

Initial Disclosure Document

Welcome to Debt Advisory Services

The aim of this Initial Disclosure Document (IDD) is to provide you with enough information and confidence to start your customer journey with Debt Advisory Services. Seeking debt advice can seem daunting, but we are here to help you on that journey. From the outset, we make you aware of sources of support like **MoneyHelper**.

All debt advice given, and action taken by Debt Advisory Services will have regard to your best interests and be appropriate to your individual circumstances.

The Debt Respite Scheme (Breathing Space¹) may be considered for residents in England & Wales during the initial debt advice session.

Debt Advisory Services is authorised and regulated by the Financial Conduct Authority (FCA) for the provision of debt counselling and administering DMPs (debt adjusting and holding client money).

We are a member of the Debt Managers Standards Association (DEMSA) and offer a Client Charter.

¹ <https://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt/what-is-breathing-space-and-how-can-it-help-me>

1. Who we are

Debt Advisory Services is a trading name of Debt Advisory Services (Scotland) Limited, a company authorised and regulated by the Financial Conduct Authority to give debt advice, and set-up and administer Debt Management Plans (DMP) for UK residents.

Debt Advisory Services offers all-round debt advice and access to a full range of Debt Solutions for all UK legal jurisdictions (i.e. England & Wales, Scotland and Northern Ireland), including individual and joint Debt Management Plans (DMPs). A DMP is applicable to all legal jurisdictions in the UK.

2. Our debt advice

We offer no obligation debt advice and will recommend the most appropriate debt solution available to you, which can include our Debt Management Plan (DMP), where fees do apply. We will explain any fees, application costs or deductions as part of the debt advice session. This is confirmed to you in writing, along with your agreed budget in an industry standard format if we reach this stage in the debt advice process.

Use of 'breathing space' for England & Wales residents may be beneficial for some consumers. This is part of the initial assessment.

Where you enter a Debt Management Agreement with us then we explain all fees applicable, that you can cancel at any point and have a 14-day cooling off period. You have the right to escalate any complaint to the Financial Ombudsman Service and access to the Financial Services Compensation Scheme (FSCS). This is confirmed in writing through a 'suitability letter'.

We will need to gather meaningful information about your personal and financial circumstances, which may include treating you as an individual or as a couple seeking help from problem debt. This will include:

- **Sources of Income**, including frequency and known future changes. Some may relate to benefits for other people (e.g. children)
- **Your expenditure**, including where these costs may change (e.g. Fixed rate mortgages, rent reviews, end of tax year)
- **Your creditors** (the people you have borrowed from), where we will be looking at any outstanding arrears or deferred credit (e.g. Buy now, pay later - BNPL)
- **Assets**, in terms of property, vehicles and items of value. These are material to some formal debt remedies in England & Wales, Northern Ireland and Scotland
- **Previous use of debt remedies**, access to some formal debt solutions is restricted (e.g. Another Debt Relief Order within 6 years of the previous one). This also applies to repeat use of 'breathing space' in England & Wales.

3. Data protection (UK GDPR policy)

As the data controller of any data that we hold about you, we will comply with all relevant data protection legislation. All personal information that you provide to us will be treated in confidence and in accordance with the current UK GDPR regulations.

We will not sell your data or pass it to any unauthorised third parties. Any data you supply to us will only be processed in-line with our Privacy Policy at <https://debt-advisory-services.co.uk/privacy-policy/>.

4. Debt Management Plans (DMP)

When in an unmanageable debt situation, we can establish and administer a plan for you. This involves:

- Negotiating with your creditors to agree an affordable monthly repayment for each agreement in the plan. Debts may be sold through the lifetime of the plan
- Undertaking reviews where there are changes in circumstance, disclosed vulnerabilities and missed payment or other exceptional events
- Collecting your repayments and distributing them proportionally amongst your creditors
- Monitoring your credit file through the plan to establish we are achieving good outcomes
- Keeping you informed of creditor and their agent (e.g. debt collection agency) communications that we receive on your behalf
- Undertaking partial settlements of specified agreements where you are able to fund these to bring the plan to an earlier conclusion
- Completing an annual review of your DMP and providing ongoing customer support during your plan

Your Debt Management Agreement and associated Terms of Business govern the DMP, which includes the fees for the service, which can be found at <https://debt-advisory-services.co.uk/fees/>.

