

# RESPONSE

## CALL FOR EVIDENCE ON THE BANKRUPTCY (SCOTLAND) BILL

## **About Money Advice Scotland**

Money Advice Scotland is the national umbrella organisation in Scotland which promotes and champions financial inclusion and the development of free, independent, impartial, confidential money advice. A registered charity, Money Advice Scotland was set up in 1989 and provides the following services to its members:

- Standards and quality framework development
- Qualifications
- Training
- Financial Capability programme
- Research and policy input
- Annual Conference
- Seminars and other events
- Publications
- Consultancy
- Organisational audit

Our membership includes money advisers at housing associations, local authorities, Citizens Advice Bureaux and other information and advice agencies. Money Advice Scotland makes it a priority to ensure that the views of its members feature clearly and persuasively on the policy agenda across Scotland and the UK. Our Strategic Plan outlines our commitment to leading and improving the financial health and wellbeing of the people of Scotland.

In terms of standards and quality framework development, Money Advice Scotland has been at the forefront of raising standards in Scotland and beyond. The organisation was involved in developing a framework which underpinned the Debt Arrangement Scheme Regulations, and gave assurance that the advice being given to clients was of quality. The framework which was in place until 2011, the casework of which was assessed by competent advisers who were also approved advisers under the Statutory Debt Arrangement scheme.

Money Advice Scotland is an approved Centre for the delivery of Scottish Vocational Qualifications in Advice and Guidance. It is currently working with the Institute of Money Advisers in England and Wales and has developed the Scottish version of the Certificate in Money Advice Practice. Money Advice Scotland is also working closely with the Money Advice Service in terms of the development of a national money advice quality framework.

With regard to training of money advisers, the organisation has been using standards to underpin its training for almost 20 years. In more recent times, the Scottish Government in conjunction with the advice sector has developed the Scottish National Standards in Information and Advice (SNS) and Money Advice Scotland was a pivotal player in their development. These standards are enshrined in current training and also help shape the Certificate in Money Advice Practice, together with the National Occupational Standards in Advice and Guidance.

Since November 2014, Money Advice Scotland has been responsible for the roll-out of the Scottish Government's Financial Capability programme which administers financial education through a combination of workshops, training and e-learning. The necessity for financial education of individuals experiencing debt problems is recognised in the Bankruptcy and Debt Advice (Scotland) Act 2014.

In January 2015, Money Advice Scotland also launched the Scottish Financial Health Service helpline in collaboration with the Scottish Government.

## **Introduction**

Money Advice Scotland welcomes the opportunity to respond to the call for evidence made by the Scottish Parliament's Delegated Powers and Law Reform Committee on the Bankruptcy (Scotland) Bill.

The consolidation comes after an unprecedented period of substantial change in bankruptcy and debt solution legislation, including the recent amendments to entrench money advice in this process.

For our part, Money Advice Scotland has been delighted to support the Scottish Government in promoting financial wellbeing for the people of Scotland during this period.

## **Questions**

1. Do you think bankruptcy law should be consolidated?

Money Advice Scotland strongly welcomes the Bill to consolidate the law of bankruptcy.

At present, bankruptcy law can represent a cumbersome prospect for money advisers who will often have to consult numerous pieces of legislation at any one time. Consolidation will make the law more accessible, more understandable and will also eliminate unnecessary and unwieldy duplication.

A central part of the work of Money Advice Scotland is the provision of high quality and standards in money and debt advice. From a training perspective, our consultants will benefit from referencing legislation from a single consolidated source. This will ensure better standards in money advice that in turn will lead to better outcomes for debtors and creditors alike.

2. Is it the right time to consolidate bankruptcy law?

It is our view that now is as good a time as any to consolidate bankruptcy law.

Money Advice Scotland would also echo the comments of the Business Minister that it was important to allow the preceding changes on bankruptcy and debt solution legislation to 'bed-in' prior to consolidation.

3. Has the Bill captured everything it should?
  - Is the list of statutes consolidated complete?
  - Has everything from those statutes that should be consolidated, been consolidated?

Money Advice Scotland takes the view that the Bill has captured all relevant statutes at present. We also hope that consolidation will not be seen as the end-point, but rather as a benchmark that will remain under review on a regular basis.

As stated previously, we welcomed the changes in the 2014 Act that included money advice in the debt solution process. With reference to Part 1 s.4 of the Bill, we are interested to ascertain if the meaning of a money adviser as a person who 'is of a prescribed description or falls within a prescribed class' will be set out in more detail in future regulation.

4. Do you have any views on the approach taken in the Bill to consolidation?

As outlined in our answers to the preceding questions, now is as good a time as any to consolidate bankruptcy law and the proposals are to be warmly welcomed.

Whilst we understand that consolidation bills do not bring forward new changes in the law, the consultation period has been relatively short. As a membership organisation, Money Advice Scotland would have welcomed the opportunity to consult more fully with our members on the Bill before any submission.

That said, we appreciate the time constraints on the Parliament and we look forward to its enactment in law and the benefits this will bring for the work of money advisers, debtors and creditors across Scotland.