

Got their number

Ending the
harm caused by
nuisance calls
and texts



Executive Summary

There is an epidemic of nuisance calls and messages in the UK. For most people this is just an everyday irritation, but for others, this may cause serious hardship. These types of calls and messages can create serious stress and anxiety related problems and have left millions of people afraid to answer the phone. For those in financial difficulty these types of calls and messages may leave them vulnerable to making financial decisions that worsen their situation. StepChange Debt Charity believes that people have lost control of their personal data and no longer know if or when they may be subjected to such intrusive calls and messages.

To further understand the problem we commissioned YouGov to conduct a national representative poll of 2,017 GB adults (aged 18 and over); conducted our own stepchange.org website poll; and undertook Subject Access Requests on behalf of a number of clients.

The national picture (YouGov)

- Just over 3.2 million British adults who have received an unsolicited marketing call or text message have been left afraid to answer the phone as a result of these communications.
- Just over 45 million British adults have received unsolicited marketing calls or text messages.
- Just over 26.3 million British adults have been offered high-interest credit such as payday loans via unsolicited marketing calls or messages.
- 83 percent of British adults feel consumers need greater protection from telemarketers than the current Telephone Preference Service (TPS).
- Just over 13.4 million British adults have received a call or text message about debt collection.



Just over 3.2 million British adults have been left afraid to answer the phone as a result of unsolicited marketing calls or text messages

Indebted consumers (StepChange Debt Charity clients and website poll)

- Six percent said that they had taken out a financial product or service that worsened their financial position as a result of a nuisance call.
- 81 percent said they did not know whether they had given consent to share their data.
- Firms are not meeting their obligations under Subject Access Requests, making it difficult to obtain accurate information on what personal details financial companies hold on you and whether this information has been passed to third parties.

Recommendations

StepChange Debt Charity believes a broad package of measures is needed to ensure that consumers are better protected from nuisance calls and texts, and to allow them to regain and retain control of their personal data. These recommendations include:

- Increased powers for regulators, including a lower threshold for fining firms over breaches of the Data Protection Act (DPA) 1998 and Privacy and Electronic Communications Regulations (PECR) 2003.
- Changes to ensure consumers know who has their data, including a system of “bounded consent”.
- A ban on the unsolicited real time promotion of high-risk credit products and ancillary service via telephone calls.

What are nuisance calls and messages?

Current definitions of nuisance calls and messages deal largely with marketing calls and messages. Ofcom defines nuisance calls or messages as any one of the following:

- **Live marketing calls**
- **Marketing text messages**
- **Recorded message calls**
- **Abandoned and silent calls**
- **Direct marketing emails and spam**
- **Abusive and threatening calls**
- **Scams**
- **Direct marketing faxes**
- **Fax in error calls.**

While the current focus on marketing calls reflects the experience of most consumers, StepChange Debt Charity believes that elements of the debt collection process should be defined as nuisance calls.

Many of the charity's clients are contacted numerous times a day by various lenders. These kinds of calls can cause additional stress and anxiety to consumers who are already extremely vulnerable. Firms are often unaware of customers' situations, the volume of calls they are receiving and the potential harm that this can cause.

Introduction



Nearly 8.8 million British adults find unsolicited marketing calls or text messages stressful or make them feel anxious

Almost everyone in the UK will have received a nuisance call or message telling them things like “write off your debts”, “claim thousands in compensation” or “get cash quickly and easily now”. Forty-five million adults in Britain say they have received these types of unsolicited marketing calls or texts¹, while nearly half of those (49 percent) believe they are receiving more than last year². Despite legislation designed to protect consumers against such practices, the problem is still prevalent. Most people are able to dismiss these as a general nuisance, but the risks to vulnerable consumers are substantial.

Although unsolicited promotional electronic messages are banned under PECR 22.(2), the regulations are widely flouted and inadequately enforced.

StepChange Debt Charity is concerned that vulnerable consumers are now routinely subjected to intrusive, distressing and potentially harmful calls. These calls can lead to serious stress and anxiety related problems – just over 3.2 million British adults say they have been left afraid to answer the phone as a result of unsolicited marketing calls and texts.

For those people in financial difficulty, nuisance calls and text messages offering high-cost credit, such as payday loans or fee-charging debt management services, may lead to a temptation to take out products or services which, if mis-sold, could substantially worsen their situation.

The charity is concerned that underlying the problem of nuisance calls and messages is a weak data protection regime. The result being that consumers have lost control of their personal information and no longer know if or when they will be subjected to such calls or messages.

StepChange Debt Charity firmly believes that there is a clear need for better protection for consumers from such calls, a view shared by 83 percent of British adults who (after having been informed about the current TPS) said that people need greater protection from telemarketers³.

