

7 May 2019

Fairness Group Joint Public Statement

People owe debt to government for a variety of reasons. Government takes seriously its responsibility to ensure that those people who *can* pay, do so on time, whilst providing proportionate support to vulnerable people and those in financial hardship.

To achieve this, government developed Fairness Principles¹ with the debt advice sector, which are aligned to FCA guidelines on Treating Customers Fairly. The Principles are embedded in the Cross Government Debt Management Strategy and the Debt Standard.

Government has been building closer working partnerships with the advice sector since 2016. We have now agreed the following Public Statement on how we will continue to work together:

The government established a Fairness Group in 2016, bringing central and local government, the debt advice sector, and the debt collection industry together. The aim is to continually improve how government interacts with people in debt, particularly those in vulnerable circumstances and/or experiencing financial hardship by:

- understanding the impact that debt collection practices can have and how to improve them
- implementing a joint programme of work to further examine practices in central and local government debt management which support vulnerable people, and make evidence based recommendations for change
- applying Fairness Principles to government debt management, in line with sector best practice
- balancing the statutory and societal obligations of government to collect debts and ongoing liabilities, and prevent fraudulent activity, with the need to ensure fairness

Ministerial Quote

Kevin Foster, Minister for the Constitution: "I am pleased to announce a joint statement on how government and the debt advice sector work together to continually improve how we interact with people in vulnerable circumstances.

The Cabinet Office plays a vital role in setting the strategy to ensure those who can pay their debts do so on time, whilst providing proportionate support to those who need it."

¹ Fairness Principles have been published in the <u>Digital Economy Act Code of Practice</u>