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33. A number of clients spoke of the long term emotional residue that these communications had on their mental health. For some this could be a permanent state of anxiety regarding the threats that had been made. For others, even after they were no longer in contact with collectors, the prolonged impact could be felt in terms of a reactivation of distress and anxiety when a letter dropped through the door or the telephone rang. Certain everyday household processes and items had become irreparably linked to experiences of fear and anxiety.
34. There were several examples of good practice both in terms of lending and collecting. Sometimes these took the shape of avoiding, defying or manipulating the norms and cultures of practice so that workers could operate in a way that they understood as ethical.

35. In order to address the issues above there is a clear requirement for the government and regulators to take more interventionist approaches to the problems of living wages, lending practices and collecting practices.
36. Urgent government action is needed to effectively address the growing impact of stagnating incomes and the need to consider effective mechanisms through which to promote and

problems of over-

1.1. Personal Debt: the present situation

There appears to be a consensus that personal debt and over-indebtedness in the UK is a growing problem (Figure 1). From 1993 to 2009 there was a steady increase in total credit card debt and total consumer lending (Ford & Wallace, 2009). Including mortgages, the current average household debt in the UK, as of August 2012, was £53,706; with average consumer borrowing (including credit cards, motor and retail finance deals, overdrafts and unsecured loans) at £3,185 per UK adult (Creditaction, 2012). Based on August 2012 trends, the UK's total interest repayments on personal debt over the previous 12 month period have been £60.1 billion (£164 million per day). This has resulted in UK households paying an average of £2,284 in annual interest repayments. Moreover, it has been suggested that total household debt is predicted to grow to reach £2.1tr by 2015 from its current level of 1.5tr (Gulliver & Morris, 2011). Indeed this figure is more than double

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The Consumer Credit Counselling service noted that more than 3m households are in financial difficulty and further 3m are financially vulnerable (Centre for Responsible Credit, 2011). Recently the Department for Business, Innovation and Skills (2011) noted that, since 2008, the level of personal debt has increased in absolute terms and as a proportion of household income. While they reported a decrease in the use of unsecured credit, the average level of unsecured debt has increased. The report found that debt levels increased for almost all types of unsecured credit compared to the beginning of the financial crisis in 2008. The aggregation of statistics and research from multiple and varied sources, unanimously point to personal debt and problem debt as a growing problem in the UK in 2012.

There also appears to be a growing consensus suggesting a specific pattern of political, economic and social events over the last three decades have played a role in this increase (Walker, 2012). According to Turner (2008) recent changes in Western labour markets underpin not only the steady growth in unsecured credit use but also the recent global financial turbulence. The persistence of low inflation and downward pressure on wages has, in part, been a result of the globalised movement of production to sites of cheaper labour in the East (Turner, 2008, Bauman, 1998). This access to cheap manufacturing has created conditions for the persistence of low short-term interest rates. An accumulation of foreign exchange earnings and systemic practices of financial deregulation have provided liquidity for the housing market and associated credit boom (Cable, 2009, Edwards, 2003). Moreover, in recent years the growth of the UK economy has been sustained by consumer spending pinned against record levels of personal debt, which was secured by record high house prices. Griffiths (2007) suggests that policy makers have abrogated their responsibility for the unsustainable growth in consumer debt. In addition, Turner (2008) argues that personal debt has been allowed to soar in order to stop deflation taking root and to combat rising unemployment and the prospect of recession.

1.2. Stagnation of wages

Recent years have evidenced a steady stagnation in real terms wages (Kelly & Pearce, 2012, Gregg & Machin, 2012, Harvey, 2005, 2010, Whitfield, 2001) (see figure 2) related to the growth in low wage jobs (Mishra, 1990); movements in sites of manufacturing (Turner, 2008); and changes in trade union legislation and membership (Panitch & Konings, 2008). In addition, in the decade leading up to 2007 rents increased at one and a half times the rate of incomes, a problem exacerbated recently by a critical reduction in new housing starts (Chamberlin, 2009). Increases in fuel and council tax debts suggest lower income houses finding it hard to keep up with essential expenditure (Tutton, 2009). A recent strategic review of health inequalities in the UK highlights the implications for this stagnation in wages noting that since a full time earner on the minimum wage cannot achieve a minimum income standard, there is a clear need to establish a minimum income standard for healthy living people (Marmot, 2010). Ben-Galim and Lanning (2010) recently found that the main cause for falling into debt was a fall in household income and that, as such, there was a need to increase the stock of well-paid, good quality jobs. Mewse et al (2010) speculate that personal debt remains primarily a problem of family poverty.

