The CFS – a guide for money advisers

1. What is the CFS?

The CFS is a standardised way for money advisers to communicate with creditors. Since the first CFS was published in November 2002 it has undergone considerable change and improvement. The CFS working party is made up of a cross section of creditors, government departments and advice organisations. It has sought opinions from money advisers and has involved them in testing and evaluation of prototype versions of the CFS.

The latest version of the CFS is designed to be as user-friendly as possible. In response to adviser feedback, it now incorporates:

- a ‘child multiplier’; so that trigger figure amounts increase depending upon the number of children in the household;
- an acknowledgement that child-related outgoings increase as children get older - the trigger figures now incorporate two age bands with different expenditure allocations;
- a more streamlined list of expenditure headings;
- a specific car expenditure allowance under the travel trigger figure; and
- an updated, user-friendly format.

2. How will the CFS help my clients?

The CFS came about as a result of partnership working between MAT and the creditor sector. Creditors who sponsor or support the CFS have agreed that they will normally accept reduced payment offers from a money adviser where such offers have been prepared using the CFS. The CFS includes the following key features.

- A standard budgeting format, for all money advice organisations.
- A set of pre-agreed levels – known as trigger figures - for certain areas of discretionary expenditure.

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1 We use the term ‘creditors’ in the widest sense to include any organisation to which a person might owe money. This includes banks, finance houses, utility companies and so on.
• A commitment from supporting creditors to the principles of the CFS; meaning that offers made by participating money advisers will be accepted as long as the guidelines have been followed.

• An understanding that if trigger figures have been exceeded, an explanation of the reasons for this should be provided by advisers for creditors to consider.

• A streamlined process so that repayment offers can be dealt with more quickly.

• A partnership approach to avoid unnecessary disputes between money advisers and creditors.

3. Trigger figures

What are the trigger figures?
Central to the CFS are the trigger figures. These were coordinated by the CFS working party and have recently been updated. They represent pre-agreed levels for certain areas of discretionary expenditure. The trigger figures help creditors and money advisers to identify levels of monthly expenditure which, unless exceeded, are deemed reasonable and will not require comment or explanation. This means that if a financial statement includes items of expenditure that are either at or below the level of the appropriate trigger figure, money advisers can expect that their payment offer should be accepted.

There are trigger figures for telephone, travel, housekeeping and ‘other’ costs. Categories of fixed expenditure such as rent and mortgage payments do not have their own trigger figure, because what people spend on these items varies widely from household to household. Also, it is rarely possible to have any real control over these expenditure levels.

How can I find out how much the trigger figures are?
To protect the integrity of the CFS, the trigger figures cannot be made publicly available. Money advisers can gain access to the trigger figures either through the budgeting or case management software used by their organisation, or via a licensing agreement with MAT. By signing up to the licence agreement, an organisation is undertaking to protect the integrity of the trigger figures and use the CFS only in line with the forms and guidelines issued by MAT.

The licensing agreement is free, and organisations wishing to apply for a licence can do so from the MAT website. Applicants requiring access to trigger figures
will need to tick a box to accept the licence terms, which will trigger an email to MAT. Subject to the applicant’s eligibility, MAT will then issue a licence key which will allow the applicant, again via the website, to see the trigger figure elements. A licence number will also be issued, which will appear on the CFS Summary that is sent to creditors. Creditors will therefore have reassurance that the trigger figures have been obtained through MAT.

**How were the trigger figures arrived at?**

Research from the Government’s Family Expenditure Survey was used to inform the level set for the trigger figures. The Family Expenditure Survey is based on a random sample of lower-income UK households and is produced by the Office for National Statistics.

The CFS working party is confident that the changes that have been made to the trigger figures, make the CFS a much more realistic budgeting tool; responsive to the needs of families of different sizes. Trigger figure amounts will be reviewed on a regular basis.

