
WINTER 2020

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DIGEST

THE AIB DEBT ARRANGEMENT SCHEME NEWSLETTER



IN THIS ISSUE

Quarterly statistics

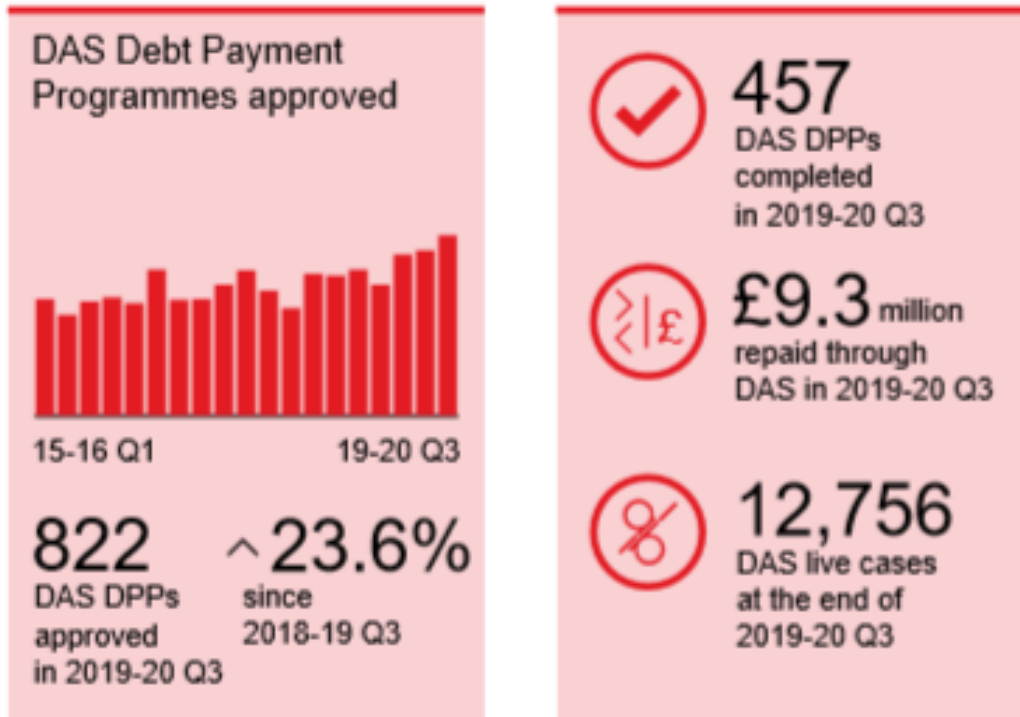
eDEN update

Guest article from Cathryn Kidd at Think Link

And much more...

Quarterly statistics - Quarter 3 2019-20

Debt Arrangement Scheme



The latest statistics from AiB were published on 21 January 2020 for the third quarter of 2019-20 (October to December 2019).

There were 822 debt payment programmes approved under the Debt Arrangement Scheme compared with 665 in the same quarter of 2018-19.

A total of 457 DPPs approved under the DAS were completed in 2019-20 Q3 – a 9.6% increase on the same quarter in 2018-19.

There were 166 DPPs revoked in 2019-20 Q3 – a 39.9% decrease on the same quarter in 2018-19.



DAS regulation changes post 4 November 2019

The Debt Arrangement Scheme (Scotland) Amendment Regulations 2019 which came into force on 4 November 2019 introduced a number of changes to improve DAS, making the process simpler and more efficient for DAS clients, their money advisers, creditors and payments distributors. The changes include:

- Introducing a statutory payments distributor administration fee of 20% for personal DAS cases
- Changing the fair and reasonable process to see the DAS Administrator only required to adjudicate on approval of a proposal if creditor objections exceed 10% in value of the total debt
- Allowing a money adviser to approve a short term financial crisis payment break where their client cannot meet their scheduled payment because they have experienced a crisis situation
- Allowing the DAS Administrator to propose a variation, with the consent of the client, for administrative purposes or which will reduce the term of the debt payment programme (DPP).
- Preventing creditors applying for a variation to amend a debt balance more than 120 days from the date the DPP was approved, unless there are exceptional circumstances
- Changes to variation process whereby if a creditor does not respond to a variation proposal, they are now deemed to have accepted the proposal

Money advisers and payments distributors: approval, functions and fees

The client, on the advice of their money adviser, selects their payments distributor (PD) at the outset of the DAS application. Any firm may apply to undertake the role of PD if they have the appropriate FCA permissions to distribute client funds.

