

# **StepChange response to ECB draft Business Plan and Budget for 2026/27**

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## Summary

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StepChange Debt Charity is a specialist not-for-profit provider of debt advice and debt solutions supporting people across the UK. In 2025, over 160,000 people completed full debt advice through our online and telephone service.

We welcome the opportunity to respond to the Enforcement Conduct Board's (ECB) consultation on its draft 2026/27 Business Plan and Budget. Together with our frontline debt advice partners and a wide range of advocates, we called for and subsequently welcomed the creation of the ECB in November 2022. We have been pleased with the progress that the ECB has made so far in working towards its mission to ensure that everyone who experiences enforcement action is treated fairly, including its efforts to drive up standards in the enforcement sector and enhance complaints processes.

We are broadly supportive of the priorities outlined in this ECB consultation and provide more detail in response to the questions below. It is sensible that the ECB is focused on building its capacity to further develop its operational functions and tackle the scale of non-compliance it is identifying through its complaints function.

Since the ECB published its last business plan, the Ministry of Justice announced it was minded to legislate for the introduction of an independent statutory regulator for the enforcement industry and consulted on this issue. We responded with our partners in the Taking Control coalition in July 2025 with strong endorsement for the proposals, as a longstanding campaigning aim of our organisation.<sup>1</sup>

Practically, we believe that the ECB is well equipped to take this responsibility on. The ECB's 2025 Insights report showed that the enforcement industry received almost 3.7 million cases for enforcement under the Taking Control of Goods (TCOG) process, with a total debt value of almost £2.2 billion, in the first half of last year alone.<sup>2</sup> The creation of a statutory regulator therefore cannot come soon enough, and we look forward to working with the ECB as it continues to advocate for these much-needed legal powers and as it moves forward to introduce the second phase of its Standards.

It is also encouraging to see the ECB recognise the importance of influencing creditor behaviour upstream, including shining a light on both positive and poor creditor behaviours that have implications for the enforcement process.

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<sup>1</sup> Taking Control coalition (July 2025), [Response to Ministry of Justice "Enforcement Sector Regulation" consultation](#)

<sup>2</sup> Enforcement Conduct Board (January 2026), [2026 Insight Report: Key data on the enforcement \(bailiff\) industry](#)

# Response to consultation questions

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## **Question 1: Do you have any comments on the proposed priorities for 2025/26?**

We welcome the ECB's continued recognition that enforcement action can have a profound impact on the lives of those who experience it.

One StepChange client with council tax arrears told us how they were "psychologically tired" because of their experiences with council tax enforcement. They said: "I am currently undergoing treatment. I take medicine all the time, but sometimes I have very negative thoughts. I'm afraid of people, I stopped laughing." Another described how their experiences of enforcement action led to them not sleeping, "becoming depressed and the ultimate breakdown of [their] marriage."

While we understand that enforcement action is an inherently complex and difficult process for enforcement firms and agents as well as those on its receiving end, we continue to hear from clients who describe troubling, problematic or rule-breaking interactions – from rejection of reasonable repayment offers through to misrepresentation of enforcement powers and threatening and intimidating behaviour.

As in previous years, StepChange broadly welcomes the commitments laid out in this draft ECB Business Plan and Budget, as we believe they signal an ongoing, constructive direction of travel in ensuring that everyone who experiences enforcement action is treated fairly, from the expansion of the complaints function to accommodate unforeseen levels of complaints to the implementation of new Standards.

### **1) Continuing to raise the bar on fair enforcement**

We welcome the ECB's continued commitment to the successful implementation of remaining sections of its new Standards for the enforcement sector, focused on vulnerability (financial and otherwise). We were pleased to see the ECB develop these Standards not only through extensive engagement with industry and charity/consumer group stakeholders, but also through targeted input from those with lived experience.

As the Taking Control coalition emphasised in our collective response to the ECB's first Standards consultation in 2024, the enforcement industry currently refers to Standards set out across the Taking Control of Goods Regulations 2014 and the accompanying non-statutory National Standards.<sup>3</sup> These are insufficient and have not

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<sup>3</sup> Taking Control Coalition (September 2024), [Response to Enforcement Conduct Board consultation on Standards for Enforcement Work and Oversight Model](#)

kept pace with developments in thinking and progressive approaches which exist elsewhere, including the financial services and energy sectors.