**4. What can I do if some of my client’s creditors have not heard of the CFS?**

The CFS is sponsored by the BBA and the FLA, and there are other supporters within the credit sector (both lenders and others such as some utilities providers) and some government departments. This means that most creditors will be aware of the CFS and are committed to the principle of accepting financial statements drawn up by a money adviser, as long as the guidelines have been followed and trigger figures have not been exceeded. However, you may find that some county courts, local authorities collecting Council Tax debt, some utility companies, or other creditors are unfamiliar with it. When writing to these creditors with offers of payment, it is a good idea to explain the CFS to them. You can download a letter from the MAT website which can be used to help explain the CFS to a creditor.

**Remember**

**Repaying certain priority debts**

If your client receives Income Support, Income-based Jobseeker’s Allowance or Pension Credit (Guaranteed Credit) you can ask that certain priority debts are repaid at whatever is the current rate for direct ‘deductions from benefit’.
5. The CFS budget forms and preparing a financial statement

Some advice organisations have been authorised to incorporate a version of the CFS into their budgeting software or case management system. For example, if you work for a Citizens Advice Bureau, the CFS will be available on the CASE system. It is also available via PG Debt, WROSeS, advice\textsuperscript{pro}, Liquid Money Advice and MACS.

For those advisers who do not have access to any of these software packages, a copy of the CFS Excel spreadsheet is freely available to download from the MAT website. It can be viewed by anyone browsing, but the inbuilt trigger figures will be protected and not shown unless you have a licence (see.

**Things to think about when preparing a financial statement**

**First draft of the budget form**

The way in which money advisers prepare the first draft of a budget form varies from organisation to organisation. Some advisers give their clients a blank budget sheet and ask them to fill it in as best they can and bring it with them to the first interview. Other advisers prepare the first draft themselves.

If your client is going to prepare the first draft themselves, you can download and print a copy of the ‘Guide to working out your budget’ for them from the MAT website. This is a client-friendly, step-by-step guide on to how to work out a budget. It matches all the expenditure headings of the CFS, so when your client brings the completed budget back to you, it should be a very useful starting point.

The first-draft budget can act as a baseline for discussing where the client’s money goes and how much they need to live on. The guide is a useful tool in helping to identify outgoings and flag up any issues that need addressing.

NB: By this stage you should have already looked at any available options your client might have to maximise their income, for example by claiming any benefits or tax credits that they may be entitled to.

**Starting to discuss the budget**

It is important that you ensure the budget you are preparing is realistic. Your client will not be able to keep to the repayment arrangements if insufficient money has been allowed to cover their essential expenditure. Also, you need to take account of how they are going to replace things that wear out and how they will cover other irregular outgoings such as haircuts and visits to the dentist.
Is expenditure realistic?
Sometimes a client’s spending patterns have become so distorted while they have been struggling to pay their creditors that they have lost sense of what normal levels of expenditure are. For example, they may tell you that their outgoings on food are significantly below the amount that is necessary to maintain good health, or they may say that they do not need to allow anything for clothing because they never buy any. Your job is to reintroduce some reality to the situation. So, for example, you will have to explain to a client who claims not to spend any money on clothing that they need to budget to replace items that either wear out or that children grow out of.

At the same time, you need to be on the lookout for areas where economies can be made. Sometimes a client will have high expenditure in an area that you know would be unacceptable to a creditor. It is important that you discuss this with them and point out that creditors may refuse to accept offers if expenditure is not reduced.

What if expenditure exceeds the trigger figures?
There will sometimes appear to be no good reason why a client’s level of spending is so high. You will then need to use your skill and judgment to establish whether or not this is really the correct level of expenditure (for example the client may be including expenditure under a particular category that should go elsewhere on the financial statement). You also need to bear in mind the possibility that your client may feel that they cannot tell you their full situation (for example, they may have an addiction problem that they are not ready to disclose.) Using empathy and reassurance, you will have to try and get the full picture.

