

## Chapter 2

# Conduct of business standards: general



2.6 Conduct of business: debt counselling, debt adjusting and providing credit information services

Application

- 2.6.1 **R** This section applies to a *firm* with respect to:
- (1) *debt counselling*; or
  - (2) *debt adjusting*; or
  - (3) *providing credit information services*.

Conduct of business

- 2.6.2 **R** A *firm* must bring to the attention of a *customer* how the *firm* uses the *customer's* personal data it collects in a manner appropriate to the means of communication used.
- [Note: paragraph 2.5e of *DMG*]

Unfair business practices

- 2.6.3 **R** A *firm* must not:
- (1) by any means, including during a visit to a *customer*, coerce or use pressure to sell its services;
- [Note: paragraph 3.12o of *DMG*]
- (2) take advantage of a *customer's* lack of knowledge or understanding of the law relating to consumer credit or to insolvency or to otherwise dealing with debts in order to sell its services;
- [Note: paragraph 3.12o of *DMG*]
- (3) in relation to a visit to a *customer*:
- (a) make an appointment to visit or visit at a time which is unreasonable or inconvenient from the *customer's* point of view, unless the *consumer* expressly consents;
- [Note: paragraph 3.15a of *DMG*]
- (b) refuse to end the visit, refuse to leave the *customer's* home or ignore the *customer's* request not to return there;

- [Note: paragraph 3.15b of *DMG*]
- (c) make a visit which is unreasonably or unnecessarily long;

[Note: paragraph 3.15c of *DMG*]

- (4) conduct a telephone call with a *customer* who has called on a premium rate number for an unreasonable period.

[Note: paragraph 3.18x of *DMG*]

**Guidance on unfair business practices**

2.6.4

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- (1) It is an offence for a *person* carrying on the business of *debt counselling, debt adjusting or providing credit information services* to canvass its services off trade premises under section 154 of the CCA. The definition of canvassing in section 153 of the CCA would include an unsolicited personal visit to a *customer's* home.

[Note: paragraph 3.13 of *DMG*]

- (2) Where a long telephone call is required, the *firm* should ensure the call is not made on a premium rate number.
- (3) It is unlikely to be reasonable for it to be necessary for a *customer* to make a call exceeding one hour to a *firm* in relation to *debt counselling or debt adjusting*. Where a call longer than 15 minutes is required for the *firm* to provide its service to the *customer*, the *firm* should ensure the call is not made on a premium rate phone number.
- (4) It is unlikely to be reasonable for a call by the *customer* to check on the status of the *customer's* case to last more than five minutes.
- (5) *Firms* should note the effect of the *call charges rule* in ■ GEN 7.