A related but previously overlooked problem is that of debt collection. StepChange Debt Charity regularly hears from indebted people who are bombarded by calls and messages from lenders. These types of calls and messages share many of the characteristics and effects of nuisance marketing calls. High volumes of calls directed at financially vulnerable people may lead to stress and anxiety or exacerbate existing mental health problems. In addition, pressure applied by lenders and debt collectors for repayment may leave vulnerable consumers susceptible to making potentially harmful financial decisions.

Although new EU General Data Protection Regulations currently under consideration may address some problems associated with nuisance calls and messages, we believe there is a pressing need for government and regulators to act now to address the serious detriment associated with these types of communications.

¹ All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,017 adults. Fieldwork was undertaken between 20th - 23rd September 2013. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+)

² Ibid

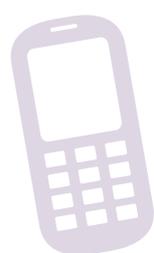
³ Ibid

What's the problem with unsolicited marketing calls and messages?

Stress and anxiety

Nuisance calls and messages can cause serious harm in the form of stress and anxiety – 8.8 million people said that unsolicited marketing calls and texts made them feel anxious or stressed, while 3.2 million people said they were afraid to answer the phone⁴. For indebted consumers the problem is even more acute, 65 percent of respondents to a stepchange.org website poll said they were afraid to answer the phone as a result of nuisance calls or texts.

For those people struggling with debt, these types of calls and messages risk exacerbating existing mental health difficulties. According to the World Health Organisation (WHO) the more debt that people hold, the more likely they are to suffer from mental health problems⁵. This further serves to illustrate why it is essential to ensure better protection for financially vulnerable consumers from the potential harm of nuisance calls and messages.



"I was getting up to 4 calls on my land line and 4 on my mobile every day. It was relentless. It made me so anxious and unhappy".



Financial vulnerability

The promotion of high-interest credit such as payday loans via unsolicited marketing calls or texts messages is taking place on an enormous scale – over 26.3 million (58%) British adults say they have been offered high-interest credit (e.g. payday loan) via unsolicited marketing call or text message, while over 4.5 million (10%) British adults who have received them say they get such offers "very often"⁶.

StepChange Debt Charity,s has serious concerns that for financially vulnerable people, nuisance calls or messages have the potential to cause even greater hardship. Financial difficulties can lead to poor economic choices. Six percent of respondents to the stepchange.org website poll said that as a result of a nuisance call or message they have taken out a financial service or product that worsened their financial position⁷.

Over a third of StepChange's clients have arrears on at least one household bill, such as rent, energy bills or Council Tax. As people struggle to keep a roof over their heads, the heat on in their home or a bailiff from coming to the door, the lure of a no questions asked loan or the promise of having debts written off is easily understood.

For those people struggling financially these offers may seemingly provide temporary financial relief - 1.2 million (3%) British adults who have received such calls said they had been tempted to take out high-interest credit such as payday loans as a result of an unsolicited marketing call or text⁸.

4 Ibid

5 World Health Organisation: Impact of economic crises on mental health: 2011

6 YouGov poll for StepChange Debt Charity

7 Stepchange.org website poll (464 respondents - September 2013)

8 YouGov poll for StepChange Debt Charity

High-cost credit, however, is often linked to greater financial difficulty. Amongst StepChange Debt Charity clients, those with debts on high-cost credit such as payday loans and home credit, are more likely to be behind on essential bills. In 2012, 13 percent of all StepChange Debt Charity clients had arrears on their Council Tax, among those clients with at least one high-cost credit debt, this figure rose to 17.1 percent; 8.6 percent of all the charity's clients had rent arrears, this rose to 11.2 percent for those with at least one high-cost credit debt; 8.9 percent of all clients were behind on electricity payments, this rose to 10.4 percent for those with at least one high-cost credit debt; and 6.3 percent of all clients were in arrears on gas payments, this rose to 7.6 percent among clients with at least one high-cost credit debt⁹.



“When you’re as desperate as I was, it’s strangely comforting to know that there was money available no questions asked.

The reality of course is that you’re digging yourself deeper and deeper into a hole, and these companies know that”.



1.2 million

British adults have been tempted to take out high-cost credit (e.g. payday loans) as a result of unsolicited marketing calls or text messages

The potential risk is not restricted to high-cost credit, 31.3 million British adults say they have received unsolicited marketing calls or text messages offering fee-charging debt management services¹⁰. These services can often be expensive, unsuitable and in many cases make people's debt situation worse. According to the Office of Fair Trading elements of the sector are engaging in poor practices that “are causing distress to people already in financial difficulty”¹¹. Since the OFT's 2010 compliance review which found “widespread non-compliance with the Guidance by debt advice and debt management licensees”¹², 100 firms have exited the market or been refused a licence to enter the market¹³.

