

News for  
Members  
of the  
DBSG

**Inside:**

Introducing the new DBSG Governing Committee	2
Debt Relief Orders	2
Diary Dates	2
The Debt Buying Marketplace Worldwide	3
DTI Consultation	3
Membership	4
Would you like more?	4
Half Yearly Meeting	4

**DBSG Committee Agrees 2007 Business Plan**

At its first meeting, following the Annual DBSG Meeting in September, the DBSG Governing committee agreed the action targets for the coming year:

- o Further enlarge membership of the DBSG – target increase 10%
- o Deal with required modifications of the DBSG code of conduct
- o Commence education and training on industry specific subjects

**Membership**

In a relatively short period of time after the launch DBSG membership has grown to a dramatic high of 50 members. Virtually all buyers are now members as are many of the large sellers and intermediaries. The rapid growth of the launch era will therefore inevitably slow down now. However, there are still a few larger sellers outside the group. It is important for the maturity of the industry that all those operating in the market join forces and play a part in keeping the market working fair and effectively and free from undue government regulation.

**The DBSG Code**

To retain the goals of a fair and effectively working, self-regulating industry, an effective, up to-date, relevant code of conduct is of prime importance. No more so than after the anticipated and widely reported agreement in principal by SCOR

to allow debt buyers the same level of access to credit data as debt sellers. In consultation with DBSG members the Code and Compliance subcommittee will therefore be reviewing the code during 2007 to see what changes may be needed.

**Education and Training**

Providing education and training was a founding principal of the group. Having concentrated after launch on becoming THE representative body of the debt sale and purchase industry through a focused membership, it is now time to turn to the educational objective. In parallel with the already extensive training services provided by the CSA, new debt sale and purchase specific courses will be developed during 2007. Two modules have already been identified: “Post Sale Management of Debt” and “What is Debt Sale about – an introduction and overview. The Association’s head of training, Gillian Forrest, has been asked to start preparing the framework for both courses. Anyone interested in taking part in preparation of these courses or wishing to be a trainer please contact Gillian; [gillian@csa-uk.com](mailto:gillian@csa-uk.com)

Commenting on the 2007 targets, Ken Maynard, chair of the DBSG, expressed his satisfaction at the group’s achievements to-date, allowing it now to now focus on developing the services to members.

**Spotlighting the Industry**

**Half-Yearly Meeting – For DBSG & CSA Members**  
**Thursday 01<sup>st</sup> March 2007 – Networking Reception 28<sup>th</sup> February 2007**  
 Hilton Northampton (By Junction 15 off the M1)

With Christmas parties and the New Year fast approaching here is one more unmissable date for your diary. On Wednesday 28<sup>th</sup> February and 1<sup>st</sup> March 2007, your Association will be holding the 2007 DBSG and CSA Members only Half Yearly Meeting.

This is a must attend event for all members, and with a fully packed programme and networking dinner we are sure not to disappoint.

See page 4 for further details.



## Introducing the new DBSG Governing Committee

At their Annual Meeting in September, DBSG members voted two new committee members onto the Governing Committee;

Tim Kirk of Money Shop representing sellers



Leigh Berkley of Tessera representing buyers.



The two positions became vacant when two existing committee members had moved to non-DBSG member companies and thus had to resign their positions on the committee. For a full list of all committee members visit [www.dbsg-uk.com](http://www.dbsg-uk.com)

## Possible Effects on DBSG Members of the widened Financial Ombudsman Service (FOS) new Consumer Credit Jurisdiction

From April 2007 under the Consumer Credit Act 2006 the jurisdiction of the Financial Ombudsman Service has been widened to include complaints in respect of debt collection.

### Issues & Effects

It is predicted, due to the difficult relationship between debtors and those collecting debts that many complaints relating to members are likely to be referred to the adjudicator.

As soon as this happens a case fee will be charged against the business (member).

- Every company will need to pay the £150 levy, whether they receive complaints or not
- Apart from the "free" cases each complaint will attract a fee which is not refundable whatever the outcome
- The member may be required to pay compensation to the debtor

Full details will be given in the forthcoming compliance supplement and at the members Half Yearly Meeting on 1<sup>st</sup> March (see page 4).

