



TAKING CONTROL

The campaign for bailiff reform

Response to the Ministry of Justice call for evidence on bailiff reform

February 2019

In 2016/17 local authorities alone in England and Wales used bailiffs more than 2.3 million times.

Bailiffs have significant powers to collect debts. Yet, the people whose debts they are collecting are highly likely to be vulnerable. Many of these debts are enforced against people who simply can't afford to pay. The use of bailiffs is intimidating, while the addition of bailiff fees exacerbates debt problems.

To make matters worse, bailiffs often don't follow the rules which govern their behaviour. Despite this, and unlike other comparable sectors, bailiffs still have no system of independent regulation.

What is the Taking Control campaign?

The Taking Control campaign brings together a group of 11 organisations from the advice and charitable sectors.

The campaign was launched in March 2017 in response to concerns that the 2014 'Taking Control of Goods' reforms had only limited success. All campaign partners have continuing concerns about the treatment of people in debt by the bailiff industry.

Our campaign partners are: AdviceUK, Christians Against Poverty, Citizens Advice, Community Money Advice, Institute of Money Advisers, Money Advice Trust, Money & Mental Health Policy Institute, PayPlan, StepChange Debt Charity, The Children's Society and Z2K.

The Ministry of Justice must introduce oversight into the enforcement industry by:

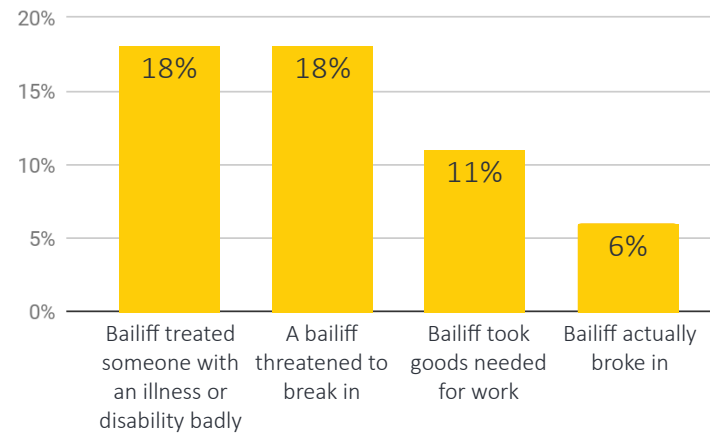
1. **Establishing independent regulation** to ensure that bailiff firms and individual bailiffs stick to the rules which govern their behaviour.
2. **Putting in place a free and independent complaints mechanism** to ensure people can get redress when bailiffs break the rules.

Poor bailiff behaviour is widespread

Local Citizens Advice offices saw a **24% increase** in bailiff issues reported between 2014/15 and 2017/18. In the last year alone, Citizens Advice helped **41,000** people with **90,000** bailiff issues.

It's not just a case of a 'few rogue bailiffs'. More than 1 in 3 (39%) people contacted by bailiffs in the last two years – **around 850,000 people in England & Wales** – have seen a bailiff breaking regulations or national standards.

Survey findings from people contacted by bailiffs in the last two years show many had experienced poor bailiff practice



There is public support for bailiff reform

- 83% of people think that bailiffs should be regulated.
- 86% think that bailiffs should have an independent complaints process.

Case study

Thiaba was off work due to mental health issues. She got into arrears and bailiffs started chasing her for her debts. Even after she explained her mental health problems, the bailiff seemed deliberately rude and intimidating.

He said it didn't matter if her only income was benefits, and also mentioned possible social services involvement regarding custody of her son. He threatened to call a van that would be outside in 20 minutes and that he would come in anytime even if it meant breaking in. The bailiff gained entry by lying to her son, pushing past him and saying she was expecting him.

"It left me too terrified to leave the house, in case I came back to my possessions gone and social services informed."

Problems in the bailiff industry

Bailiffs are mistreating vulnerable people

- **People visited by bailiffs are disproportionately likely to be vulnerable.** 40% of people with bailiff issues who are helped by Citizens Advice have a disability or long-term health condition.
- **Poor treatment of vulnerable people in debt appears to be getting worse.** In 2017/18, Citizens Advice saw over 5,600 people with issues related to the treatment of vulnerable people by bailiffs, a **42% increase from 2014/15.**

Bailiff fee structures escalate debt

The bailiff fee structure results in disproportionate fees being added to small debts. This is leading to:

- Debts being escalated to a later stage of enforcement, leading to higher fees rather than resolved at an earlier stage through affordable payments.
- Higher than expected profit margins for bailiff firms.

So far in 2019, **29% of people answering a StepChange website survey say they had tried to arrange repayments by phone, but the bailiff insisted on visiting their home to take payments.** Such action would have led to an extra £235 in enforcement fees added to their debt.

Poor regulation of bailiffs has significant knock-on costs

- Bailiff action has knock-on effects on people's health. **83% of National Debtline callers surveyed who had experienced bailiff action reported a negative impact on their wellbeing.**
- Bailiff visits leave people deeper in debt. 17% of people visited by bailiffs had to borrow money after being visited by a bailiff.

It's difficult to complain about bailiffs



3 in 4

people who experienced bailiffs breaking rules didn't complain.



Only 56

complaints have been made to court about bailiffs since 2014.

Bailiffs need to be regulated

Unlike other sectors, there is no independent oversight of bailiff firms or bailiff behaviour and there are no effective penalties for firms whose bailiffs break the rules. A regulator could:

- **Monitor the training of bailiffs.** Currently there is no oversight to ensure a common training regime.
- **Supervise the notices bailiffs send to people.** Notices still regularly contain threatening information, including references to goods being taken in a person's absence and imprisonment.
- **Work to improve practice in the sector.** Advisers think bailiff behaviour is getting worse despite reforms and that bailiff behaviour has got worse since 2015.

The cost of introducing a bailiff regulator would be low

- The estimated cost of a lack of independent regulation is £161 million per year to people in debt, government, creditors and through wider costs to tax payers.
- The cost of introducing a bailiff regulator is likely to be a maximum of £3 million a year.

For further information about the Taking Control campaign
for bailiff reform visit www.bailiffreform.org