The charity has heard many stories of clients bombarded by calls and messages from firms, with which they have had no prior connection to, offering various credit products and services. This leaves people vulnerable to economic decisions that may worsen their position and leaves many with the feeling they have lost control over their personal information.

A StepChange Debt Charity client initially applied for a payday loan with one of the major payday providers. She then began to be deluged with calls and text messages from firms offering loans, many of whom she'd never heard of. “It started off slowly at maybe three or four calls a day but by the end of the week we're talking 40, 50 calls a day...even text messages, it was constant”.

⁹ StepChange Debt Charity, High cost borrowers most at risk of falling behind on essential bills (September 2013)

¹⁰ YouGov poll for StepChange Debt Charity

¹¹ Office of Fair Trading press release – OFT removes licenses of three debt management business (October 22, 2013)

¹² Office of Fair Trading Review of compliance with the Debt Management Guidance (September 2010)

¹³ Office of Fair Trading press release – OFT removes licenses of three debt management business (October 22, 2013)

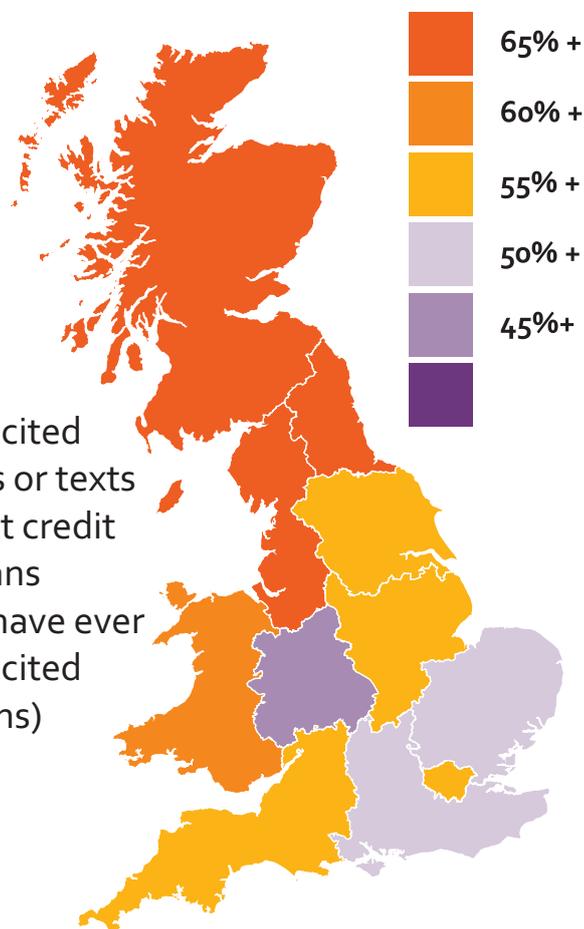
“Even now, even though they know I’ve got a Debt Relief Order¹⁴, and I tell them so, they say they can still offer me a higher percentage [loan] and I say ‘I don’t want any more debt’ and they’ll still try and they’ll ring up and offer me all sorts. No matter how many times I say ‘no I’m not interested’ they’ll just keep on ringing.”

Her debts and the constant harassment from companies offering her more loans had a devastating effect on her mental health “I started off on anti-depressants and I tried to take my own life because of my situation. I thought ‘your debt dies with you’ and I thought that was the only way out of it.”

A situation in which vulnerable consumers are on the receiving end of numerous calls and messages offering potentially harmful financial products and services raises two serious points. Firstly, there exists a situation in which firms are unaware that consumers may be in financial difficulty and are not able to make reasoned choices as to whether they should take out loans or services. Secondly, there are potentially firms who are fully aware of people’s financial position and therefore target these people in order to try and exploit that for monetary gain.

A StepChange Debt Charity client was repaying his debts via a Debt Management Plan (DMP)¹⁵ with StepChange Debt Charity. He was then contacted out of the blue by a fee charging debt management company, which claimed that he would never be debt free if he stayed with StepChange Debt Charity. He was advised that an Individual Voluntary Arrangement (IVA) was a suitable option and was convinced to pay the firm £200 per month. After four months he was advised his IVA application had been unsuccessful and the firm could instead offer him a DMP which they would administer for a monthly fee. He was refused a refund for any of the money he had paid them, leaving him £800 worse off.