## MEASURES TO PROTECT THE INDEBTED - DEBT RELIEF ORDERS

A new insolvency procedure that will provide debt relief for people in England and Wales who owe relatively little, have no income and no assets to repay what they owe and cannot afford to make themselves bankrupt, came one step closer yesterday when the Tribunals Courts and Enforcement Bill was introduced into parliament.

Debt relief orders are designed to give those who have debts of £15,000 or less, assets of less than £300 and surplus income of less than £50 per month the opportunity to apply for an order that will lead to the debts being discharged after one year.

During that period, people who have a debt relief order will be protected from enforcement action by their creditors and will be subject to similar restrictions to bankruptcy. Those whose financial circumstances improve during the order will be expected to make arrangements to repay their creditors, and there will be civil and criminal penalties for those who abuse the system.

It will only be possible to obtain a debt relief order by applying to the official receiver through an approved intermediary and The Insolvency Service has set up a working group comprising representatives from the advice sector to look at the detail of how this will work.

Full details of the Tribunals Courts and Enforcement Bill is available at [www.dca.gov.uk/legist/tribenforce.htm#b](http://www.dca.gov.uk/legist/tribenforce.htm#b)

## DBSG Diary Dates

### 2006

#### First Tutorial of the Diploma Course:

Milton Keynes Open University 5<sup>th</sup> December 06  
Milton Keynes Open University 6<sup>th</sup> December 06  
Manchester Business School 12<sup>th</sup> December 06  
Manchester Business School 13<sup>th</sup> December 06



### 2007

#### Compliance Training Course -

New for 2007. Proposed date Feb 07  
More details nearer the time

#### Half Yearly Meeting for DBSG & CSA Members

Hilton Northampton 1<sup>st</sup> March 2007

#### Annual DBSG & CSA Conference 07

Carden Park 19<sup>th</sup>-21<sup>st</sup> September 07



## The Debt Buying Marketplace Worldwide



By Paul Legrady –  
Director of Kaulkin  
Ginsberg

The worldwide debt buying market is highly fragmented and fundamentally private in nature. With the exception of certain public filings submitted to regulatory bodies, there is little information available about specific transactions, emerging classes of debt, or market dynamics as a whole. The market has expanded so rapidly in the past few years that the need for such information has grown. In 2006, Kaulkin Ginsberg's Research Group conducted original market research and published the *Global Debt Buying Report: Experts Analyze the Worldwide Debt Buying Market*. This research provided a comprehensive look at the state and future of this industry.

Debt buying markets of countries such as the U.K. are finishing a period of rapid expansion that has affected volume, pricing, returns, and competition. Many industry experts

expect a change in market conditions in 2006, particularly given historical cyclicity of the debt buying market. Despite this anticipated shift, debt buyers remain optimistic about the future growth of the market, partly due to the seemingly insatiable appetite of consumers for credit. Based on our findings, the global debt buying market is characterized by four attributes.

First, the market is sizable, with an estimated \$158 billion U.S. changing hands each year throughout the world. Credit card paper sees an estimated \$100 billion exchanged annually in the U.S., where approximately \$10 billion is exchanged in alternative types of delinquent consumer debt. Throughout the rest of the world, roughly \$48 billion U.S. of debt portfolios change hands annually, particularly in Europe, where the German and U.K. debt buying markets are well established.

Second, debt buying companies around the world benefit from specialization. Companies develop competitive advantages in this field by sourcing portfolios from a certain type of creditor and collecting on a certain type of debt. This is particularly true when debt buying activities involve alternative asset classes or emerging geographic markets.

Third, the market is cyclical. Competition and prices increase and decrease within the debt buying market

throughout the years. In the U.S., companies that have seen a number of cycles may have a competitive advantage over companies that have not sourced portfolios or collected debts during more challenging periods.