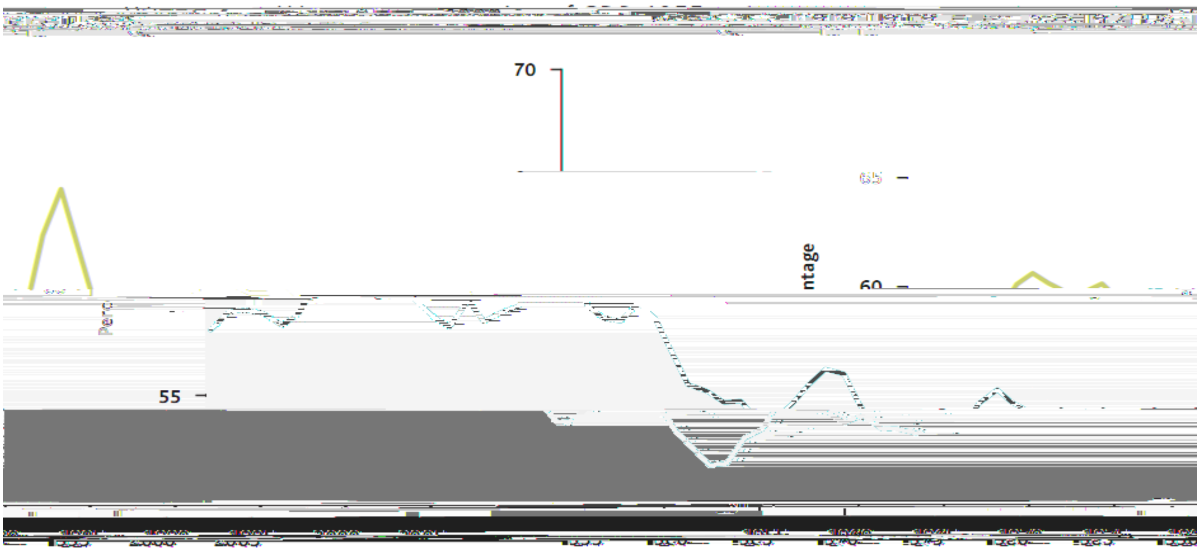

Figure 2: Drop in UK wages as share of national product. Source: Office for National Statistics, reproduced at: http://www.tuc.org.uk/extras/unfairtomiddling.pdf

Disney et al (2008) proposed that practices of financial liberalisation have contributed to the increase in household indebtedness over time. Montgomerie (2007) suggests that this securitization has increased the supply of credit and transformed lending patterns to focus on already indebted individuals. The growth in asset backed securities served to augment the supply of credit available for consumer lending and made profits contingent on a steady stream of revolving debtors (when a consumer borrows money and is required to pay back only a certain percentage of the balance owed each month). Together with the widespread income stagnation for most consumers, this has contributed to a growing demand for consumer credit.

With this brief introduction in mind, what follows in this report draws on data collected from a range of stakeholders in the UK credit industry. This analysis is structured around seven key themes: dominant understandings in the UK credit industry; practices and cultures of lending; practices and cultures of collecting; debt and mental health; good practice; advice agencies; individual needs and future consumers. Following the analysis the report concludes with a presentation of recommendations for the UK credit industry and government policy. Initially however, an understanding of the theoretical and methodological framework for this report will be offered

2.1. Theoretical framework

It has been suggested that there is a need for research focused on the consumer credit market, specifically research which frames credit use as a social phenomenon, since there is currently a dearth of research on the dynamic interplays between consumers who need credit and credit granting institutions (Kamleitner, 2012). Moreover a social perspective on the issue of credit is particularly timely as it has been suggested that social processes may moderate or indeed cause many of the recent findings that have focussed on the intrapsychic and cognitive characteristics of credit users (Kamleitner, 2012).