People who've received unsolicited marketing calls or texts on high interest credit e.g. payday loans (of those who have ever received unsolicited communications)



All consumers, but particularly those in financial difficulty, need greater protection from nuisance calls and texts. Current protections are clearly not working and consumer groups and regulators must now work together to ensure a more cohesive approach to addressing the problem and the associated harm.

¹⁴ A Debt Relief Order (DRO) is a statutory debt solution for those with debts of less than £15,000 and limited assets

¹⁵ A Debt Management Plan (DMP) is an informal repayment arrangement agreed with creditors and administered by a third party

What is the problem with debt collection?

StepChange Debt Charity believes that the definition of nuisance calls should be broadened to include elements of debt collection practices. Many of the charity's clients have told us how, having fallen behind on loan payments, they are bombarded by calls and messages demanding repayment.

The impact of these types of calls often mirrors that of unsolicited marketing calls and text messages. They can lead to stress and anxiety or may exacerbate existing mental health difficulties. Such calls and messages may also lead to poor financial decisions whereby indebted consumers are pressured into making payments they cannot afford, resulting in potentially deeper financial detriment as other payments and bills are neglected.



Just over 13.4 million British adults have received a call or text message

This is may be a nationwide problem, nearly 13.4 million British adults have received a call regarding debt collection¹⁶. With the squeeze on household incomes set to continue in the near future, increasingly people are likely to turn to credit to make up shortfalls, leaving them vulnerable to stressful and often aggressive debt collection process.

We often hear from clients who tell us that the sheer volume of calls from creditors and debt collection agencies has had a detrimental effect on their health.

A StepChange Debt Charity client got into repayment difficulties and was then subjected to a barrage of calls from her bank. "They were calling me 30 times a day, seven days a week, from seven in the morning to ten at night. I just felt sick throughout the whole period".

Despite repeated pleas to stop calling and assurances from collections staff, the deluge of calls continued. "I needed the phone to speak to my Dad who was ill, but the only way I could get any respite was to unplug the phone, but this ended up with my family worrying when they couldn't get hold of me".

She had suffered from depression as a result of her marriage breakup, but says that her treatment at the hands of her bank's collections team was "harassment" and made her condition worse. "I kept having to go to the doctor, as the whole process just left me exhausted and at the end of my tether".

StepChange Debt Charity's Social Policy Network has identified a number of areas of poor practice whereby firms are mishandling people's personal data in the debt collection process, resulting in distress and harm to consumers.

- Firms are deliberately gathering excessive information on clients e.g. employer's contact details.
- Firms are revealing sensitive information on consumer's financial position to family members and employers.

StepChange Debt Charity client "They somehow got hold of my work number and called stating that they were a 'collections' agency wishing to speak to me. This led to a number of very uncomfortable questions from my employer causing me to have to discuss extremely personal details which in no way would have affected my work."

- Poor record keeping is resulting in people being incorrectly chased for debts and subjected to the often stressful practices already outlined.

A StepChange Debt Charity client was contacted last year by a firm chasing an £89 debt from 1979. This was not her debt, but her son's, who had been dead for over 10 years.

Where has this problem emerged from?

There is a market for people's personal data. Consumers' personal information is obtained, sold and then used to market to unsuspecting and sometimes vulnerable people.

There is a clear legislative and oversight regime designed to govern this very market: the two central pieces of legislation, the Data Protection Act (DPA) 1998 and Privacy and Electronic Communications Regulations (PECR) 2003 are enforced by the Information Commissioner's Office (ICO), while the ICO shares responsibility with Ofcom for oversight of nuisance calls.

The safeguards designed to protect consumers' personal details and ensure that people are not routinely subjected to nuisance calls and messages are clearly not working. There is now a sense that consumers have lost control of their personal information, Privacy International estimates that each individual's personal information is held on hundreds of databases, a 2004 estimate put this at 700¹⁷.

StepChange Debt Charity believes there are numerous weaknesses with the legislative and oversight regime that must be addressed.

The problem with consent

One of the root causes of the problem of nuisance calls and messages is the ease with which firms can collect, use and share peoples' personal data for marketing purposes. The current system allows firms to gain consent through simple "tick boxes" and what is known as the "soft opt-in"¹⁸.

The ICO's own Direct Marketing Guidance states that "the crucial consideration is that an individual must fully understand that their action will be taken as consent, and must fully understand what they are consenting to"¹⁹. This is not the case for many people – 81 percent of respondents to the stepchange.org website poll said that they did not always know when they'd given consent to share their personal details²⁰.