There are currently five DAS approved PDs, including AiB, with several IP firms expressing an interest in undertaking this role in the future.



Short term financial crisis payment break

The money adviser can approve a request to excuse a missed payment if their client has suffered a short term crisis and cannot make their payment. This is an immediate process and a full variation application is not required. DAS clients can have up to two months' worth of crisis break approved in a rolling year. A crisis break can also be applied retrospectively for a missed payment but only if the next payment is not yet due. Guidance on the crisis break process and all other eDEN functions can be found here, and on the AiB website.

Since November, there have been over 350 crisis breaks approved by advisers. The top five reasons for these crises are:

1. Emergency car repairs (car essential for work)
2. Emergency home repairs
3. Income drop due to sickness
4. Income fluctuation due to varying income levels
5. Income drop due to partner sickness

CARRINGTON DEAN SAID...

"Since the short-term crisis breaks have been introduced, we feel they have been of massive benefit to our clients. When an individual decides to enter a DPP they do so with the best intentions however, things change.

It's important to us that our clients feel supported throughout their DPP. When their washing machine breaks down or when they experience an unplanned absence from work (This may become a big issue in the coming months) we can deal with the issue quickly and easily.

Recently one of our clients had incurred workplace expenses, their employer had assured the client that they would be reimbursed. A mix up at payroll resulted in the payment being delayed, this caused the client a significant amount of stress.

Luckily, we were able to use the crisis break to allow the issue to be rectified quickly and keep the DAS on track.

Crisis breaks are a fantastic tool for Debt Payment Programmes and empower clients to take back control if they do unfortunately run into difficulty."



on a positive note...



DAS Administrator ability to propose variations

After receiving notification that administration proceedings had started for a particular creditor and the outstanding debts were not being pursued, the DAS Administrator processed variations in over 300 cases – a function which would normally have been carried out by the adviser or creditor.

DAS guidance update - Debt confirmation

We have updated the Money Adviser guidance for the Debt Confirmation process.

This now states that where a creditor has not responded to an initial request for debt confirmation, we would expect, as best practice, the Money Adviser to follow this up by either email or phone call and note what action they have taken on the case.

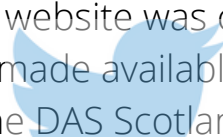
DAS awareness sessions

To help stakeholders better understand the changes introduced by the amended DAS regulations, AiB held DAS awareness sessions in Glasgow and Edinburgh in November to update those directly involved with DAS. These sessions were delivered by members of the DAS and Efficiencies and Technology teams and the purpose was to provide information to stakeholders regarding the amendments to the Regulations and the ongoing eDEN system developments..

AiB has published a document which contains the questions and answers raised at these events, for information:

[DAS information sessions - November 2019 - questions and answers](#)

Twitter update

The Debt Arrangement Scheme website was closed some time ago and the information regarding DAS was made available on the [AiB website](#). The decision has now been taken to deactivate the  DAS Scotland Twitter account.

Stakeholders who use Twitter to keep up to date with what is happening in the world of DAS should follow the main AiB twitter account [@AiB_updates](#) for future DAS updates.





DAS case reviews and decisions

The DAS team deal with many case reviews and we wanted to share some examples of real cases to illustrate the DAS Administrator's decision making process.