Such a social focus is required to examine personal debt not only as a property of individual decision making or wage stagnation, but as a complex system that includes regulations, discourses, work activities, practices of incentivisation, distress, lending and collection practices, consumer activity and financial education. Orton (2010) lamented the need for a much more sophisticated understanding of debt and how it affects, and is experienced by, different groups. This research attempts to address this concern.

To understand personal debt requires an understanding of the complex social systems that produce poverty and the explanations of poverty (Harper, 2003). It is for this reason that Institutional Theory has been drawn upon to frame credit. Institutional Theory focuses on the processes through which structures, including schemes, rules, norms and routines become authoritative

Standards Board, The Centre for Responsible Credit and The British Banking Association. We also interviewed a professional bailiff. We interviewed a worker and a manager from a local credit union. We interviewed an employee from the Illegal Money Lending Team in Birmingham and we interviewed an employee from the Personal Finance Education Group, a leading finance education charity.
8 workers from five different debt collection organisations, most of which were from the collection sections of high street UK banks.

The purpose of this recruitment portfolio was to bring together a broad range of stakeholder experiences in order to build a picture of the practices of lending, collecting, and advice over recent years in the mainstream commercial credit sector (eg overdrafts, banks loans, credit cards) (Kamleitner et al 2012). Legal doorstep lending, payday lending and illegal loan shark activity were not the focus of this report. The majority of interviews were carried out face to face with a few telephone interviews for those who were beyond the realms of affordable travel.

The interviews focussed on a number of areas. These areas included practices of high street lending and debt collection, experiences of and reasons for using credit/debt, the impact of personal debt on relationships and wellbeing, specifically mental health. Finally a number of questions addressed peoples experiences of debt advice and financial education initiatives. This research achieved ethical approval from the Faculty Research Ethics and Governance Committee (FHREG).

2.3. Data Analysis

Thematic analysis was used to analyse the interviews. Thematic analysis is a pragmatically and theoretically flexible analytic paradigm (Braun & Clarke, 2006) that allows researchers to identify, analyse and report patterns within qualitative data. It is ideal for semi-structured interviews where similarities and differences between accounts form key components following which representative themes are developed.

3.1. Dominant understandings in the UK mainstream credit industry.

When attempting to make sense of a given organisational field and the activities of the actors and agencies involved in that field, it is very important to focus not only on regulations, behaviours, guidelines and governance structures. It is also important to consider the role of symbolic and discursive activities that sustain and are sustained by certain organisational fields. By this we refer to the importance of socially shared understandings and norms which facilitate particular ways of thinking and being. Such processes help to cons4(i[map)-7(ro)ft50l co 3hiET En7he 755ficiews wherciews underst

I think so yes because I've seen these programmes on the BBC where people are in debt and they try and blame the banks and I kind of think well, no it is your fault because you know what you're doing, you signed the agreement but I do also think that it's not helped by the fact that the staff are targeted cos if you don't do your targets you're hit with a stick or a bat.

Leading on from this understanding of rational financial actor as the key solution to the crisis of problem personal debt throughout the accounts. Indeed recent policy conjecture focuses on strategic priorities to address the issue of problem debt and education appears to be the key approach. There is a rease levels of financial capability and awareness (Department for Work and Pensions, 2006, 11),

(Department for Work and Pensions, 2005, 9). There is also an aspiration financial capability and awareness, so that more individuals can take control of their finances, and (Department for Work and Pensions, 2004, 5) and a

may over-

...and when people are desperate for money or to take out a contract they don't want to know what the interest rate is you know...

....now no amount of training is going to help you with that. I mean you have only got to look at the very powerful brains behind the banks and companies who have gone bust in the last two years

essentials of living, make framing the problem as one of financial incapability problematic (Orton, 2010). Orton (2010) noted that there was a persistent finding that low income was holding back

Perhaps for this reason, it has been suggested that the effect of financial knowledge on the persistence and level of debt is equivocal (Kamleitner, 2012). Eturk et al (2007) argue that although boosting financial literacy may be a worthwhile objective, improved literacy does not in its own right secure positive economic outcomes for people of indebted households. Ben-Galim and Lanning (2010) suggest it was unlikely that financial planning could change things for a significant number of low income families in problem debt and that the literature suggested that low income families tend to do better than wealthier families when budgeting. Mandell and Klein (2009) find those who took a financial literacy course were no more financially literate than those who had not and did not appear to have better financial behaviour than those who took the course. The authors noted that these results were not unique, a point Watson (2003, 736) further elaborates on, commenting