StepChange insights demonstrate how acutely these interventions are needed:

- Three in five (61%) StepChange debt advice clients who experienced enforcement action in the first half of 2024 had an additional vulnerability beyond their financial situation.
- Around two in five (42%) StepChange debt advice clients who experienced enforcement action in the first half of 2024 had a negative budget – meaning after going through a full debt advice and budgeting session, their monthly income is not enough to cover their basic monthly costs.

These new Standards should go above and beyond existing rules and guidance and serve as an opportunity to drive positive cultural change in the enforcement sector. It is sensible that the ECB intends to develop guidance and good practice examples to firms and agents to supplement the new Standards.

We note that the ECB's consultation response says the new Standards 'do not seek to influence the terms of [creditors' acceptable payment] parameters'. We therefore retain some concerns, first expressed in our original consultation response, that the integrity of the 'ability to pay' elements of the ECB's new Standards could potentially be eroded by creditor requirements, which – as industry feedback indicates – largely shape how firms currently approach ability to pay (whether accommodating or otherwise).<sup>4</sup> While we appreciate that the ECB does not have oversight over creditors who instruct enforcement agents, it should provide further clarity on the steps that will be taken to encourage alignment between creditor and enforcement firm practice. We expand on this in response to question 2.

We remain committed to supporting the rollout of these Standards and supporting material from the ECB wherever possible or appropriate, and are happy to continue sharing relevant client insights from a debt advice perspective – including efforts to understand how the new Standards are landing on the ground post-implementation.

In our response to the ECB's draft Business Plan for 2025/26, we encouraged the ECB to commission qualitative and quantitative research to better understand the experiences of those subject to enforcement action.<sup>5</sup> We are very pleased therefore to see that the ECB will be commissioning research looking into the demographics of those who experience enforcement action, to develop understanding of which groups might be disproportionately impacted and how this might feed into its oversight.

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<sup>4</sup> Taking Control coalition (October 2025), [Response to Enforcement Conduct Board consultation on its Vulnerability and Ability to Pay Standards](#)

<sup>5</sup> StepChange Debt Charity (March 2025), [Response to Enforcement Conduct Board consultation on its 2025/26 draft Business Plan](#)

## 2) Delivering a high-quality complaints service for the public

We are encouraged by the actions that the ECB has so far taken in this area, following the launch of its complaints function in January 2025. It is positive that, as the ECB notes as part of this consultation, requiring firms to have no more than two stages of first tier-complaints handling and to take no more than 25 days appears to have removed friction and reduced the number of people who discontinue complaints before escalating beyond the firm.

Our insights as a free debt advice provider show that people undergoing enforcement action are not commonly familiar with the enforcement framework and their rights within it. We believe that this murkiness and confusion lends itself to some of the problems flagged in our research, as well as the independent body worn video research commissioned by the ECB in 2024 – including agents conducting enforcement outside of appropriate hours, misrepresenting their powers, or threatening the removal of ineligible household goods.<sup>6</sup> It is good therefore to see a growing level of engagement from those going through enforcement action with the ECB's complaints function. Given the volume of complaints received has been much higher than first anticipated, it is sensible that the ECB is looking to expand capacity in its Complaints Team to ensure it can accommodate likely demand.

It is notable that, of the 70 investigations the ECB has concluded so far, over half of these have been upheld. The continued advancement of a robust, independent complaints mechanism is crucial in eliminating some of the above challenges, with attached repercussions for firms or agents found to have broken the rules.

## 3) Impactful oversight and monitoring of the market

Responding to the ECB's 2025/26 draft Business Plan last year, we said one big area of consideration for the ECB will be picking up on trends and identifying systemic, persistent or widespread issues through compliance and monitoring.<sup>7</sup> The identification of a major overcharging issue at a large enforcement firm (Marston Holdings) last year is proof of this need. We keenly look forward to the publication of the subsequent Thematic Review by the ECB, which seeks to gauge whether overcharging has happened more widely across the sector, expected in April 2026.

An ongoing focus on ensuring oversight is comprehensive and watertight is clearly fundamental to the long-term sustainability of the ECB. We would welcome further clarity on plans to develop a risk assessment framework to help prioritisation of resource, as well as processes for triaging and assessing incoming intelligence.

<sup>6</sup> M.E.L Research (October 2024), [Enforcement Conduct Board Research into Doorstep Interactions: Findings report](#)

<sup>7</sup> StepChange Debt Charity (March 2025), [Response to Enforcement Conduct Board consultation on its 2025/26 draft Business Plan](#)

We would value continued engagement with the ECB as it looks to ensure the industry remains on track to comply with the new Vulnerability and Ability to Pay Standards ahead of, or by, implementation stage. Assessment of compliance with these new Standards will then be an important part of the ECB's work following implementation. We are happy to support by continuing to provide evidence which highlights the different experiences of our clients going through enforcement action, and how these new Standards are landing on the grounds.