ICO Direct Marketing Guidance states that "Although an organisation will usually need an individual's consent to sell their details on for marketing purposes, if a business is insolvent, or being closed down, or sold, its customer database can be sold on without prior consent."²¹ There have been examples of fee-charging debt management companies collapsing or being closed down. By allowing their customer databases to be sold without prior consent, there is an obvious risk of exposing financially vulnerable consumers to increased stress and anxiety, while unscrupulous firms may seek to target these people with unsuitable financial services or products.

The government itself has acknowledged that there may be problems with what constitutes "consent", stating in its *Connectivity, content and consumers: Britain's digital platform for growth* paper, that it was "considering whether there is scope to improve clarity around the securing of consumer consent"²². It is essential consumers are given back control over their personal information and stricter guidelines on what constitutes consent would be a welcome step towards this.

¹⁷ See Lisa Kelly, 'Data protection – who's watching you?', Accountancy Age, 20 August 2004, online edition

¹⁸ ICO Regulation 22.(3)(a)

¹⁹ ICO Direct Marketing Guidance

²⁰ StepChange.org website poll

²¹ ICO Direct Marketing Guidance

²² Department for Culture Media and Sport: Connectivity, content and consumers: Britain's digital platform for growth

Ineffective and poorly joined up legislation

The key pieces of legislation, the DPA and PECR are not strong enough to prevent the ongoing problem of nuisance calls and messages. StepChange Debt Charity believes that chief among the problems with the existing legislation are:

- Enforcement is made difficult under the DPA and PECR. The threshold for monetary penalties against firms is too high. The ICO can only issue fines where “substantial damage or substantial distress” to the consumer has been demonstrated.
- The DPA allows for companies to repeatedly exploit personal data by letting them reuse it if they develop new products and services.
- Consumer redress is made difficult. Companies do not have to compensate consumers for psychological harm caused. This leaves people vulnerable to be bombarded by calls, harassment and high-pressure sales techniques.
- There is a discrepancy between regulations governing texts and calls. Unsolicited marketing via text, picture and video messaging is currently outlawed under PECR. These regulations are, however, routinely being breached by unscrupulous firms.

Consumer credit

The danger of marketing certain financial products through unsolicited marketing calls is already recognised. The Financial Conduct Authority (FCA) bans the promotion of mortgage products in this way under the Mortgage Conduct of Business rules²³. Yet, the promotion of unsecured credit including high-cost credit such as payday loans, and fee-charging debt management services via unsolicited marketing calls is still permitted.

StepChange Debt Charity believes that with the FCA set to assume control of consumer credit regulation in April

2014, there is now an opportunity to look again at the problem of unsolicited real time promotion of unsecured credit and fee-charging debt management.

Confused and under-resourced oversight

Problems with the legislation are compounded by a confused oversight regime. Currently oversight of nuisance calls is shared between multiple agencies, with Ofcom responsible for silent and abandoned calls, and the ICO handling live and recorded marketing calls and texts. This creates a confusing system under which it may not be clear to consumers where to direct complaints.

Regulators appear to be under-resourced in terms of dealing with the problem of nuisance calls. Since March 2012, the ICO has received over 200,000 complaints to its “snap survey” on nuisance calls, while Ofcom receives up to 4,000 complaints per month. Despite these volumes, between them the regulators appear to have fewer than 20 full time equivalent staff to deal with such problems²⁴.

Ineffective consumer protection mechanisms

Existing consumer protection systems such as the Telephone Preference Service (TPS) are inadequate. Those people signed up to TPS still receive an average of 10 calls per month²⁵. Other flaws in TPS include:

- The current 28-day waiting period between registering and the system taking effect is too long and leaves vulnerable consumers in a position where they may be bombarded with calls for a further four weeks.
- The service does not stop calls from overseas. Yet consumers are able to buy a service from their phone provider that stops overseas calls.
- TPS cannot prevent unwanted text, picture or video messaging.

²³ MCOB 3.7.3R

²⁴ London School of Economics and Political Science: Nuisance calls – A case for concerted action: 2013

²⁵ Which? research shows the TPS is failing to block nuisance calls - <http://blogs.which.co.uk/technology/phone-networks/which-research-shows-the-tps-is-failing-to-block-nuisance-calls/>



“TPS doesn't seem to make a difference”

It is clear that people have lost control of their personal data, this in turn creates a situation where many consumers are subjected to a high number of unsolicited marketing calls and text messages, which have potential

to cause stress and anxiety related problems and potentially harmful financial decisions.

To gain further insight into the problem StepChange Debt Charity conducted Subject Access Requests (SARs) on behalf of clients to establish what personal information was held by financial companies and whether this information had been passed on to third parties. We encountered numerous problems in attempting to conduct Subject Access Requests which are detailed below.