Fair and reasonable

- Total debt of just under £30,000.00 and proposed DPP term was 8 years and 10 months.
- 43% creditor objection, stating client has a share in a property and owns another property which could be sold to clear the debt. Creditor raised concerns regarding the statement of income and expenditure.
- The money adviser explained the client is estranged from their partner. The partner resides in the jointly owned property and maintains all related expenditure. Client lives in the second property and neither can raise funds against the security.
- DAS administrator approved the DPP under fair and reasonable.
- Creditor submitted a request for review, providing a list of assets they wanted realised to repay the debt.
- Selling the properties and realising assets could not guarantee enough funds to pay the debts in full.
- The decision to approve the DPP was upheld and the review applications was rejected.



on a positive note...



Variations

- Total debt of just over £65,000.00 and proposed DPP term was 13 years and 2 months.
- Creditors accepted or were deemed to have accepted the proposal so the DPP was approved.
- Application for variation submitted which increased the debt and extended the term of the DPP to 14 years and 3 months.
- Variation approved as the term of the DPP remained reasonable with regards to the level of debt.
- Further variation application submitted to reduce the monthly payments.
- Creditors holding 71% of the total debt rejected the variation proposal due to the time it would take to repay the debt.
- The DAS Administrator rejected the variation proposal as the extended term of the DPP was not considered fair and reasonable.
- Review requested as DAS client claimed the review of the income and expenditure and increased payment did not truly reflect current financial circumstances.
- Review upheld the original decision as the variation was not considered fair and reasonable and the requested reduction in payment amount was not supported by the revised statement of income and expenditure.

Revocations

- Total debt of just over £8,500.00 and proposed DPP term was just over 7 years and 2 months.
- DPP varied twice to adjust debt and the extend the term of the DPP to just over 8 years and 10 months. The variations were approved as the extended term was still considered fair and reasonable.
- Creditor applied for revocation due to a failure to pay a continuing liability.
- DPP revoked by DAS Administrator as standard conditions were not met.
- Review requested stating DAS clients agreed a payment plan with creditor for arrears.
- Review overturned the DAS Administrator's decision to revoke this DPP and allowed the DAS clients the opportunity to pay the arrears and continue payments to their DAS DPP, noting that the original decision was correct based on the information available at that time.



A day in the life of...

Cathryn Kidd

Relationship manager,

Think Link



Gregory Pennington has been delivering the Debt Arrangement Scheme since 2010. As well as supporting customers as a Continuing Money Adviser, our Payments Distribution arm – Think Link – has been supporting customers and those of the wider sector since 2006 with distribution services.

Since November 2019 we now offer outsourced provision of both Continuing Money Adviser and Payment Distribution services to the Money Advice community.

Customers value having an ongoing relationship with a named contact to provide a consistent service and our customers have a dedicated Relationship Manager for the lifetime of their Debt Payment Programme (DPP).

We spoke to Cathryn Kidd and asked her to describe a typical day in the role.

“A big part of my role is supporting customers with Annual Reviews. It is important to take time to work through their Income and Expenditure and understand how they are adapting to the budget. It’s an opportunity to confirm the DAS is still suitable for the customer and the payment is still at the right level.

“I handle queries too - my job is to support customers throughout the life of their DAS, and that means different things to different customers. They might have a question about a Discretionary Condition, or struggling with their payments, or concerned about a letter from a creditor - we have an experienced Creditor Liaison team who handle all creditor contact so customers don't have to.



A day in the life of...

"Some customers are especially vulnerable, so I have attended lots of training on how best to provide the extra support needed - including training from an external specialist. The key thing for me is the encouragement from our management team to 'think outside the box' when considering what support is needed.

"The best part of my role is calling customers with the news they are debt free. We support customers beyond the completion of the DPP – we make sure they know how to check their credit file, and let them know what to expect from creditors now their DPP is over. This call is a great opportunity to discuss next steps, and make sure the customer is confident about their future financial capability.

"I find talking to customers, and helping put their mind at ease, one of the most rewarding parts of my job. No two days are the same and every customer is different."

To find out more about our services to customers or the Money Advice community please contact Sebrina McCullough sebrina.mccullough@gregorypennington.com



on a positive note...





on a positive note...