Regarding this overall commitment, we would emphasise that statutory underpinning for the ECB would be greatly beneficial in facilitating the body's ongoing ability to enforce rules and Standards, apply sanctions for non-compliance, and collect data to monitor practices.

#### 4) Building the long-term sustainability of independent oversight

We are pleased that the ECB has once again signalled that ensuring the long-term sustainability of independent oversight remains a core priority, and that it is working with the Ministry of Justice to deliver on its welcome commitment to set the ECB on a statutory footing.

As we have consistently highlighted – while we welcome the establishment of the ECB – there are clear limits to the current voluntary regulation approach, which must be rectified.<sup>8</sup> As it stands, the ECB is reliant on the backing of the enforcement industry – the group it is assigned to regulate – for its continued existence, which is an inherently unstable setup. Statutory underpinning for the ECB would enable the organisation to fully deliver on its mission to ensure that everyone who experiences enforcement action is treated fairly through providing a sustainable, independent footing.

We strongly hope that the Ministry of Justice will bring forward legislation which makes this a reality as soon as possible to ensure the ECB can properly embrace its mission to ensure that everyone who experiences enforcement action is treated fairly.

We welcome the ECB's plans to investigate options for introducing some elements of "polluter pays" charging to its model, as we note the ECB will likely need to keep expanding its capacity and will need to keep its funding model under assessment. Charging case fees along the lines of the Financial Ombudsman Service would be one solution that the ECB could consider, to incentivise firms/agents to deal fairly with complaints at source, with different fee levels for cases that are upheld or not.<sup>9</sup>

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<sup>8</sup> Taking Control coalition (July 2025), [Response to Ministry of Justice "Enforcement Sector Regulation" consultation](#)

<sup>9</sup> Financial Ombudsman Service (February 2025), [Case fees: About case fees and when you need to pay them](#)

## 5) Influencing creditors

While we appreciate that the ECB does not have oversight over creditors who instruct enforcement agents, we welcome its acknowledgment of the key role that creditors have to play in driving fair enforcement. All too often, StepChange hears of situations where creditors have passed our clients onto enforcement action despite this move being preventable or inappropriate for their personal circumstances, leading to harm and negative outcomes.

Our research on council tax debt collection and enforcement practices, for example, has shown that the way local authorities communicate with those behind on council tax payments varies significantly.<sup>10</sup> Oversimplified and unsympathetic messaging, coupled with a lack of flexibility from certain creditors, can hinder constructive engagement and contribute to escalation to otherwise preventable enforcement action, a poor outcome for all involved. This mishandling can have various negative consequences – from rationing or going without essentials, through to deeply harmful mental health impacts.<sup>11</sup> It also means enforcement firms and agents coming up against cases where people have no or minimal ability to pay far too regularly.

Work to engage creditors to build trust and further support for the ECB's mission – and minimise risks of creditor actions undermining this – is therefore welcome and vital.

The ECB's Standards consultation response highlighted commentary from firms around the concerning practice of 'case recycling', whereby if one firm has been unsuccessful in recovering a debt and returned the case, the creditor will pass the case back out to one or more other firms to enforce. We believe this issue warrants further attention in the year ahead, especially as the ECB looks to introduce the new Standards, and should be a focus of conversations with creditors – as it suggests a lack of due diligence or consideration as to whether enforcement action is appropriate for someone's circumstances.

We note the ECB's statement that it stepped up engagement with creditors in the last year, describing a particular focus on parking and road traffic enforcement. We definitely recognise the rationale for this focus, given that the ECB's 2026 Insights Report showed that such cases made up nearly two thirds of all those under TCOG in the first half of last year. We would emphasise however that engagement with local authorities specifically in relation to the collection council tax arrears should also be a significant priority for the ECB, given the extensive evidence of harm in this area from the likes of us, Money Advice Trust and the Money and Mental Health Policy Institute.<sup>12</sup>

<sup>10</sup> StepChange Debt Charity (2026), [Clear, Fair, Understandable?](#) and StepChange Debt Charity (October 2024), [Looking through the keyhole: StepChange debt advice clients' experiences of the council tax debt collection journey](#)  
<sup>11</sup> StepChange Debt Charity (October 2024), [Looking through the keyhole: StepChange debt advice clients' experiences of the council tax debt collection journey](#)