These conversations can be difficult, and it is important that we are not judgmental about how the client spends their money. Ultimately, it is the client who must decide their true level of expenditure. It is the money adviser’s job to make sure that this is an informed decision and that the client has taken into account that it may result in creditors turning down offers of repayment.

How do I use the trigger figures?
When you start to prepare a financial statement, you should not disclose the trigger figures to your client. It is also important to realise that the trigger figures are not target spending levels. They represent what research has shown to be average outgoings for those on lower incomes. So, the levels of expenditure detailed should be based on what the client is really spending their money on.
If you find that the client’s expenditure exceeds one or more of the trigger figures, you will need to discover why. For example, there may be special family circumstances or health issues that cause unavoidably high outgoings in some areas. **In such situations it is very important that you tell creditors the reason why the relevant trigger figure has been exceeded.** Although you might choose to include this information in any covering letter you send to creditors, we strongly recommend that you also include it in the additional comments box in case the covering letter becomes detached from the form. Also, if you have any evidence that confirms your client’s circumstances, for example, a doctor’s letter, you should include this with the information you send to creditors.

If your offer is turned down you can ask creditors to reconsider and if this is not successful, it may even be worthwhile taking the matter further. This is covered in more detail in **What if a creditor does not accept an offer made using the CFS? (see page 16).**

**The CFS Excel spreadsheet – how to complete each page**

If you are accessing the CFS via your organisation’s budgeting or case management software, you will be told how the different parts of the CFS interrelate. If you are using the Excel spreadsheet version of the CFS, you will have access to the following separate pages/worksheets.

- Guidance page
- Start page
- Income & assets page
- Expenditure page
- Priority & non-priority debts page
- Financial statement page
- Trigger figures page (only available to licence holders)
Guidance
Follow the advice on this page carefully, as it contains important information about how to use the Excel spreadsheet.

GUIDANCE NOTES FOR
COMMON FINANCIAL STATEMENT

1. This spreadsheet contains macros. We recommend that you set the security in Excel to medium. You can change your security by clicking on Tools on the menu bar, then Macro from the drop-down menu, then Security. Once medium has been selected the computer will prompt you before running any macros. This will be with a pop-up box entitled 'Security Warning', you should respond by clicking on the option to 'Enable Macros'.

2. What follows is an overview of how to use the different worksheets that make up the Excel version of the CFS. In 'The CFS - a guide for money advisers' there is more detailed guidance on how to use each of these worksheets. We would recommend that you read the guide before using this version of the of the CFS for the first time.

3. Once you have read through these notes, click on the START tab at the bottom of this worksheet. Provide all the required information about the client’s name and address, the caseworker and agency. You should include details of anyone in the household who is included in household expenditure.
   ▶ In the Dependant children box add the number of children in the household aged under 14 and 14+. Children should be regarded as dependant as long as child benefit is paid for them.
   ▶ In the No in household box give the total number of people in the household. This includes: your client; their partner; any dependant children; any non-dependant adults (for example an adult child who is included in household expenditure); and other dependant adults (for example an elderly relative living with your client with no independent income).
   ▶ In the Licence number and Licence key boxes insert the details that will be sent to you by the Money Advice Trust once you have ticked to accept the Licence Agreement terms. The Licence key will reveal the trigger figures which are currently protected.

4. Then click on the Income & assets tab, and complete the form with the information from your client, choosing the indicators 'W' for weekly income, 'M' for monthly, 'Q' for quarterly and 'A' for annual. All data input fields are coloured orange, all fields that are automatically updated are coloured green. The spreadsheet will automatically work out the monthly total based on the amounts given.

5. Then click on the Expenditure tab and complete the sheet with details of your client’s outgoings. The spreadsheet will automatically work out the monthly totals based on the amounts input. Again use the W/M/Q/A facility for weekly, monthly, quarterly or annual amounts. The spreadsheet automatically calculates the trigger figures for your client and displays them on this sheet. This display can be turned off by clicking the check-box OFF at the top.