The problem with Subject Access Requests

A Subject Access Request (SAR) is a fundamental right under DPA. It is a safeguard for consumers, which entitles them to ask a firm:

- whether it is processing their personal data;
- for a description of the personal data and the reasons it is being processed;
- for a copy of the personal data; and
- for details of the source of the data.

Firms must respond to a SAR within 40 calendar days of receiving it.

Our research found serious problems with how firms respond to SARs:

- Customer service departments often have a very poor understanding of what firm's SAR requirements are under the DPA. Of more concern, some high-cost lenders' customer service departments are based outside the UK and agents had no knowledge of UK data protection law. In most cases it seems it is up to the consumer to ensure firms respond to an SAR appropriately.
- We found following a SAR firms do not confirm: a) that it has been received; and b) when the 40 period for response is deemed to have started.
- Many firms, particularly high-interest lenders, do not provide reliable contact information to allow consumers to check on the progress of a SAR. This makes it difficult for consumers to guarantee firms are pursuing their request and following best practice as they do so.

However, most seriously, there is a fundamental flaw with the whole SAR process. Under current legislation people making a request have no right to know **which** third parties their data has been shared with. Firms are only obliged to provide data on the categories of third party data has been shared with. **Therefore there is no real way to find out what a company does with your personal details.**

Due to our findings we make the following recommendations:

- Actions need to be taken to ensure that consumers are able to establish which firms hold their personal information. StepChange Debt Charity believes rules surrounding SARs must be improved. **Firms should be obligated to tell you which third parties they have passed your personal information to. This could be changed by amending section 7.1(b) of the DPA.**
- Firms should be able to demonstrate they have systems in place to adequately respond to a SAR, if they do not the ICO should have the power to issue a monetary fine without having to demonstrate substantial damage or distress to the individual.
- Regular contact should be made by companies to inform the customer of the receipt and progress of a SAR - we recommend the ICO Guidance should be updated to advise firms to update their customers on the progress of their SAR on a weekly basis until completion.

What needs to be done?

Our research has identified fundamental weaknesses with the current regime governing how data is collected, sold and used for marketing purposes. It also raises questions about whether firms seeking to recover debt are acting appropriately.

We believe nuisance calls are placing millions of consumers in a vulnerable position. Regulators do not have sufficient powers or resource to protect them. Enforcement is not carried out in an effective or joined-up manner. Legislation is fractured and insufficient. It is crucial a comprehensive package of reforms is introduced to remedy this situation.

Increasing the power of regulators

- Currently the threshold for issuing monetary penalties to firms misusing consumer data or breaking rules on electronic communication is too high. At the moment the ICO can only do so if, “substantial damage or substantial distress” to the consumer is demonstrated. We believe this should be lowered so that firms can be fined for breaching the DPA or PECR without the ICO having to demonstrate substantial damage or substantial distress.
- At the moment the ICO cannot order firms to compensate individuals for the harm caused by data protection breaches. This power is reserved for the Courts²⁶. We believe the ICO should not only have this power but that compensation should be available for psychological harm caused.
- We welcome that the ICO and Ofcom have recently announced they will share information with each other in order to act in a more joined-up manner. However, they need to go further. The ICO, Ofcom,

the FCA, the Claims Management Regulator and Financial Ombudsman Service should enter into a Memorandum of Understanding (MoU) which agrees to take a unified approach to the problem of nuisance calls and text messages. This approach should lead to a joint portal for complaints and a consistent enforcement strategy.

Ensuring consumers know who has their data

- It is often unclear to consumers when they have given consent for their data to be shared. This is because privacy notices are not correctly worded or that consent is not sufficiently separated from the decision to purchase. This is a key reason for nuisance calls.
- We believe consent should be bounded so that consumers know when they are consenting to sharing personal data, whom they are sharing data with and what will happen to that data once shared. To achieve this, government should amend legislation so that:
 - When requesting consent to share data for marketing purposes firms must list each organisation separately, so consumers can then give or withhold individual consent to each third party.
 - Third parties receiving consent should then not be able to share it with any additional firms for marketing purposes.
- The ICO Guidance on DPA and PECR should be made mandatory. So the regulator can take enforcement action against firms that do not follow best practice when handling data and contacting consumers.

- In addition, actions need to be taken to ensure that consumers are able to establish which firms **currently** hold their personal information. StepChange believes rules surrounding SARs must be improved. Firms should be obligated to tell you to which third parties they have passed your personal information. At present they are only obligated to tell you that your information has been passed on, but do not have to disclose the names of the firms it has been passed on to.