I would say it was, erm, the fact that we were more concerned with making a profit from the loan, it became a bigger part of the profitability of the bank shall we say. At one time it was

The introduction of this report outlined a specific set of political and economic circumstances that have potentially impacted on the stagnation in real terms wages in recent years and disparity between the cost of housing (purchase or rent) and average earnings in the UK (Chamberlin, 2009). While a number of policy directives over the last ten years have emphasised the growing problem of personal indebtedness as one of individual fallibility and financial capability (Department for Work and Pensions, 2004, Department for Work and Pensions, 2005, Department for Work and Pensions, 2006, Department for Business Enterprise & Regulatory Reform, 2007, Walker, 2011, Walker, 2012), there have been fewer public accounts of the structural precursors of growing personal debt and problem debt. However, there are some accounts. For example, Ambrose and Cunningham (2004) found very few of the paths into debt involved the fecklessness of the debtor. Rather the usual pattern suggested incorporated increased financial and often emotional vulnerability

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In recent years financial institutions have intensified their marketing activities, often targeting vulnerable customers Further, it has been suggested that there have been higher levels of aggressive marketing techniques and promises of easy money by both traditional and non-traditional institutions. For example, recent research found students talking , a problematic situation considering high credit limits are routinely understood as a reason for problem debt (Goode 2010). Credit issuers have been keen in recent years to cultivate revolving debtors (Cohen 2007) with lenders of almost all kinds continuing to press further credit even in cases where debtors experience obvious repayment difficulties (Ambrose and Cunningham, 2004).

The issue of revolving debtors is considered to be crucial by Montgomerie (2007) who implicates the growth of Asset Backed Securities (ABS) in the culture of cultivating revolving debtors. Asset backed securities have mainstream credit sector, and the credit clients, understood through discussion of a culture of irresponsibility. Central to this culture of irresponsible n

.... then it became so easy and there was so much encouragement to borrow money. You went to the bank to talk about buying a new car and you came out with a car and a caravan and all the accessories. They were desperate to lend money so people just got deeper and deeper.

....

products we can get them with us, the better we will like it for obvious reasons.

....and there was this culture of, if you have got a credit card, got three credit cards, got five credit cards, we will give him another one cos we can get some debt on that and earn some interest out of him as well.

... because I joined at that time, in my initial training course, which I think was four weeks long, they very much talked about 'We are going to be the new line of staff' and how it's going to be retail banking as opposed to banking, and how basically our stores, because it started being spoken about in that sense, as 'stores' rather than 'branches',

It was clear that a specific culture of lending came to permeate the practices of a range of high street banks providing mainstream credit. These practices appeared gear , or a greater percenta reported by both the people working in these institutions and the people being offered credit as a rapacious and intense experience of selling that did not always operate in the best interests of customers. Moreover sales practices were frequently disguised as annual and/or customer reviews. The customers who were party to these approaches were regularly unaware that the purpose of the communication was sales oriented.

One way in which this sales culture was achieved and sustained was through a range of incentivisation practices where staff came to understand that both their financial remuneration, and the satisfactory performance in their jobs, came to depend on the deg1 0 0 1 sBT1 0 0 3( )-11 ahe

For example, when I joined the bank I was told I had to get four appointments a day and I thought that sounds easy but it isn't because people don't want to come in. You don't really get people walking in the door saying I want to review my finances. So we have to phone people, it's almost like cold calling because you're ringing people up and you're trying to invite them in.

As the following extracts highlight, such target-driven sales culture, and the need to hit specific targets in terms of points sold, lead to corrupt practices of selling credit that
that they could not pay back. This pressure has been augmented in some organizations by a shift in the value of products in order to continually increase the target.