6. Click on the Priority & non-priority debts tab and input details of your client’s debts. Again use the W/M/Q/A facility for weekly, monthly, quarterly or annual amounts.

7. Choose the Trigger Figures tab to view the trigger figures in the orange box. There is also a ready-reckoner in the grey box which automatically calculates the specific trigger figures for your client.

8. Finally click on the Financial statement tab. Enter in any minimum repayment amount that a small pro-rata repayment amount will be rounded up to, and any token amount to override the pro-rata values. The spreadsheet will automatically work out the pro-rata amount that should be offered. Click the PRINT button to print the Financial Statement.

9. To save the file, click File on the menu bar, followed by Save As…, from the drop-down menu to save the completed worksheet to your PC under a name relevant to yourself and / or your company.
Start
This is an important page.

- First, you are asked to complete certain information about your client. This includes:
  - how many dependant children they have;
  - their ages;
  - total family size; and
  - details of car ownership.

- **Without these details, the spreadsheet will not calculate your client’s budget with the appropriate trigger figures.**

- Secondly, there is space for you to input your organisation’s details. This information will automatically transfer to the creditor financial statement.
• Thirdly, there are boxes for you to enter the ‘Licence number’ and ‘Licence key’ that licensed organisations receive from the MAT.

  o Once you have inputted the licence number on the start page, it will auto populate the licence number box on the creditor financial statement. **Without this number, creditors will not accept that your financial statement has been prepared in accordance with the CFS.**

  o Without the licence key, you will not be able to see the trigger figures in the financial statement. To learn more about licensing of the CFS click see page 2, **How can I find out what the trigger figures are?**

**Income & assets, expenditure, priority & non-priority debts**
The **income & assets, expenditure, priority & non-priority debts** pages are the ‘working parts’ of the CFS. These are the forms you need to complete to prepare the financial statement.

**Income & assets**
Complete this page with the information provided by your client.

  • The figures you put in the orange boxes will be totalled in the green boxes. They will also transfer automatically to the financial statement that you will send to creditors.

  • Each type of income can be shown as being paid annually (**A**), quarterly (**Q**), monthly (**M**) or weekly (**W**). **But resulting income totals will be calculated by the spreadsheet as a monthly figure.**

**Remember**
You will need to discuss with your client any assets that they might have. This will give you a full picture of your client’s financial situation. You will need to establish whether there is any way your client can use these assets to help to pay off their debts. Add details of any assets in the space provided.

Please confirm that you have discussed the use of any assets to make up lump sum payments.

Tick this box to confirm that you have discussed using assets to make a lump sum payment.
Warning
Each income heading has a default setting, for example student loans and grants defaults to annual. Make sure you choose the right payment frequency for each type of income that your client has.

Expenditure
This page has a number of features that you need to be aware of.

- The figures you put in the orange boxes will be totalled in the green boxes. They will also transfer automatically to the financial statement that you will send to creditors.

If you are licensed to use the CFS

- You can choose whether or not you wish to show the trigger figures on the screen by using the display trigger figures tick box at the top of the page.

This warning will keep appearing every time you put in new figures but can be disabled by clicking the cancel button. The warning can be reinstated by clicking the display trigger figures tick box at the top of the page.

- If an item of expenditure exceeds its trigger figure, a warning box will pop-up

- Remember
You can show expenditure according to how often payments are made by choosing A (annual), Q (quarterly), M (monthly) or W (weekly). Resulting
payment totals will all be calculated by the spreadsheet as a monthly figure.

- There is a space for you to put in any notes or comments. These are for your use only and will not be seen by creditors. Use the 'additional comments' box on the summary financial statement to include any relevant information you want creditors to have.

**Priority & non-priority debts**

This page has a number of features that you need to be aware of. In particular, we took on board feedback from money advisers who felt that previous versions of the CFS were inflexible because it was not possible to override the usual pro-rata method of working out payment offers to non-priority creditors.