Limiting the unsolicited real time promotion of high-risk products

- The Financial Conduct Authority (FCA) should consider a ban on the “unsolicited real time promotion” of high-risk credit products and fee-charging debt management services.

Controlling aggressive debt collection

- The FCA is currently incorporating debt collection guidance into its rules on consumer credit. It should take this opportunity to strengthen existing provisions so taking employer contact details is prohibited unless creditors can demonstrate a justifiable reason for taking such details. This would end a situation where firms place consumers under unfair psychological pressure by recording such details as an implicit threat.

Reforming TPS

- Nuisance calls from overseas should be blocked by TPS. A strange situation exists under which you can purchase such a service from their telephone provider, but a government sanctioned service such as TPS does not allow this.

Case studies

Graham – Graham (46) had outstanding debts following the breakdown of a previous relationship, but was managing to keep on top of things. His debt problems began after his wife unexpectedly became pregnant and could only work two days a week. Graham then lost his job as a contractor, but his new role only paid half his previous wage.

To help meet the short fall Graham took out loans and credit cards, but still could not make ends meet. He didn't discuss his problems with anyone and sought to manage his situation using payday loans, before long he had five payday loans totalling £4,800. "It's too tempting. Nine o'clock at night with your laptop, no checks and fifteen minutes the money is in your bank".

It was at this time that he began to be bombarded by calls, texts and emails from firms that he'd had no previous dealings with offering him services including payday loans and debt management. "I have no idea how they got my details, but they seemed to know my financial situation".

Janie – In 2006 Janie and her husband found themselves struggling to budget after a change in their monthly wage packet, they first turned to credit cards to help them get by but were still unable to manage.

Their debts then spiralled out of control and soon their monthly card payments exceeded what they needed to live on.

They tried getting help from fee-charging debt management companies but ended up feeling 'terrified' after a two hour face-to-face consultation. Following the consultation, they began to be bombarded with nuisance calls and texts.

"As soon as I made enquiries about sorting out our debts they were relentless. You put your information on a website and it's almost instantaneous, calls and texts from various companies. And if you said you were thinking about it, they just swarmed".

At the beginning, Janie's mobile was going off every half an hour. There were two different numbers calling from the same company, about 17-20 calls per day.

At its height Graham was receiving around 12 calls and texts per day and numerous emails, but the number of calls and texts he received further increased in the week before he was due to be paid. "It was as if they knew exactly when I might be needing money and when I was at my most vulnerable."

Graham took out a payday loan as a result of being cold called, a decision that he describes as "hugely detrimental". "When you're as desperate as I was, it's strangely comforting to know that there was money available no questions asked. The reality of course is that you're digging yourself deeper and deeper into a hole, and these companies know that".

Graham is currently repaying his debts through a Debt Management Plan (DMP) with StepChange Debt Charity. "I've managed to stop myself from taking out any more loans, and I'm trying to get myself back on track. But the temptation is always there and when you're constantly being offered easy money or an easy way out, it's very hard to resist this temptation".

"You just felt like you were being constantly bullied. You just stayed and listened like a zombie because it was easier than putting up with the phone calls, at least they left you alone. That person left you alone for the rest of that night. But then obviously it made them worse, because then they'd phone you twice as much. You just had to not answer."

"It was totally exhausting, very very stressful, my mobile was going off at work, I was getting into trouble at work for taking personal calls, and there was no respite at home. You're trying to relax at the end of a working day and phone keeps going off, you're just hounded and hounded until you give in. It was either give in or get rude. It was just awful."

As a result of the debt, Janie was suffering from severe stress and anxiety. "I was down my doctor every week with stress related problems. It really got to my husband in the end, and he's quite a strong person. It made us very, very ill."

Sheila* – Sheila is a self-employed single mum. She first got into trouble when the recession hit. Around the same time was diagnosed with Crohn's Disease, a severe illness that is now preventing her from working at all.

Worried about paying for basic living expense she took out multiple credit cards and payday loans. Soon she found she was paying more out in debt repayments than was coming in.

Sheila has been suffering from nuisance debt collection and marketing calls for two years. These calls began after she was unable to pay back one of her payday loans. "They were actually quite abusive with me...every single scare tactic you can think of, they threw it at me. It was horrific".

At its worst she received on average 10 calls or texts per day, "I felt absolutely awful, at the time I just felt completely helpless...it's just left me feeling hopeless...it leaves you feeling like you've ruined your life."

Sheila went through a court case with the lender. As this was happening she found that the collection calls

stopped. She did receive a letter from a debt management company, on behalf of the lender, offering a deal. Sheila ignored this and the calls and texts started up again.