Accountant **in** Bankruptcy



Update from Efficiencies and Technologies team

Development of functionality on eDEN is ongoing and the latest version is being tested with a release to live scheduled for March.

This release contains a significant amount of changes and a release note will be issued to all users prior to go live, but in anticipation of that some of the headline changes are:

A queuing system for variations introduced so that where there is a variation in progress all other variations submitted after that will be 'Queued'. Once the variation in progress has been enacted then any resulting changes will be cascaded the next variation will be cascaded to any other variations in the queue.

A queuing system
for revocations

Completed cases
tasklist for PDs

Cases due to close
tasklist for PDs

PD upload will be
able to take more
than 101 rows

Creditor able to update
their reference number
at any stage of the case

Business DAS
functionality

Update from Efficiencies and Technologies team

The next sprint of development is also being planned and as always any feedback or suggestions you have are welcomed.

We are continuing to review and update the guidance for eDEN on our website. Please do get in touch with Nicola Robertson if you have any suggestions on how it could be improved.

Security - eDEN user accounts

All organisations using eDEN are responsible for monitoring of their staff access to the system. Manager permissions are given to nominated individuals within each organisation and allow them to create, maintain and delete user accounts.

All eDEN users are required to comply with a Data Protection statement each time they log in to use the system. Individuals are also subject to the terms and conditions of any contract or code of conduct issued by their employer, as well as ensuring compliance with the DAS regulations.

The organisation is responsible for ensuring the information retained on the eDEN case management system is correct and that it is only relevant staff who have permissions to use the system. If a member of staff leaves, or no longer requires access to the system, the individual within the organisation with manager access to eDEN is responsible for deleting the user account. If they are unable to do so, or if the user account of the individual with manager permissions is to be deleted and these permissions given to someone else, they should contact the DAS Administrator as soon as possible.

Organisations are encouraged, in terms of GDPR and general good housekeeping, to review their staff access to the system at least on a quarterly basis.



EDEN SYSTEM MESSAGES

DEBT CHANGE VARIATIONS

When submitting a debt change variation the user should enter the amended STARTING BALANCE in the Proposed Debt Amount field rather than the amount outstanding.

VARIATION APPLICATION FOR A PAYMENT BREAK

When submitting a variation application for a payment break, the user must update the statement of income and expenditure (CFT) to reflect the change in the debtor's circumstances. Applications submitted on or after 21/10/2019 which do not have an updated CFT will be returned.

CREDITORS AND PREFERRED CONTACT METHOD

In the debt screen you will see a column headed "Creditor Preferred Contact Method". Under this heading there are 3 options, as explained.

Post – Creditor is not a registered eDEN user and the money adviser is required to contact the creditor 'off line' to confirm debts e.g. by letter, telephone or email.

Email – Creditor is a registered eDEN user and will automatically receive an email to advise them there is a debt confirmation awaiting action.

None – Creditor is a registered eDEN user, but will not receive email notifications via eDEN as the creditor has stated that they will check the system on a daily basis. Therefore, can money advisers ensure that if the preferred contact method is 'Post' they should confirm levels of debt off line e.g. by letter, telephone or email.



on a positive note...



eDEN

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MESSAGE TO ALL PAYMENTS DISTRIBUTORS

Please be aware that when completing a DPP the date of completion which is pulled through to the completion letter may be incorrect. We are working to ensure that the correct date is pulled to the letter. In the meantime please check all completion letters to ensure that the date of closure of the case is quoted on the letter and not the projected end date of the programme.

MESSAGE TO ALL MONEY ADVISERS

Please be aware that when submitting an application to the DAS Administrator after the 4th November 2019 Regulation changes, the application must be completed with a Payment Distributor selected by the debtor. Please check the application has a Payment Distributor selected before it is submitted. This can be found on the application under the 'Adviser' tab and then selecting 'Payment Distributor' from the menu on the left hand side of your screen.

GUIDES AND RELEASE NOTES

System user guides and release notes for eDEN can be found on the AiB website at: <https://www.aib.gov.uk/dash-replacement-project-and-eden-training-site>

UPDATE - WONGA ADMINISTRATION

The Joint Administrators have advised that outstanding Wonga loans will not be sold and repayment of the debt will not be pursued.