- In cases where pro-rata payments are appropriate for all creditors, list the creditors and the amount owed but leave the repayment offer column blank. If you then open the financial statement page you will find that the pro-rata offers have been worked out for you.

- In less straightforward cases, you can still use pro-rata payments for some creditors, but you can also include repayment offers that for some reason are not the result of the usual pro-rata method. For example, if one of the debts is a county court judgment (CCJ) with an instalment order, you might decide not to vary the instalment and instead, carry on paying the debt at the rate set by the court. In the example shown below, the client has £80 available to offer creditors; the debt to Quick cash credit card is a CCJ and payments are being paid at £15 per month. If this debt was included in a pro-rata arrangement the payments would have been £19.27. Here, however, we have inputted £15 in the repayment offer column and ticked the relevant boxes to confirm that the debt is a CCJ and that we want to include the £15 payment offer in the financial statement that will go to creditors.

<table>
<thead>
<tr>
<th>CREDITOR</th>
<th>£ OWED</th>
<th>£ REPAYMENT CURRENT/OFFER</th>
<th>CCJ (tick if yes)</th>
<th>CCJ (tick if yes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>101 Allied West Midlands bank</td>
<td>£10,000.00</td>
<td>£15.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102 Quick cash credit card</td>
<td>£5,000.00</td>
<td>£15.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103 Buy a car finance</td>
<td>£2,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>104 Plastic fantastic credit card</td>
<td>£120.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>105 Dentons bank</td>
<td>£1,500.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>106 ABRW finance</td>
<td>£2,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The financial statement will then calculate pro-rata offers for all the other debts, but will leave the payment to Quick cash credit card at only £15.

<table>
<thead>
<tr>
<th>Non-priority debts</th>
<th>£ Owed</th>
<th>Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allied West Midlands bank</td>
<td>10,000.00</td>
<td>41.27</td>
</tr>
<tr>
<td>Quick cash credit card</td>
<td>5,000.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Buy a car finance</td>
<td>2,000.00</td>
<td>8.25</td>
</tr>
<tr>
<td>Plastic fantastic credit card</td>
<td>250.00</td>
<td>1.03</td>
</tr>
<tr>
<td>Dentons bank</td>
<td>1,500.00</td>
<td>6.19</td>
</tr>
<tr>
<td>ABRW finance</td>
<td>2,000.00</td>
<td>8.25</td>
</tr>
</tbody>
</table>

Remember
You can show payment offers according to how often payments are made by choosing **A** (annual), **Q** (quarterly), **M** (monthly) or **W** (weekly).

*Resulting payment totals will all be calculated by the spreadsheet as a monthly figure.*

Financial statement
This is the *summary* financial statement that you will send to creditors. The licence number that you keyed into the start page and the income and expenditure information that you have already included in the longer financial statement will be inserted automatically into the summary document.

How to customise the financial statement
The financial statement also has some inbuilt flexibility so you can fine-tune the payment offers. At the bottom of the screen you will see the following options.

| Minimum Payment (Round up) | £0.00 |
| Token Payments             | £0.00 |
| Round to nearest           | £0.00 |

- **Minimum Payment (Round up)** – this can be useful when a straightforward pro-rata calculation would mean than some creditors might receive very small offers. For example, if you wanted to ensure that all creditors received at least £1.00 per month, you would put £1.00 in this box.

- **Token Payments** – this can be used when you know that there isn’t enough money available for pro rata offers. If £1.00 is put in this box, all offers will be set at £1.00.
Round to nearest – this box can be used to make sure that all offers are rounded to a figure of your choosing. For example, you could decide that all offers will be rounded to the nearest 10p or 50p.

You should also use the additional comments box to give creditors extra information to explain your client’s circumstances, which in some cases might include information about why their expenditure exceeds the trigger figures. Although you might choose to include this information in any covering letter you send to creditors, we strongly recommend that you also include it in the additional comments box in case the covering letter becomes detached from the form.