She also gets contacted by other payday lenders offering her further loans. "I get texts every 2 or 3 days...they say 'you've been preapproved for £200-300. It's from all different kinds of lenders I've never heard of before, so I can only assume they've sold my details on. I don't know how they could have got my details any other way. I'm quite private about who I send my details to and what I sign up to."

The pressure of the calls and messages had a severe impact on Sheila's health,

"I felt like I'd failed. Everything was failing, I wasn't able to work so my business was failing, my body was failing because I was in hospital all the time, I couldn't manage money, I was failing my son, just, I felt...rubbish. That all spiralled from getting into debt and continuously getting into more debt. It just spiralled."

*Name changed to protect identity

Consumer advice



The phone rings, your mobile beeps. For a second you wonder who it could be and then you realise it's another call or text. We want this to stop. Unwanted calls can cause untold stress and genuine harm to the people that have to deal with them.

Our aim is to get a tough new approach introduced by the regulators to help protect our personal information and punish companies who misuse it.

Our easy to follow guide will help you deal with these calls, texts or emails and how YOU can help to get them stopped.



What to say if you get a nuisance call

- Don't answer the call with your telephone number or name and don't include these details on your answerphone or voicemail message.
- Make sure the person on the other end of the phone gives you their details first. Check that they're calling from a credible place (for example, they're calling from your electricity supplier) before you start a conversation with them.
- Don't give out any of your personal details.
- If you don't want the company to call again, ask them to take your details off their contact list. You should follow this up with a letter to confirm what you've said on the phone.



How to avoid receiving nuisance calls

- If you're filling in an online or printed form make sure you correctly tick or untick any 'marketing communications' box, so your information isn't shared if you don't want it to be.
- Become ex-directory so your number isn't listed in the phone book.
- Register with the TPS (Telephone Preference Service), a free service that lets you opt out of receiving unsolicited calls.
- Buy a call blocker. These are quite expensive, ranging in price from £40 to £95, but they let you block numbers by area code and type. The more expensive models also make the caller give their name so you can decide whether or not you want to speak to them before you answer the phone.



What to do if you're unhappy about nuisance calls

- Make a complaint. It's always good to record the time, date and the name of the company that called but even if you don't have these details it's still worth making a complaint.
 - If you're getting calls from a person (not pre-recorded messages) or unwanted texts you can make a complaint to the Information Commissioners Office (ICO).
 - If you're getting silent or abandoned calls you need to complain to Ofcom.
 - Phonepay Plus deal with complaints about premium rate numbers.



If you're not sure who to make your complaint to visit MoneyAware to and we'll tell you who you need to contact.



Nuisance texts

- If the text comes from a company you know and trust but no longer want to contact you, reply STOP to the telephone number or short code shown in the message.
- If you don't know the company, NEVER reply, even if the message says that you can reply with STOP to come off their mailing list. If you reply they know your number is live and they will then inundate you with texts.
- Report any unwanted texts that you receive to your network provider. They all have a special 'abuse' number you can send the text to:
 - **Orange, O2 and T-Mobile: 7726**
 - **Vodafone: 87726**
 - **3: 37726**
- Complain to the Information Commissioner, on **0303 123 1113** or email them at **casework@ico.gsi.gov.uk**



Nuisance emails

- If you don't know the sender, don't open the email.
- Just like nuisance texts, if you know and trust the sender then you can unsubscribe using the link at the bottom of the email. If you don't know the sender DON'T REPLY - if they know your email address is real you'll be inundated with more emails.
- Keep the name of the sender and make a complaint to the ICO. You can do this directly from their website at **www.ico.org.uk/complaints/marketing**
- Be wary about giving out your email address to any company.
- Check the 'small print' to make sure you're not agreeing for your details to be shared with 'trusted third parties'.



In need of some help?

A lot of nuisance calls, emails and texts are sent when you're struggling to cope financially. These may be from debt management companies promising that they'll help you 'get debt free quickly' and 'write off your debts' but in reality they're an expensive and ineffective way to deal with your situation.

Instead, contact StepChange Debt Charity. We're a completely free debt advice charity. With over 20 years' experience, we're experts in giving free and impartial advice. From the first time you contact us to the day you become debt free we'll be there to help and support you.

We provide you with personalised advice that's tailored to your situation and because we don't charge a penny for our services you know that we've got your best interests at heart.

You can find out more about us at www.stepchange.org or you can call our free Helpline on 0800 138 1111. We're open Monday to Friday 8am to 8pm and Saturday 8am to 4pm.

Call: [0207 391 4598](tel:02073914598)

Monday to Friday: 9am to 5pm

Email: press@stepchange.org
policy@stepchange.org

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