litigation debt collection services, it is clear that the government were seeking to encourage greater responsibility on the part of HCEOs by introducing the Taking Control of Goods Regulations. This mirrors what is

might meet with the FCA's concept of treating customers fairly, Mr Ingram added: "There is certainly a place for litigation and enforcement in collection of consumer credit debts and enforcing a judgment using HCEOs is not necessarily a disproportionate course of action if the lender has exhausted other avenues."

Meanwhile, Alessia Frisina, chief legal and compliance counsel at De Lage Landen Leasing, said that she hoped that a balance would be found between the rights of creditors and debtors, as regulation by the FCA continued to bed in.

She said: "Of course the FCA have only just taken over the consumer credit licensing regime, so they are likely to still be in the process of fine-tuning. I think they have a huge challenge to deal with the large numbers of regulated firms in the UK.

"I see compliance like a curve and it begins with a relationship between two parties where the relationship is based on trust. Then something happens and they do not trust each other anymore and say 'you have to tell us that you are doing things right'. And then, again, it goes further and we have to show that we have the evidence that we are doing things right. Documenting everything is a massive job, but it has to be done."

## It is clear that the government were seeking to encourage greater responsibility on the part of HCEOs by introducing the Taking Control of Goods Regulations

making further changes to legislation. The MoJ have committed to scheduled reviews of the impact of the new regulations at one, three and five year intervals. If the fees charged are shown to be proportionate and the High Court enforcement industry commits to the spirit of the regulations, there is no reason why the government should not look to give more creditors the opportunity to avail themselves of a very effective method of judgment enforcement.

happening elsewhere in the debt collection industry, with Financial Conduct Authority (FCA) regulation of consumer debt collection.

"We can only hope that the High Court enforcement industry accepts these reforms and builds upon gaining the trust and confidence of the government to be able to competently handle regulated consumer debts."

Talking on the issue of how the process of litigation and enforcement