Fourth, the market is growing. Credit card companies and creditors in other industries are approaching debt sales as an integral part of their receivables management strategies. Funding sources have been readily available for debt buyers seeking to finance portfolio acquisitions. Mergers and acquisitions within the debt buying market reflect the ongoing interest of both strategic and financial buyers. New debt buying markets are opening up in Europe and throughout the world, following the extension of consumer credit worldwide.

While debt buyers confront real challenges, their overall market outlook is bright.

This article features excerpts from *Kaulkin Ginsberg's Global Debt Buying Report* (March, 2006). For more information on this and related research, please contact Paul Legrady, +1-301-907-0840 ext. 104, email him at [plegrady@kaulkin.com](mailto:plegrady@kaulkin.com), or visit [www.kaulkin.com](http://www.kaulkin.com).

By Paul Legrady – Director of Kaulkin  
Ginsberg

## DTI Consultation on the removal of barriers to the sharing of non-consensual credit data



In the last edition of the DBSG newsletter the Association informed members of the new DTI Consultation which will have an affect on members of the DBSG. The Government is keen to promote responsible lending in the credit market as part of its strategy to minimise over-indebtedness. One aspect of responsible lending concerns the making of lending decisions. Lenders are encouraged, wherever practicable, to consider the full extent of a consumer's credit commitments when deciding whether or not to lend to that individual. This is usually achieved through the sharing of credit data via Credit Reference Agencies.

There have been various consultation papers circulated throughout the membership but we have received **very few responses**... These important industry papers need to be carefully considered and a response provided by the DBSG/CSA on behalf of the membership – but without your assistance this is virtually impossible. If you have a specific contact within your company that would deal with consultation documents, please inform the DBSG/CSA – this will stop unnecessary mail being sent to the wrong person and assist in the response process.

Please forward your responses to [compliance@dbsg-uk.com](mailto:compliance@dbsg-uk.com) or call: 0191 286 5656

# Membership

## Do you know ...

The DBSG is committed to their members and as the industry grows and with more and more companies entering the market, we believe more members joining the DBSG means stronger working relations and a stronger voice in the industry.

### DBSG

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We're on the Web!

For full details of all our  
members visit

[www.dbsg-uk.com](http://www.dbsg-uk.com)

If you know of any company or business who you believe would benefit from membership of the DBSG then please let us know.

E-mail me at: [Adriana@dbsg-uk.com](mailto:Adriana@dbsg-uk.com) or call us on: 0191 286 5656

**Working together we can be the voice of the industry and the stronger membership becomes the stronger our industry will be.**

## Would you like more?

The DBSG understands that the flow of information in any busy office can sometimes be complicated and have many filters along the way, and with so much information being sent through the post, the DBSG would like to send our newsletters to those people who need it, want it and use it!

If you require any additional copies to have available for your staff or if there is a specific person who should be receiving the newsletter who is currently not on the list, then please let us know by e-mailing [Amanda@csa-uk.com](mailto:Amanda@csa-uk.com).

If you have any additional comments or queries regarding our newsletter please contact [marketing@dbsg-uk.com](mailto:marketing@dbsg-uk.com) or visit our website at [www.dbsg-uk.com](http://www.dbsg-uk.com) and check out "Members Only" section.

## Half Yearly Meeting for Members only

The CSA & DBSG Half-Yearly Meeting is for members of the Association only and this year we are placing the spotlight on a number of issues affecting you and your business.

Take this opportunity to find out more about YOUR Association and how we are continuing to develop for the benefit of our members. For DBSG Members find out more on issues such as: SCOR – new access approved for DBSG Members means new controls; Sales all year round – trends and drivers, comparing garage and early sales, forward flow and spot sales, segmentation and whole portfolio sales, what's happening in the market; and Secondary sale – born in the UK, as it did in the US, what special considerations does this raise for those involved?

We cover topics most relevant to our members and if our programme is not enough, why not join us for our Networking Reception on the Evening of the 28<sup>th</sup> February. Network with colleagues and peers and relax in the atmosphere of the evening.

For full programme details and booking form please visit the website [www.dbsg-uk.com](http://www.dbsg-uk.com) or e-mail [info@dbsg-uk.com](mailto:info@dbsg-uk.com).

Places are always in high demand so book early to avoid disappointment.

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