<sup>12</sup> Money Advice Trust (February 2026), [Lost in the system: Experiences of council tax collection in England](#); StepChange Debt Charity (October 2024), [Looking through the keyhole: StepChange debt advice clients' experiences of the council tax collection journey](#); Money and Mental Health Policy Institute (September 2024), [In](#)

**Question 2: Do you have views or ideas on how the ECB can seek to influence creditors towards fair enforcement, in a targeted and impactful manner?**

As highlighted in response to question 1, we are concerned by the scale at which certain creditors move quickly towards enforcement action despite this move being preventable or inappropriate for the person in debt's personal circumstances, leading to harm and negative outcomes for those subject to enforcement. It is also puts enforcement firms and agents in challenging situations, where they find themselves called on to chase debts where there is minimal or no ability to pay present.

This is particularly apparent when it comes to the collection of council tax arrears. StepChange debt advice data shows that while one in ten (9%) new clients experienced enforcement action in 2024, this climbs to three in ten (29%) among those with council tax arrears – indicating a heavy reliance by local authorities on the use of enforcement agents compared to other sectors.

Research published by StepChange in March 2026, 'Clear, Fair, Understandable?' found that communications from local authorities to those with council tax arrears not only differ dramatically, but insensitive or oversimplified messaging is worryingly common in the absence of binding guidance from central government on the framing of recovery communications.<sup>13</sup>

For example, councils may emphasise enforcement action without properly signposting to debt advice or other support organisations and outlining payment plan options. There is often a failure to explain support options and realistic next steps for those in arrears. This is especially troubling given that current regulations allow local authorities to demand the full annual bill after one missed instalment – noting that the Welsh Government, in a welcome move, will be extending this timeline in April 2026.<sup>14</sup>

Feedback from clients with council tax arrears also reveals that interactions can vary not only between local authorities, but between individuals within the same local authority itself. This inconsistency causes some people to retreat from dealing with their situation, while others point to experiences which they deemed to be more constructive with creditors elsewhere, with one client saying: "all other creditors listened to my situation, and I have affordable plans in place... [The council] sent the debt as soon as they were able to a bailiff."

This context is closely tied with the work of the ECB, with council tax arrears cases making up almost a quarter (23%) of overall enforcement cases in H1 2025 and 40% of the total debt value processed under TCOG.

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[the public interest? The psychological toll of local and national Government debt collection practices](#)'; and Centre for Social Justice [in collaboration with Money Advice Trust] (August 2024), [Still Collecting Dust: Ensuring fairness in council tax collection](#);

<sup>13</sup> StepChange Debt Charity (2026), [Clear, Fair, Understandable?](#)

<sup>14</sup> Welsh Government (2025), [Written Statement: Fairer Council Tax Enforcement Practices – Consultation Summary of Responses](#)

Research published by StepChange in 2022, titled 'Mixed Messages', also found that the tone and presentation of communications can trigger pessimistic views on how creditors might respond to requests for support, and legal and regulatory language can act as barriers to seeking help.<sup>15</sup>

We believe that there is value in the ECB carrying out targeted engagement with stakeholders which oversee or engage closely with local authorities including the Ministry of Housing, Communities and Local Government (MHCLG), Welsh Government and the Local Government Association (LGA), as well as individual local authorities themselves, on efforts to improve levels of empathy and meaningful references to practical, non-intimidating avenues of support in communications to those going through council tax arrears and highlight good practice.

For government creditors, including HMRC and DWP, interaction with the Government Debt Management Function, including through the Fairness Group, will continue to be vital.<sup>16</sup> Activity to influence creditors should also extend to other areas where enforcement is possible, including utility sector debt collection, so we would like to see the ECB engaging with the UK Regulators Network and its members on fair enforcement, or indeed becoming a member itself in the future.

The ECB can explain its Standards and make the case for those bodies to align their requirements for creditors as it is in the public interest. This work could be supported by pursuing MoUs with certain government and regulatory bodies, as the ECB has already done with other complaints bodies. Going forwards, the ECB could also work with partners to create a code of practice for creditors passing debts to enforcement.

The ECB should also be working closely with creditors – particularly those currently passing on more aggressive collection requirements to enforcement firms – to disseminate expectations that will be established through the new Vulnerability and Ability to Pay Standards. The ECB could incorporate expectations of how creditors who have recourse to relevant enforcement action should approach ability to pay in accordance with its new Standards in intended new good practice guidance.