(P) Yes and a credit card is 75 points, so it's quite a lot that we have to sell. A loan is 60 poi

C

As one might expect to find in any industry characterised by high pressure sales, high street credit sales evidenced a range of strategies that banks workers used in order to increase their chances of selling. Stark and Cholpin (2010) suggested that consumers will be party to a range of often successful strategic practices of selling.
information that is problematic is disclosed later in the conversation when the consumer has invested time in the process, it will be less likely to be viewed as problematic. They noted that consumers will frequently accept senseless information and that consumers can be susceptible to argument nomena whereby the broker may induce the borrower to notice and raise one potentially problematic provision in the loan terms that will be well explained by the broker so that the borrower will be less likely to assume the presence of other problematic provisions. Hill and Kozup (2007) suggested that the strategies of predatory lenders included lacking full disclosure, trying to make borrowers borrow more over time initial loans . Such practices also appear prominent in the mainstream credit sector. For example, our data suggests

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The chief executive of the Lending Board suggests that incentivised selling, attempted mis-

> *mortgage, I guess whatever decision you get and you're working with the people, so it became increasingly more difficult for you to put a stop and say, hang on, I know for a fact that this person won't be able to pay this.*
>
> *I'm sure certain creditors do, will do certain types of checks, but there's not an extensive check to see if you can repay it and I don't know, it seems like creditors aren't even that fussed.*
>
> *.....but when you do a credit search all that it checks is whether they've got any defaults. If you do what they call a footprint search it will check what, what defaults there are really. If you haven't got any defaults you could have a bucket load of credit and for a lot of sources of credit that's as far as it will go. If you're applying for an actual loan it won't go further and the people doing the search don't see what you've got but the system sees what credit they've actually got.*
>
> *There was one very salient point with one customer, who was… I think she was in her late 30s but she had quite severe learning difficulties, and she had the mental… well, we were told that she had the mental age of between six and nine. Talking to her that was very evident, and she used to come into a branch and obviously she was quite heavily assisted by the team, and they were very good in doing so, but one day she came in and she got a credit card. ….had sold her this credit card from the branch, and it was actually my Line Manager who'd done it. I took it on myself then to phone Card Services to get the card cancelled, because she had no idea how to use it, how to keep it safe, she couldn't be responsible for it to be honest. ….within I would say two months the same customer came in with a credit card again and I had to go through the procedure again, by which point my Line Manager at the time, the original one that had sold the card, had moved on to another branch, and my new Line Manager was the person that had actually re-sold the credit card to her*

When those who worked inside the lending organisations spoke of practices of regulation and auditing, there was a general feeling that the systems that were currently in place were not capable of identifying some of the problems of mis-selling and excessive lending discussed above. The notable exception came from the British Banking Association:

> *I think the principles are effective.......in addition to the banking sector we have the lending code which is another layer of regulation that goes beyond and above those minimum requirements. And that's something we felt as a banking industry we need to do and that's monitored and enforced by the lending standards board....* ____

Although the Lending Code does exist there were some examples provided above of where some of the key elements of the code were not being adhered to and this failure of adherence was not being sufficiently identified. All of the high street banks covered in this report are officially committed to the Lending Code. However, for some participants, there was a feeling of cynicism in that any regulatory regime always tended to favour the selling organisations. There also appeared to be consensus that the regulations in place to guard against problematic selling practices were fit for purpose, however the means by which they were implemented were not. The ways in which audits were carried out appeared to be problematic since it was possible to act in accordance with regulations on any given visit and then revert to standard practices when the auditors had left. It appeared to be the case that it was quite possible to provide the appearance of acting in propriety when auditors presented.

> *...any regulation is always going to favour the companies, to extract profit and make people indebted. So I don't know if that's answered your question? It's a tough question isn't it?*

> *Sufficiently in as much as there's enough regulators out there, yes. In the way they regulate, probably not.*

Across the data set debt collectors expressed accounts which suggested that thereco.

> *....it is so like the wild west is the word I would use, I thought I have just gone into a myriad of society that isn't you know that isn't safe and these people can do what they want. I mean it isn't bad, you know.*

Further to such aggressive practices the collector below outlines the frustration with two processes inherent in their collection practice. Firstly they are trained to accept a level of money which failed to cover the charges that the customer continued to accrue on their accounts. As a result some clients in financial difficulty would pay their 2% but the total owed by them would continue to increase. In many cases even though clients were in clear financial difficulty, the charges would not be stopped leaving clients with little chance to pay off their debt. Secondly, although this institution did have practices to help customers in difficulty, such as a vastly reduced interest rate for those experiencing repayment difficulty, collectors were not allowed to let the customers know about this scheme. Instead they had to continue to press for the maximum amount of payments possible.

