

Press release: Action to make the process fairer on debt rulings

The government has launched a consultation on how county court judgments (CCJs) are issued, after concerns were raised that some rogue companies were deliberately sending claims to consumers using incorrect addresses. Credit ratings can be devastated, and the issue may only come to light years later when the individual's application for a mortgage, loan or car on finance is rejected.

A consultation launched today will seek formal evidence on the scale of the problem, and consult on how best to protect consumers and businesses.

Proposals include:

- striking a CCJ from the register immediately once unknown debts are resolved and a judge agrees the person was unaware;
- better protecting consumers who do not receive mail because it is sent to an old address;
- introducing a government information campaign providing a centralised, trusted source to raise awareness and help people deal with unresolved debts.

Launching the consultation, Justice Minister Dominic Raab said:

We want to protect vulnerable consumers from abuse by rogue companies that can destroy the credit rating of innocent people without them even knowing about it.

Debts should be paid, not exploited by a minority of cowboys who need reining in.

Over the past four years, the number of CCJs has risen by almost two thirds (59%), with over one million issued in 2016.

Throughout this year evidence has been gathered and discussions conducted with consumer groups, advice organisations and across government to assess the scale of the issue and ensure the right proposals are made.

Work is also going on in other government departments. The government has already taken steps to tackle rogue private parking operators, including banning wheel clamping and towing.

They are considering how they can deliver standardised practice across all parking companies, eliminating unfair charges and reducing the instances of claims where the consumer may be unaware of a parking charge being applied.