

Use of Credit Reference Agencies and Tracing Agencies

Agreement

To allow debt collection and parking companies to use keeper information to carry out tracing activities through a credit reference agency (CRA) for correspondence where the keeper has not responded or mail has been returned as 'Gone Away'.

Background

The collection of civil debts is hampered by some debtors refusing to respond to mail to their home address or the resident advising that the debtor no longer lives at the address held. Debt collectors in other areas use the services of a credit reference agency to ascertain that the debtor is still at that address or the address they have moved to. It also allows them to establish if the debtor has since deceased and prevents any further contact which will upset family members. These circumstances apply equally to the car parking industry.

Time Period

A Notice to Keeper should be sent allowing 28 days to respond. On the 29th day a reminder letter should be sent, in line with the Code of Practice and a further 14 days should be given. If there is still no response then tracing activities can begin. Alternatively, if notification has been received that the addressee is no longer at the address you have received from DVLA, tracing activities can begin.

Benefits

1. Identifying the deceased and cancelling these cases. We are aware of the negative publicity when an organisation takes someone deceased to Court. More importantly is the distress caused to the family.
2. County Court Pre-Action Protocols dictates that appropriate action should be taken to ensure an individual is written to at the correct address, Using a CRA enables operators to do this, offering the chance for more cases to be resolved prior to Court action.
3. Would reduce the number of keepers receiving a CCJ against them 'by default' because they had moved and were unaware of the debt collection process
4. Would reduce added costs to the debtor of the debt collection process as matters could be resolved earlier in the process
5. Best practice for the industry – a number of ATA complaints relate to keepers not receiving all the appropriate documentation from operators and households receiving documentation for keepers who no longer live there
6. Less County Court Claims would be issued, therefore reducing the potential workload of the County Courts.
7. Improved collection rates of civil debts

Disadvantages

1. Possible negative reaction to the use of the data in this way
2. Passing personal information to CRAs other than for those who cannot be traced
3. Using the information for other purposes
4. Identification of the wrong person who is then pursued for the debt e.g. family members, those with the same or similar name

Criteria for allowing

1. ATA members must be responsible and accountable for the activities of their debt collectors and CRAs. They must have suitable contracts in place to ensure no breach of the ATA code or DVLA contract.
2. Use of CRAs must be only to trace keepers who have not responded to communications or where it has been advised that they no longer live at that address.
3. Information from the CRA must not be used for other purposes, including: using the information to inform credit ratings, the use of that information to treat debtors unequally or unfairly, matching that data with other data sets, using the data for intelligence, etc
4. Use of CRAs are to trace keepers and not assets
5. Information from the CRA must not be used where the debtor(keeper) has not been accurately identified
6. Notices must not state that the address was obtained from DVLA, when in fact it was obtained from a Credit Reference or Tracing Agency.