> *That £24 is 2% of the balance, which means the bank, my training is, accept the 2% and the*

They want everything, yeah, yeah and if you just pay me £10 today you know that will be it, I won't bother you and then quite often they will pay that £10 and then what about the other 50 creditors who want their £10 you know it's sort of, so it's usually the one that shouts the loudest will get it.

ring again and ring again and ring again and that's what it will just keep doing until it just gets hold of you.

Yeah. Well, yes, well basically I've had a lot of customers complaining about this. That they get these calls and then no-one says anything. So I imagine that there must be some sort of error with the computer generating the calls but also, not only that, if I'm getting targeted making 24 attempts at a call an hour and I'm seeing, oh my god, I've only done 10 attempts in this hour because I was stuck in a call, I might be tempted, or some agents might be tempted to just hang up on people.

So it's like "oh, just move that, just move that, yay I've got one on them today" because I didn't, it's the automated ones that they send through which very rarely speak into your answer phone so they hang up, and then it's the silent calls that creeped me out more than the arseholes.

One debt collector noted the reality of silent calls at a more institutional level, beyond computer error. Since collectors were targeted on the amount of attempts that they did in a given hour, it was relayed that it was quite frequent for collectors to call and hang up in order that they reached their allotted target in a given hour.

(P)... to call them and hang up, just to get through their attempts.
(I) Do you think people do that?
(P) Yeah! All the time, because they get targeted on the amount of attempts they do every hour.

you know, the agents will do whatever they could to avoid hitting no payment, so you know, they might put the account on hold, they might just say they left a message, they might just say, no answer, they would say something else happened, not that they couldn't get a payment.

Yeah, the way of our performance we have, we have like incentives on things, they always have incentives on things like your stats obviously an incentive for things like bonuses so if you're meeting your targets then you get sort of performance ratings each month then at the end of, at the end of each quarter you will get a bonus depending on your performance. That's like the main one but they have like the most recent incentive we had was to win £500 or an Ipad

Yeah

Oh, no, all internal, all internal. All of the quality checking insurances and statistical analysis that I was aware of was internal. I am sure, no, I don't remember seeing auditors, external auditors, no. I would imagine that that happens but not at ground level, we won't be party to it.

I mean, they put a lot more things in place that make it look like they're doing something about it, but doesn't necessarily, actually work…. we had, I think it was somebody from the FSA come into the office to actually listen to calls and talk to agents and a few days before they came they were telling everyone, you know, don't talk about customers in any sort of negative way and don't do that and they were sort of, basically trying to change the sort of, at least while we were being watched, to make it look like we're doing the right thing.

3.4. Mental health and debt

There is a substantial literature that has linked experiences of over-indebtedness and financial strain to mental he

associated with self reported general health (Drentea & Lavrakas, 2000). Drawing on data from the British Household Panel Survey, Brown et al (2005) note that individuals with outstanding non-mortgage credit were likely to experience lower psychological wellbeing. Moreover a substantial literature has supported these findings (Drentea & Reaynolds, 2012, Mind 2008, Edwards, 2003, Hatcher, 1994, Hintikka et al 1998). Jenkins et al (2008) noted that the more debts people had, the more likely they were to have some form of mental disorder, even after adjustment for income and other socio-demographic variables. In addition, Fitch et al (2007) found that people with mental health problems were nearly three times more likely to report debt compared with individuals without similar conditions. People with six or more separate debts had a six fold increase in mental disorder after adjustment for income.