The DAS team have now removed the Wonga debts we are aware of from live DPPs. Please do not include any Wonga debts in new DAS applications as if you do, the proposal will be returned and you will be asked to remove the debt.



on a positive note...

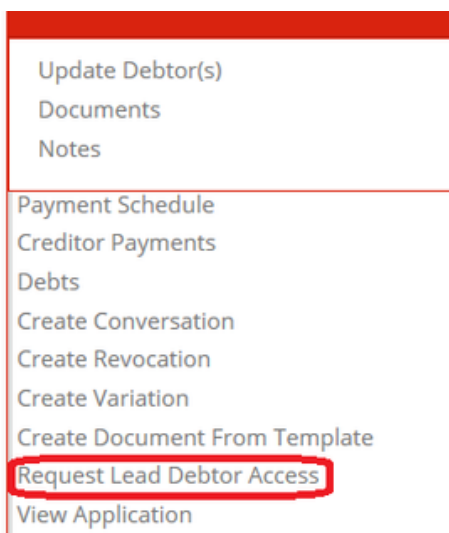


eDEN access for DAS clients

The team have been receiving lots of correspondence from advisers and their clients on how to be set up as an eDEN user. This is covered in the online guidance, but we hope the information below might also help.

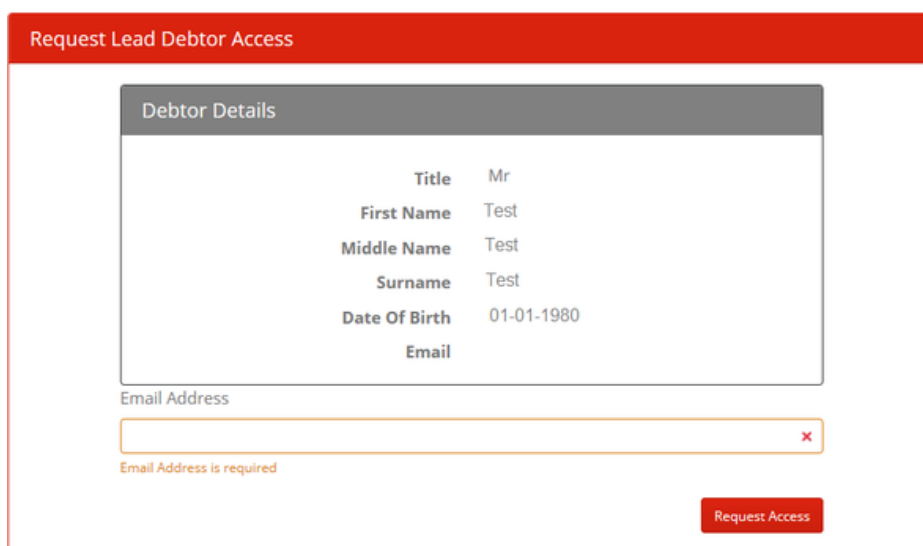
When creating a DPP application, money advisers can give their DAS clients access to view their DAS case details and set up payments where AiB is payments distributor.

- On the menu down the left hand side of the DPP screen click 'Request Lead Debtor Access' (and 'Request Joint Debtor Access' where required).



- Update Debtor(s)
- Documents
- Notes
- Payment Schedule
- Creditor Payments
- Debts
- Create Conversation
- Create Revocation
- Create Variation
- Create Document From Template
- Request Lead Debtor Access**
- View Application

- Enter the DAS client's email address then click the 'Request Access' button.



Request Lead Debtor Access

Debtor Details	
Title	Mr
First Name	Test
Middle Name	Test
Surname	Test
Date Of Birth	01-01-1980
Email	

Email Address

Email Address is required

Request Access



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eDEN


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- This will send an email to the individual's email address which contains a link allowing them to access their case details on eDEN (see **1** below).

