

Credit Collection Association of Singapore

# Code of Conduct & Practice



The Credit Collection Association of Singapore (CCAS) was formed and duly registered under the Societies Act on 12 December 2013. It is the only association that officially represents all the credit associations and agencies in Singapore.

The principal objectives and aims of the Association are:

- To represent the collective interest of the credit collections industry in Singapore, and to be the voice of the industry.
- To uphold the regulatory and legal standards of credit collections in Singapore.
- To enhance the organization of the credit collection business community in Singapore.
- To represent and uphold the collective interest and reputation of CCAS members.
- To advance the development of credit collection best practices.
- To promote industry standards and development of CCAS members through training and certification courses to develop credit collection professionals.
- To protect, in Singapore and overseas, the major legal and regulatory credit collection concerns (such as professional credit collection conduct, behavior, training etc. of professional credit collection agencies carrying on commerce and industry in Singapore.
- To collaborate and educate on best credit collection practices among the business community in Singapore and beyond.



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## **1. Introduction**

### **Code of Practice**

The Credit Collection Association of Singapore (CCAS) was formed to enhance the credit collection business community in Singapore. CCAS seeks to represent, advance, promote and protect the credit collection concerns of professional credit collection agencies in Singapore.

This Code of Practice sets out best practice standards that we expect from our Members to comply whilst carrying out their dunning activities. This Code of Practice also aims to improve the level of professionalism to address the recovery process in confidence. Members found to be acting contrary to this Code of Practice will be dealt with in accordance with our disciplinary procedures.

CCAS hopes this Code of Practice can serve as a guide for customers doing their own collection where applicable, whilst compliance with it is obligatory for CCAS members to ensure best practice standards are maintained.



## Legal and Regulatory

The CCAS expects our Members to maintain all required regulatory licenses, registrations and authorization and to adhere to all relevant legal and regulatory requirements, guidance and best practice, including this Code of Practice.

Some of the key Acts that would be useful to the Members relating to Collection include:

- ABS Outsource Guidelines  
([http://www.abs.org.sg/pdfs/outsource/ABS\\_Outsource\\_Guidelines.pdf](http://www.abs.org.sg/pdfs/outsource/ABS_Outsource_Guidelines.pdf))
- ABS Control Audit Process  
([http://www.abs.org.sg/pdfs/outsource/osp\\_control\\_audit\\_process.pdf](http://www.abs.org.sg/pdfs/outsource/osp_control_audit_process.pdf))
- Banking Secrecy Act
- Bankruptcy Act
- Bills of Sale Act
- Hire Purchase Act
- Personal Data Protection Act 2012
- Protection from Harassment Act



## 2. Common Principles

**This section applies to all Members**

- a. General
- b. Dealing with debtors facing financial difficulties
- c. Dealing with debtors facing mental health
- d. Dealing with debtors facing complaints and disputes
- e. Data protection and confidentiality
- f. Monitoring compliance



## a. General

Every Member shall:

- i. Conduct its business in compliance with all relevant legislation, regulations, regulatory guidance and requirements and this Code of Practice.
- ii. Conduct its business under names, titles and trading styles which are not intended to confuse, mislead or otherwise embarrass clients, creditors, customers or members of the public and which will not imply any association with other organizations, governmental bodies or persons which either do not exist or carry no association with the business.
- iii. Cooperate with CCAS and regulators that regulate or supervise the debt and/or recovery industry.
- iv. Provide adequate and sufficient training to its members in order to ensure that they conduct themselves in accordance to the Code of Practice.
- v. Audit their practices, strategies, communications and compliance culture against this Code of Practice regularly.
- vi. Ensure that any communication complies with this Code of Practice and is in plain English.
- vii. Have and maintain clear and effective policies and procedures covering all business activities they are engaged in.
- viii. Not unlawfully discriminate against any person.
- ix. Have in place a separate business account for all monies collected on behalf of clients and instruct their bank that the account only holds client money.
- x. Inform their clients of the correct rates of charges for services rendered.
- xi. Ensure they undertake due diligence and audit any third party agent on a regular basis to ensure adherence to regulatory requirements.
- xii. Treat debtors with whom they deal fairly and transparently.
- xiii. Where automated dialing systems are used, one needs to ensure that Members do not persistently misused an electronic communications network or electronic communication services.