What remains largely unexplored is the range of d

> *they just, they ring, ring, ring, ring, ring, ring, ring and they're so, you know, they're so stressed people I see.*

The often relentless natu

> *...and I actually got frightened. I did the classic thing, I didn't open my curtains, I didn't answer the door, I became socially isolated to an extent now you do when you haven't got any money, I mean you are so shattered in bits that you can't go out with your friends and you go and see them but they stopped you know and the whole thing, yeah..*
>
> *It's embarrassment. Losing the sense of pride in themselves. Losing self worth. Erm, to be honest after a bit once you've had a few of these letters you reach a state which I can't, it's almost like you go comatose about it.*

While the impact of the various practices that people who are over-indebted endure are central to their mental wellbeing, the symbolic nature of being over-indebted and the kinds of degrading and humiliating activities they felt forced to endure varied in a number of cases. For some a key element of their interaction with debt collectors was an overwhelming experience of humiliation at finding themselves in a position where they felt that they deserved to be talked down to, threatened, patronised or have someone take over control of the kinds of everyday financial housekeeping functions that most take for granted. For others, such as they client below, they found themselves experiencing

But still I got to such a stage where I was shaky and nervous every time the phone rang, and I still am like that, makes me jump every time the phone rings but it is just because of the thought of people hounding me you know.

3.5. Good practice

A key element of institutional theory that has been useful for framing the organisational field of mainstream credit is that they key actors involved in the organisations, while being institutionally constructed, also have potential for reconstructing some of the norms and beliefs inherent in their particular work culture (Scott, 2004). While this research outlines a series of prominent norms, beliefs and cultures of practices that provide a framework that has shaped the mainstream credit industry, we also see examples of good practice both in terms of lending and collecting. Sometimes these took the shape of avoiding, defying or manipulating the norms and cultures of practice so that workers could operate in a way they understood as ethical . Although these went against the norms of conduct, they did exist and provided clear examples of what might be constituted through OFT regulations and the Lending Standards Board as good practice. For example, as see above Bank Worker 2 spoke about how, on hearing that credit had been irresponsibly sold to a customer with severe learning difficulties, illustrated his capacity to cancel this credit arrangement. That the cancellation was overturned by his new line manager suggests such attempts at responsible lending could face resistance. However such activities represent a clear attempt to resist some of the problematic outcomes of the cultures of lending discussed earlier. The student banker below spoke of experiencing responsibility in terms of the lending decisions that she had made in order to try to help the students to avoid the excessive charges that would follow irresponsible lending. As she comments:

I certainly feel quite responsible for a lot of the students I have seen because you know if they do max out their overdraft so they are going to pick up charges.

Although the banker below outlined numerous practices of mis-selling and poor lending, she also noted that her organisation took mis-selling seriously and undertook spot checks to avoid it. Such a statement appeared to contradict earlier accounts of the actual practices that people were engaging in however they certainly warrant mentioning. That such checks existed in any form may suggest the existence of good practice in some areas of the sector.

No I haven't really but the bank do take it quite seriously if people are mis-selling. They do spot checks of making sure that things are affordable and it was the right thing to do.

In addition, the worker below repeated ringing as an opportunity to find ways in which to make the process fairer for debt clients, rather than as a problematic practice. Instead of being driven by a desire to seek the maximum repayment, this collector spoke of trying to understand why clients were not making repayments and then seeking to find a manageable way forward for the client.

I mean in terms of making outbound calls it's all done through a dialler system as you're probably aware, almost all of the calls I make are, unless I've you know had requests for a call back or something. Ring them up, try and, I mean generally we're not ringing them up just to make a repeat process because we have to treat them fairly, so in terms of what my process is its to find out why they're not making payments.

One client spoke of a company that works flexibly and respectfully and talked of his experience in terms that stood out not only as a clear example of ethical practice but as being unusual across the sector:

> *(I): From the debt collecting agency hired by the X*
> *(C): OK*
> *(I): He's a very nice guy, knows my situation and I pay him what I can*
> *(C): So is he flexible in terms of what he receives?*
> *(I): Yeah*

Finally, an interviewee form a South Coast Credit Union spoke of their own collection agency whose good customer standards represent an alternative approach to that which characterises the majority of the sector:

> *So it's quite, even if they do go delinquent, we ring them up, we try to get them to talk to us, but then we use, we don't use a commercial debt collection company, we use an enforcement firm who work with local government because they are very, very, very resilient in terms that they have very good customer service standards, they have got good equality standards and you know.*

3.6. The advice agencies

For this project 11 debt advisors from three separate organisations were called upon to provide accounts of the mainstream credit field from their perspectives. While they provided important testimonies on the nature of the practices in the field, they themselves held important position in the field. Accounts of clients who had used the services unanimously agreed that the involvement of these advice agencies had been both supportive and essential in addressing the problems of over-

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