5. Credit file impact

We encourage you to provide consent to access your credit file on a regular basis as part of our service where you are on a DMP with us. This also applies to regular requests for consent to use open banking services. This makes the affordability assessment more accurate and saves you considerable time during reviews. It also gives creditors confidence that information supplied has been verified with evidence.

We assess your credit standing at the point of debt advice, which may vary considerably depending on how long it has taken to seek support. Where we have access to your credit file, we will provide an impact assessment relative to the other debt remedies available.

Unlike statutory debt solutions that show as public record information for 6 years, your repayment history in the DMP will currently be reported at a credit agreement level where we are acting. It is important that this is correctly undertaken by each creditor responsible for this activity. This may be important if seeking credit for essential services (e.g. Energy, Insurance) on instalment terms, or replacing a vehicle or other priority expenditure item during the lifetime of the DMP.

6. Other debt solutions:

We do not directly provide the full range of debt solutions available. However, some of the alternative solutions which might be suitable for you are provided through our sister company, The Insolvency Group, or Money and Pension Service (MaPS) funded providers (e.g. DRO hubs like Money Wellness). Where we recommend a debt solution which appears suitable for you, we will offer you a referral to that service.

In the event that you set up a debt solution with one of our partners then we may receive a payment from them to help cover the cost of work we have done on your case prior to referral. We will disclose this during the debt advice session. This is only applicable for Individual Voluntary Arrangement (IVA) and Protected Trust Deed (PTD) referrals. You always have the option to select your own provider, though there will not be free-to-consumer providers for these products.

7. Important points to remember regarding the on-going suitability of your DMP

- Any monies paid to us by you will be paid into a Client Account. We will disburse funds to your creditors in sufficient time to ensure that payment is made by the agreed date, subject to Cleared Funds, and in accordance with the FCA client money handbook. All creditors and their agents are obliged to accept our payments.
- It is your right to communicate with your creditors at any time, but we recommend that you keep calls short, polite and always advise the creditor or their agent of our appointment, quoting your Client ID. Please forward any postal communication you receive from creditors, their debt collectors or their legal agents to us. We will hold this electronically on your case record.
- You need to make us aware of any material changes in circumstance affecting the suitability of your DMP.
- You are aware of your obligations to pay priority creditors which could result in loss of access to essential goods/services or eviction/re-possession from your property.
- You are aware of the potential consequences of not continuing to make repayments under credit agreements or consumer hire agreements. From the outset of your plan you will have been made aware that you have been making reduced payments to creditors and this was covered in the original contractual documentation. The outcomes of negotiations are communicated to you every month in your DMP statement, which includes the estimated balances on each account and the outcome of our negotiations on the debts in your plan.
- You are aware that you shouldn't ignore correspondence or contact from lenders and those acting on behalf of lenders, whether these be lenders/collectors in the plan or not. We have encouraged you to provide any correspondence to Debt Advisory Services using the **FREEPOST DEBT ADVISORY SERVICES**.
- You are aware that creditors can take action to recover debts, which may involve further cost to you. This is unusual where agreed payments are being maintained.
- You should be aware that there is no guarantee that there will not be future recovery or legal action by the current collector or future owners of the debt whilst in a DMP. The current status of the plan is explored on review of your plan and the impact of the new disposable income considered in terms of the likely creditor reaction. The potential risk of future recovery action being recommenced forms part of the review.

Remember, feel free to call us on 01204 890760 to discuss your account in more detail