- xiv. Take appropriate steps to ensure the accuracy of data processed by it and in particular data relating to debtors/key contacts and their debts.
- xv. When an account is reasonably disputed or a complaint is received, suspend collection activity and investigate and where applicable refer the matter to the client.
- xvi. Provide prior written notice to debtors when outsourcing accounts, to ensure the debtors' awareness of who will be contacting them.
- xvii. Make contact at reasonable times and at reasonable intervals, taking into consideration the reasonable wishes of the debtor, which may include the preferred method of communication. Where possible, make debtors aware of business operations hours and highlight contact periods.
- xviii. Ensure that it does not put any debtor under undue pressure to borrow money.
- xix. Communicate with debtor fairly and transparently, and not intentionally mislead them.
- xx. Take into account the debtor's circumstances and ability to pay when seeking to recover debts
- xxi. Ensure that they take into account the debtor's domicile and the law applicable to the agreement underlying the debt
- xxii. Cooperate with debtors and their authorized third parties in line with regulatory guidance, and not act in a manner intended to publicly embarrass or cause them distress.
- xxiii. Treat debtors fairly and not subject debtors (or their authorized representatives) to aggressive practices, or conduct which is deceitful, oppressive, unfair or improper, whether lawful or not.
- xxiv. Exercise forbearance and consideration of debtor's circumstances, of which they are aware, in particular in relation to those who are particularly vulnerable or experiencing severe financial hardship





## **b. Dealing with debtors facing financial difficulties**

Every Member shall:

- i. Unless instructed otherwise, accept all reasonable offers by debtors to pay by instalments provided such debtors have supplied (i) evidence of inability to pay in full, and (ii) accurate income and expenditure information demonstrating the maximum amount they can afford to pay.
- ii. Be empathetic with debtors experiencing financial difficulties.
- iii. Allow the debtors to apportion income to the payment of priority debts such as mortgage or rent when assessing the debtor's ability to repay.
- iv. Suspend any debt collection and recovery activity where the debtors demonstrate they are seeking financial assistance and provide the debtors with extended grace period.
- v. Be prepared to accept a token offer made by the debtors or their representative when evidence has been provided that they cannot afford to pay more.
- vi. Flexibility to consider reducing or stopping interest, charges or fees being applied to the account if the debtor has demonstrated financial difficulties.
- vii. Ensure information in relation to the debtor's financial circumstances is passed on to any third party agency subsequently instructed to collect the debt.

## **c. Dealing with debtors facing mental health**

Every Member shall:

- i. Obtain and use sensitive information only with the explicit consent of the debtor. Processing such information must be in accordance with the Data Protection Act 2012 and any guidance published by The Personal Data Protection Commission (PDPC).
- ii. When requesting evidence of mental health problems, seek appropriate information including, where necessary, requests for the completion of the Debt and Mental Health Evidence Form, or similar, from an appropriate/authorized person.
- iii. In instances where the debtor is experiencing mental health problems, only initiate court action to pursue the debt if it is reasonable and proportionate to do so.
- iv. Ensure information in relation to the debtor's mental health problems is passed on to the client/creditor.



#### d. Dealing with complaints and disputes

The CCAS will consider that a “complaint” means any expression of dissatisfaction about the way in which the Member has conducted itself and a “dispute” means any denial of certain facts in relation to the debt itself. A request for information, such as a copy credit agreement or statement of account, does not in itself amount to a complaint or dispute.

Every Member/Creditor shall ensure it maintains an effective dispute and complaint handling procedure, and that it does not operate any unreasonable barriers for customers to submit a dispute or complaint.

##### **Complaints**

Every Member shall:

- i. Cease recovery activity whilst investigating a complaint.
- ii. Acknowledge receipt of a complaint, and advise of the timescales for investigation.
- iii. Following a request, provide debtors with a copy of its complaint handling procedures.
- iv. Handle and deal with complaints, whether verbal or written, promptly and in a clear manner
- v. Advise complainants of their right to refer their complaint to the CCAS, as and where appropriate
- vi. Take appropriate remedial action in instances of failing or error
- vii. Undertake root cause analysis of complaints and take corresponding action to improve business practices
- viii. Keep a record of all complaints, howsoever received, and ensure the appropriate management are aware of the level, nature and route cause of complaints



### **Disputes**

Every Member/Creditor shall:

- i. Engage with clients and debtors to ensure dispute are investigated and dealt with promptly
- ii. Cease recovery activity whilst investigating a valid dispute
- iii. Provide a response detailing the member's conclusion to the dispute
- iv. Provide sufficient information to justify the stated conclusion

### **e. Data protection and confidentiality**

Every Member shall:

- i. Process personal and sensitive data in accordance with the relevant data protection legislation, ensuring compliance to the Data Protection Principles.
- ii. Only obtain and process data from legitimate sources or databases.
- iii. Take prompt steps to correct data, both internally and with the relevant credit bureaus, where it is aware that the data is out of date or inaccurate.
- iv. Pass on or make promptly available information in relation to the debtor's financial circumstances, any dispute or complaint, or mental health problem in order to prevent collection activity from continuing where it is appropriate to do so.
- v. Use appropriate controls to ensure that any exchange of data to any third party is lawful and adequately protected.
- vi. Ensure they have the technical and organizational measures in place to prevent unauthorized and unlawful processing and disclose of information.
- vii. Comply with any subject access request received from the debtor or any third party representative acting on behalf of the debtor.
- viii. Ensure appropriate data protection checks are carried out when speaking with debtors to verify their identity and where necessary and appropriate, validate and update information received from debtor.
- ix. Observed and protect each client's data, strategies, integrity and business methods.
- x. Operate a written data retention policy.



## **f. Monitor Compliance**

Every Member shall:

- i. Keep abreast of relevant legislation, regulations, regulatory guidance and requirements and updates to, and guidance relating to, this Code of Practice.
- ii. Periodically test the compliance knowledge of its staff as appropriate to their job functions.
- iii. Employ appropriate and sufficient organizational processes to enable the routine monitoring of its compliance performance, including that of its staff and agents.
- iv. Keep records of compliance monitoring and testing undertaken in sufficient detail to illustrate compliance performance.



### **3. Breaches of this Code of Practice**

Allegations of breaches of this Code of Practice will be investigated by CCAS.

If any investigation identifies serious breaches of this Code of Practice by any member the matter will be referred to the Board. Each member shall cooperate with the Association in a timely manner, providing requested information.

CCAS shall determine any sanctions for a breach of this Code of Practice in accordance with its Articles of Association. The Association may publicize any sanctions it imposes on a member.



#### **4. Sector Specific Principles**

This section applies to all Members who undertake the following activities:

- a. Tracing
- b. Communication in collection
- c. Doorstep collection (debt collection visits)
- d. Pre-litigation and litigation
- e. Overseas collection and recovery
- f. Commercial collection



## a. Tracing

Every Member shall:

- i. When seeking to identify an individual, take reasonable steps to ensure that data and information used in the identification process is, to the best of their knowledge, accurate and adequate.
- ii. Ensure that all practices involved in the tracing process are transparent and in line with relevant regulation and guidance prior to any collections activity.
- iii. Take reasonable steps to ensure that the person traced is in fact the debtor.
- iv. Attempt to verify data obtained relating to a debtor's whereabouts using one or more information sources, which could include reliable databases, a soft trace letter, contacting other people or doorstep enquiries
- v. Do not ask the debtors' neighbours to pass on messages as part of the trace process.
- vi. Demonstrate that processes are in place to deal effectively and fairly with any instances of mis-trace (when data obtained proves to be inaccurate) and keep records of such instances.
- vii. When data is proven to be inaccurate, update all records promptly and accurately.

## b. Communication in collection

Every Member shall:

### *Telephone communication*

- i. When making contact by telephone, ensure adherence to data protection requirements and verify the identity of the debtor or their authorized third party before discussing the nature of the call.
- ii. When leaving a message, not disclose the nature of call or any details relating to the debt, or other personal information.
- iii. Not refer to litigation or insolvency proceedings unless the commencement of proceedings is genuine and intended.
- iv. Ensure that staff members who use pseudonyms can be easily identified within the organization.



***Written communication***

- i. When making written contact, ensure communications are written and produced in line with applicable regulations, legislation and regulatory guidance.
- ii. Ensure that on transfer of a debt to a third party agent the debtor receives written notification advising them of who is now responsible for collecting the debt, so that they are aware at all times who will be making contact.
- iii. Provide debtors with information on repayment methods.
- iv. When using email to contact debtors, before sending debt related correspondence take reasonable steps to verify that the email address obtained is valid and is an acceptable form of communication.
- v. Consider any statutory requirements which require a particular method for sending certain documents or notices.
- vi. When sending text messages, take reasonable steps to verify that the mobile telephone number obtained is valid.
- vii. Ensure text messages do not disclose the nature of the contact, or refer to the debt or other personal details unless permitted to do so by the debtor.