Important: The link to access eDEN is only active for 24 hours from the time of issue. If the DAS client does not register to use eDEN and set up their password within this time, they can click on the second link in the 'eDEN Debtor Access' email and a new link will be emailed to them (see **2** below) or they can ask their money adviser to restart the process outlined above.

 [eDEN] - Debtor Access

 This message was sent with High importance.

Dear Test Test

Your eDEN user account has been created for you. Your username is hope test1

Please use the following time-limited, one-use link to setup your password:

https://eden.aib.gov.uk/eDEN/verifyDebtorUser/*****

1

If you do not use this link within the time-limit, it will expire. To get a new password reset link, visit:

<https://eden.aib.gov.uk/eDEN/requestPasswordReset>

2

Yours sincerely

DAS Administrator

If further assistance is required with accessing eDEN you can contact a member of the DAS team on **0300 200 2770**, at **das@aib.gov.uk** or **eDENenquiries@aib.gov.uk**



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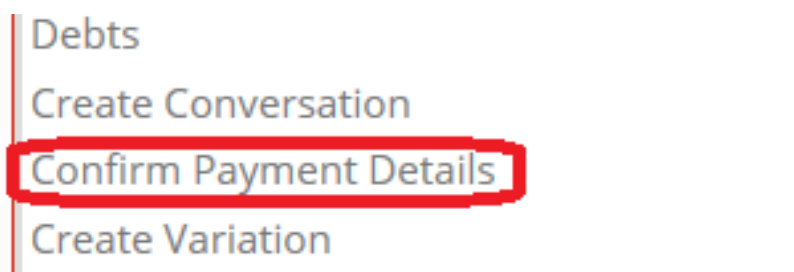


Helping DAS clients make payments where AiB is nominated as Payments Distributor

DAS clients nominating AiB as their payments distributor should set up their regular payment preferences by confirming their selected payment method on eDEN. It is therefore important to help them register to use eDEN.

When a DAS client has successfully logged into the system, they can confirm their payment details by taking the following steps:

- Select 'Confirm Payment Details' from the menu on the left hand side of the page



- Select preferred method of payment from the drop down list. The DAS client will be required to complete some further information, such as bank details, which differs depending on the payment method selected.
- Click 'Confirm'

Confirm Payment

Payment Methods

Direct Debit

You have a 10 day setup period if payment method is Direct Debit

Direct Debit Details

We will need your account details to complete the Direct Debit Instruction

Is the account in your name

- Yes

Are you the only signatory required to authorise this Direct Debit

- Yes

Because you answered no to one or both of these questions you will need to complete a paper Direct Debit Instruction (DDI) To download a paper DDI (PDF format) which should be printed off, completed and returned to the Accountant in Bankruptcy with the necessary signature, click [here](#)

Confirm



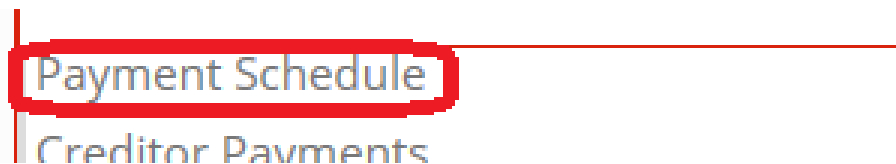
on a positive note...



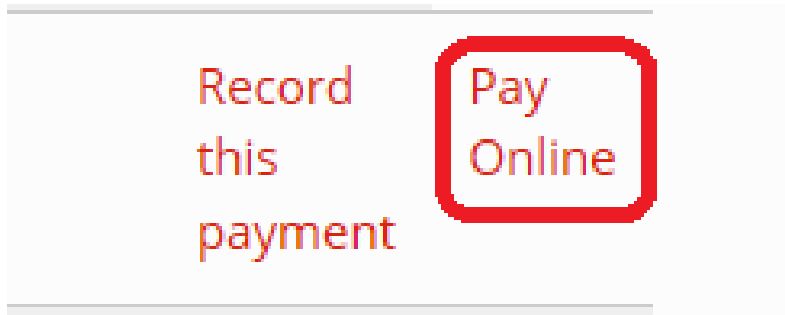
When details of the DAS client's bank account have been registered on eDEN, the DAS DPP will be activated and a Payment Schedule created.