Trigger figures
This page can only be viewed once you are licensed to use the CFS. For your information there is a table listing:
- the trigger figures in the orange boxes; and
- in the grey boxes, a ready-reckoner to show how the trigger figures change as family size and car ownership increases.

Some problem areas when preparing a financial statement
Helping a client to prepare a financial statement is never easy and there are a number of problems that money advisers commonly encounter.

What if there is a non-dependant in the house?
If the household includes someone other than the client, their partner and any dependant children, they are called non-dependants. It is important to show any contribution they are making to the household income. Also if the non-dependant is included in any household expenditure, this should be explained to creditors.

What if one or more members of the household receive Disability Living Allowance (DLA) or Attendance Allowance (AA)?
These benefits are paid to people with care or mobility needs. They are not normally intended to repay debts.

You need to discuss your client’s care and mobility needs very carefully with them and examine what they are actually spending, as this may not always be apparent to them.

Some clients may want to use a proportion of their disability benefits to pay off debts. For most however, a full analysis of their necessary costs is likely to show
expenditure under adult care costs that matches or exceeds the benefit income received. It is also important to ensure that any mobility needs are fully reflected under ‘travel’ and if the trigger figure is exceeded, include a note to explain.

If DLA is paid to a child, the same principle applies but the costs would be shown under childcare costs. This expenditure heading is also for items such as childminder fees, nurseries etc, so this may mean that if there is a disabled child in the household, the total childcare expenditure may be higher than average. If this is the case, make sure you explain this in the comments field and in any covering letter you submit.

**Remember**
How a client chooses to allocate and spend their DLA or AA income is entirely their choice.

**What if the household receives Housing Benefit or Council Tax Benefit?**
This can cause confusion for advisers and clients alike, because often, the benefit is not physically paid to the claimant, but is paid directly by the council benefits department either to another department or to an external body such as a housing association. For example, Council Tax Benefit is always credited to the Council Tax account. The simplest way to deal with this is to include the amount of benefit that the client is entitled to as an item of income (whether they physically receive it or not). This means that under expenditure, you need to include the total amount of rent and Council Tax that would have been due if Housing Benefit or Council Tax Benefit was not in payment.

**What if my client does not want to include their partner’s income?**
It is perfectly acceptable to prepare a financial statement showing the income of only one person, despite the fact that they are living with someone as one half of a couple. But in these circumstances, you should only show your client’s share of the couple’s outgoings. It is important to ensure that the financial statement you prepare is fair to all concerned and that your covering letter to creditors explains how it has been prepared.

**What if the client wants to include two cars in the budget?**
You will need to discuss this with your client. Creditors are likely to object to the costs associated with running two cars appearing in the financial statement unless this is for a good supportable reason, for example, disability-related mobility needs, or the only way that two working adults can get to their separate workplaces. In these circumstances, the CFS takes into account each essential car in the household. Creditors should always be provided with an explanation in
these circumstances. Include this in the comments field and in any covering letter you submit.

Cigarettes and tobacco
If a budget includes the costs of cigarettes or tobacco, this may result in a high level of expenditure that could be unacceptable to creditors. However, smoking is an addiction, and a budget is doomed to failure if it does not take into account an area of large expenditure such as this.

Be very wary of accepting a client’s assurance that there is no need to include smoking costs because they are going to give up. Instead, discuss the possibility of reviewing their expenditure on smoking in, say a month’s time. In the meantime, your client may want to commit to reducing their expenditure in this area. If your client has cut their spending on smoking, it may help if you explain that they used to spend £x on cigarettes or tobacco, but have now cut this down to £y.

When you are discussing expenditure on smoking with your client you can explain the following options.