### **c. Doorstep collection and recovery (debt collection visits)**

Doorstep collection is an effective method of debt recovery, and should not be used as a threat of action. It is not bailiff activity, and should not be referred to as such.

Every Member shall:

- i. Provide adequate training to field collectors to ensure that all visits are performed in accordance with relevant legislation, regulations, regulatory guidance and code of practice.
- ii. Provide field collectors with appropriate identification which should be offered to customers at the first opportunity and made available immediately upon request.
- iii. Arrange appointments at a time convenient to the debtor when requested to do so.
- iv. Always act in a courteous and respectful manner.
- v. Do not enter the premise even when requested to do so by the occupant / debtor.
- vi. Ensure monies collected by field collectors are remitted securely and in accordance with timelines agreed with the client.
- vii. Regularly audit the activity and cash handling procedures adopted by field collectors.
- viii. Notify the client where a debtor has been identified as vulnerable.
- ix. Maintain accurate records of all visits undertaken.
- x. Properly record any assertion that the person being visited is not the debtor and promptly report this to the client.
- xi. Ensure information established during the visit is accurately reported to the client
- xii. Investigate all complaints made against staff and representatives and provide details and outcomes of these investigations to clients.



#### **d. Pre-litigation and litigation**

Every Member shall:

##### ***Pre-litigation***

- i. Only state an intention to commence proceedings that are reasonably likely to be undertaken against or applied for in respect of the debtor.
- ii. Make clear to debtors prior to issuing a claim or making an application its intended course of action and what the debtors can do to prevent that course of action.
- iii. Not mislead debtors as to the consequences or inevitability of consequences arising from any legal or bankruptcy action.
- iv. Adhere to applicable pre-action protocol.

##### ***Litigation***

- i. Resort to litigation only if appropriate non-litigious recoveries activity has been undertaken in respect of the debt.
- ii. Commence any litigation, enforcement or bankruptcy action only if it intends to obtain the related order against the debtor.
- iii. Not serve a statutory demand on a debtor unless it intends at the time of service to serve bankruptcy petition on the debtor.
- iv. Consider refraining from commencing, or consider suspending or ceasing, any legal or bankruptcy action upon identifying that the debtor is particularly vulnerable and that such action would be likely to exacerbate a physical or mental health condition.
- v. Provide forbearance to customers as appropriate in the circumstances.
- vi. Only impose such costs and interest on debtors as it is lawfully entitled.
- vii. Serve all appropriate statutory notices on debtors prior to, during and post-litigation.
- viii. Have demonstrable policies relating to its selection of debts and/ or debtors for legal and bankruptcy action.
- ix. Adhere to all relevant legislation and regulations throughout proceedings.



**e. Overseas and collection recovery**

Every Member shall:

- i. Adhere to the jurisdiction of the country in which the Member is undertaking debt collection activity.
- ii. Consider and adhere to any local regulatory guidance on debt collection within the country they are attempting to collect unpaid accounts.
- iii. Have appropriate controls in place to ensure the safe transfer of data.
- iv. Maintain all relevant licenses, permits and registrations of the jurisdiction in which the Member is undertaking collection activity.
- v. Respect the prevailing time zones of the country the Member is calling when making telephone calls to debtor or their representatives.
- vi. Take account of statutory and other local market holidays when making contact with debtors or their representatives.
- vii. Be willing to accept payment in any reasonable and non-sanctioned currency.
- viii. Use a recognized exchange rate provider when converting payments or when payment plans are being set.
- ix. Respect the language preferences of the debtor relative to the jurisdiction.
- x. Have a capability to provide written communication to the preference of the debtor relative to the jurisdiction.



**f. Commercial collection**

Every Member shall:

- i. Adhere to the principles of this Code of Practice when collecting unpaid accounts from businesses.
- ii. Make clear all costs and charges added to debts, including the legal or contractual basis for any interest applied.
- iii. Have in place an adequate complaint handling process which includes referral to the CCAS complaints scheme.

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