As you will be aware, the first payment must be made within 42 days of the date of approval. If the first payment is due and there is not sufficient time to set up a Direct Debit or Standing Order, the client may choose to make their first payment by way of a card payment. This can be done via eDEN by taking the following steps:

- On the case page, select 'Payment Schedule' from the menu on the left hand side of the page



- On the list of projected payments, select the first payment and click 'Pay Online'



- Follow the on screen instructions to make the payment.
- When complete, the Payment Schedule will be updated with the received amount and state that the payment has been made.

Guidance on assisting clients with setting up their payments, when AiB has been appointed payments distributor, is available in the [eDEN User Guide - Guidance for Money Advisers](#) from 04 November 2019.



Top Tips from the DAS team

Variation applications

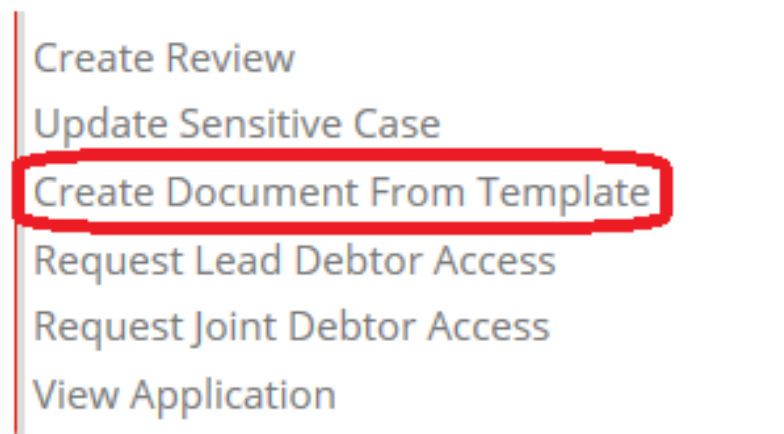
When submitting a variation application we ask that stakeholders better explain why a variation is required in the 'Supporting Information' field, rather than simply saying "debt reduced" or "remove debt". The variation proposal letter pulls the reason the variation is required from the 'Supporting Information' field and providing a better explanation of the reason a variation is required can help creditors when deciding to accede or object to the proposed variation.

Guidance on creating and submitting a variation is available for money advisers and creditors on the [AiB website](#).

Generating letters on eDEN

eDEN users can generate letters from eDEN using the template letters uploaded to the system by following these steps:

1. On the DPP details screen, select 'Create Document From Template' from the menu at left hand side of the screen.



Top Tips from the DAS team

2. Complete 'Name' field with name of document.
3. Select target area from drop down menu, for example, 'Personal Application'. This will allow the user to then select a template relating to a particular DAS process. If 'variation' is selected and there are multiple variations on the DPP, a further field will appear and the user should specify which variation the letter refers to from the drop down menu.
4. Select template letter from 'Document Template' drop down menu.
5. If letter is being issued to a creditor included in the DPP, select the creditor from the 'Creditor' drop down.
6. Select preferred format, either 'Word' or 'PDF', from the 'Format' drop down. Users should select 'Word' if they need to edit the letter. If the letter has been edited the user must upload the amended version to the case on eDEN.
7. Click the 'Generate' button to generate the letter.

Create Document From Template

Name

Target Area

Please select an option

Document Template

Format

Please select an option

AiB Only?

Generate



on a positive note..



eDEN

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Top Tips from the DAS team

Use standard format when adding creditor details to eDEN

When adding a debt to a draft DAS DPP application, please ensure that you use the standard format for entering details of the sort code and account number. These details should be entered as number characters only, please do not include any dashes (-) or spaces.

Sort Code

012346



Account Number

87654321



Need help, then contact us

Case related queries – das@aib.gov.uk or 0300 200 2770

System queries – eDENenquiries@aib.gov.uk



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