• Although cigarettes and tobacco appear in the long version of the CFS, the amount spent on smoking will be included in the overall housekeeping heading in the summary financial statement sent to creditors. If the total amount spent on housekeeping is at or below the relevant trigger figure, this should not be queried by creditors. So it may be that your client is prepared to economise in another area covered under the housekeeping heading, to help balance what they spend on smoking.

• If spending on cigarettes and tobacco is significant, it may take the overall amount spent on housekeeping above the trigger figure, even if there are economies made in other areas. If so, this will need to be explained to creditors. You will find that creditors’ attitudes vary regarding smoking-related costs. Their response will also depend in part on the amount by which the trigger figure is exceeded.

Hire purchase (HP) or conditional sale (CS)
The CFS includes a heading for HP or CS in the expenditure page. If the items that are being bought on this type of credit agreement are essential, (for example a car that is the only way of travelling to work), monthly instalments must be built into the CFS. This is particularly important in cases where the client has paid less than one-third of the total amount owed on an agreement, because in these circumstances the creditor can repossess the goods without having to go to
court. When preparing a financial statement that includes HP or CS payments, you need to:

- discuss with the client whether or not the items are essential;
- if so, prepare arguments to put to creditors about the importance of the client maintaining payments; **but**
- if the client agrees that the items are not essential and they cannot maintain payment of the instalments, you will need to explore with them the options available. This could include returning the goods or even applying for a time order.

**Information**

Time orders are made by the county court and can reduce the monthly payments, extend the length of loan and even change the interest rate. If you think that a time order might help your client, seek advice from a specialist money adviser.

**Warning**

A client may want to keep something that has been bought using HP or CS, even if this is not essential and they cannot really afford it. You will have to make sure that your client makes an informed decision, taking into account that this may mean that creditors turn down offers of payment.

**What if a creditor does not accept an offer made using the CFS?**

If this arises, the first thing you need to do is check the information that you supplied to the creditor. For example, did your financial statement exceed a trigger figure without explanation? Did you describe or provide evidence for any unusual circumstances involving your client?

If you are happy with the quality of the information that you had sent to the creditor, the next stage is to ask them to reconsider. You should:

- highlight anything that you particularly want to draw their attention to;
- point out that the statement has been produced using the CFS; and
- politely remind them of the commitment that those creditors signing up to the CFS have made.

If the creditor does not change their mind, ask them to give you their reasons. If you are not happy with these, you can consider raising the issue with the BBA, the FLA, or another appropriate trade body. If an internal complaint does not succeed you may be able to complain to the Financial Ombudsman Service. Also MAT would be interested in hearing about any problems that you might come across.
6. What is the future for the CFS?

The sponsors of the CFS are committed to ensuring that its use continues to grow and that the CFS is embraced by all organisations involved in preparing household budgets. To this end, the CFS will remain dynamic and responsive to the changing financial environment.

We are happy to report that the following developments are under way.

- The central concept, that a single format for financial statements will benefit both debtors and creditors, is gaining ever-wider acceptance in a range of environments.

- In the future, we envisage that the CFS will be used wherever there is a need for debt advice and the preparation of offers of debt repayment. We would not want to exclude the use of the CFS by commercial providers of money advice, providing they fully observe the CFS guidelines.

- The new Standard Consumer IVA Protocol includes a commitment to encouraging the use of the CFS. Also a number of Government departments are supporters, and we are hopeful that forthcoming statutory debt remedy initiatives such as the new debt relief orders and the revised administration orders are likely to include the CFS as an integral part of the application process when they are introduced.

- There are emerging plans to adopt key aspects of the structure of the CFS into the work of assisted self-help debt organisations such as National Debtline.

- Enhancing the CFS is a work in progress, and the current version will be reviewed regularly.

7. We welcome your feedback

Please complete our feedback form which can be accessed from the MAT website. The CFS working party will continue to review and refine the CFS. We value all feedback, both positive and negative, and would like you to:

- let us know what you think of the CFS;
- highlight problems when you encounter them; and
- suggest further improvements.