StepChange is also advocating for a statutory protocol for council tax debt collection, which would require councils to take certain steps before charging the annual bill, seeking a liability order or taking enforcement action.<sup>17</sup> This would allow households the time and headspace to, among other things, seek free debt advice and negotiate enduring, affordable repayment plans with their local authority.

The heightened requirement for due diligence would also likely better equip local authorities to distinguish between those with little to no ability to repay their arrears,

<sup>15</sup> StepChange Debt Charity (2022), [Mixed Messages: Why communications to people in financial difficulty need to offer a clearer, better route to help](#)

<sup>16</sup> HM Treasury (October 2023), [Fairness Group Joint Public Statement](#)

<sup>17</sup> StepChange Debt Charity (September 2025), [Response to MHCLG consultation on modernising and improving the administration of council tax](#)

through to those who are in a position to repay some or all of their arrears more quickly, and to respond accordingly, ensuring enforcement action is focused more effectively on the small number of residents who might wilfully be choosing not to pay.

It is in everyone's interest that those with minimal or no ability to pay are identified first by their creditor and not funnelled through inappropriately to enforcement action, with the extent of their financial vulnerability only established by an enforcement firm, or in some cases the agent on the doorstep.

**Question 3: Are there any activities that you believe the ECB should be prioritising that are not contained in this plan?**

We believe that there is value in re-commissioning the body worn video research first conducted and published in 2024, as one useful way – among other important forms of oversight – of reviewing firms' and agents' compliance with the ECB's new Standards (including the new Vulnerability and Ability to Pay Standards).

We would also welcome if the ECB carried out a similar research exercise with regards to reviewing the adherence of enforcement-related telephone call recordings and text messages to the new Standards, again alongside wider monitoring and compliance activities.

As the ECB prepares for the rollout of the new Vulnerability and Ability to Pay Standards in January 2027, we would also urge it to focus on the interaction between the enforcement and debt advice sectors. Ensuring the enforcement sector actually takes account of debt advice as per new Standard FS.22 (*"where a person subject to enforcement has completed an income and expenditure assessment with a debt advice provider, take this into account when determining the terms of a payment plan, to ensure this is sustainable"*) should be seen as an indicator of success in relation to the Standards' implementation. This is particularly notable as the Ministry of Justice intends to build debt advice referrals deeper into the enforcement process through doubling the minimum period of notice that must be given to those facing enforcement action before an enforcement agent can visit them, from a minimum of 7 to 14 clear days in all cases, and to 28 clear days if requested by a debt advisor for non-business debts.<sup>18</sup>

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<sup>18</sup> [The Taking Control of Goods \(Miscellaneous Amendments\) Regulations 2026](#)

**Question 4: Do you have any comments on the draft budget and levy?**

The ECB must have sufficient funding and resources to allow it to deliver on this Business Plan and achieve its wider mission on a long-term, ongoing basis.

We are therefore supportive of its intention to expand its budget and levy for the year ahead, to reflect that the ECB is now fully operational, with a growing complaints function and pending implementation of new Standards. We are also pleased that the ECB has factored in plans to commission research into the demographics of those who experience enforcement action. We also believe it is sensible that the draft budget has a 5% flexible contingency provision (£94k), to cater for unforeseen costs that arise during the year.

We would continue to reiterate that reliance on voluntary contributions from the industry is a risky funding model which is open to pitfalls. The lack of legal requirement on firms to pay for regulation means industry support – although currently present and welcome – could decline at any point and compromise the continued existence of the ECB. A statutory levy on eligible firms to make financial contributions would be a more robust basis to enable the ECB to continue to advance and deliver on its remit into the future, as well as safeguarding its independence from outside influence.

Here, we note the ECB's own statement that a mandatory levy would significantly reduce the inherent financial risk that drives the requirement for 6 months of reserves – which partially stems from the risk whereby a larger firm that contributes the most significant amounts to its budget cease being accredited for any reason under the voluntary system.

**Question 5: Are there any other comments or observations that you would like to make?**

The year ahead will be significant for the ECB, as the new Standards are introduced, the complaints function continues to expand, and the Ministry of Justice looks to grant it statutory powers when parliamentary time allows.

We look forward to continuing our positive, constructive engagement on the activities outlined in this draft Business Plan, as we collectively act to raise standards in the enforcement industry and ensure everyone experiencing enforcement action is treated fairly.

