

**Estate Accounts Directorate User Group Minutes
Thursday 26th April 2007 11.00am**

Attendees:

Graham Stewart	EAD (Chairperson)
Ron Heppenstall	EAD (Enquires)
David Probert	EAD (BST)
Sarah Plumb	EAD (Cashiers)
Helen Day	EAD (Receipts & Payments/ Enquiries)
Andrew Smith	EAD (Minutes)
Steve Lamb	IP Policy
Alison Asher	PKF
Keeret Dhesi	PKF
Joanne Robinson	PWC
Julie Brown	PWC
Lesha Parsons	PWC
Sheila Bowles	Grant Thornton
Kevin Doughty	Deloitte
Michael Wren	Deloitte
Robert Cogan	Haines Watts
Alyson Williams	KPMG
Julie Hefter	Cooper Parry
Andrew Keywood	Poppleton & Appleby
Ursula DU Toit	Ernst & Young
Karen Raynor	Smith Cooper
Richard Fincken	SFP
Christina Giscombe	Griffins

Apologies:

Pritesh Kataria	Haines Watts
Andy Davidson	Haines Watts
Angela Czerwak	PWC
Clare Davies	PWC
Sue Ward	Vantis
Yin Lie Wan	ACCA
Rowan Duffin-Jones	ICAEW
Marc Landsman	Carmichael & Co.
Joyce Feyzi	Harris Lipman
Steven Ford	FA Simms & Ptrs
Tim Foley	Smith & Williamson
Ruth Duncan	Maxwell Davies
Jim Curtois	EAD
Mike Chapman	IP Policy

Welcome and Introduction

Graham Stewart welcomed everyone to the User Group and the attendees made introductions.

Ron Heppenstall mentioned that this was his last User Group as he is retiring at the end of August.

Helen Day will also be unable to attend the next User Group with the news that she will be commencing maternity leave at the end of August.

Location & Attendance:

Graham explained that the move to London was made as an attempt to improve stakeholder outreach. The next meeting, due in October, will be held in Birmingham, with the following April meeting being held in Manchester. He will measure attendance and stakeholder satisfaction at the end of the first two-year cycle to determine if the new arrangement has been of value.

Graham asked if attendees would like to keep the present structure of two large meetings a year, or change to smaller regional meetings held four times a year. It was generally felt that the present arrangement is more beneficial as a larger group delivers greater networking and learning opportunities and so it was agreed that the structure of two meetings a year should be maintained.

1. Matters Arising:

a. Electronic Payment requests.

- GS and David Probert explained that we will enable the acceptance of Excel files containing cheque payment instruction data.
- The first stage delivery would enable receipt of these files to create payment batches pending receipt of signed authority, expected to reduce payment turnaround time by up to two days.

b. Interest Notices online.

DP reported that the system had not been implemented as of yet and little progress had been made on this significant service improvement. There had been ongoing projects, which had diverted the much-needed resources. GS agreed with attendees that it was not acceptable that this project had not been implemented and will continue to pursue an early delivery. DP said that he expected

progress and implementation to be completed in the next half year, although there he could offer no confirmed date at present.

c. Processing CAU109 dividend payments.

DP advised that dividends could be processed in either alphabetical or numerical order. It was advised that it would be best if a covering letter could be included stating the preferred option. The IP firm would be contacted to confirm their choice if a dividend request contained more than 50 payees and no covering letter was attached and the CAU 109 had not been annotated. If contact could not be made the dividend would be printed in alphabetical order.

d. Foreign Currency

Funds retained in the Insolvency Services Account (ISA) must be held in Sterling due to legislative requirements and cannot be maintained in a Foreign Currency Account.

2. Any Other Business.

GS had moved this to an earlier part of the agenda, as some of the queries raised would be answered by one of the presentations that followed.

Office of Paymaster General

There were a number of points raised concerning OPG:

- It was mentioned that when formerly banking with the Bank of England, interest was accrued from the day funds were credited and not just the day the credit appeared on the system. It was confirmed that it did in fact work the same with OPG.
 - This view had arisen from misinformation that had been passed along during a phone enquiry. Due to a significant number of established and knowledgeable members of staff leaving the unit, it had been recognised that there was a training need for newer members of staff, which is being implemented.
- OPG have a 3:30 pm cut off for crediting a CHAPS receipt on the same day, which is earlier than other banking services.
 - There had been an instance of £3.5 million being received at OPG by 3:40 pm and it being credited the next day with a resultant day's loss of interest.
 - GS & Sarah Plumb advised that this issue is being pursued with senior members of OPG who are looking at ways of making service improvements.
- Although overall the OPG service is reasonable the differing range of account numbers can cause some confusion.

- SP had included a list of the Sort Codes and Account Numbers in the pack, to help clarify the information required for use with specific types of OPG transactions.
- GS also advised that EAD had undertaken a review of “streaming” specific banking services to improve customer experience.

EAD *Electronic Systems*

- It was asked if our online data could be convertible to Turnkey for the IPS system.
- We will make the data available in flat-file format (.csv) to enable receipt of data into Excel and most other systems with a data import facility, as this is a common format. This is planned for the next stage of BANCS Online development expected 2008.
- It was asked why the latest failure of the BANCS Online facility had lasted so long.
 - DP explained that this had been due to ongoing problems with the system that had not been adequately identified prior to the failure.
 - New components had been required and they had to be installed before the issues could be resolved.
 - This was to resume the service and to ensure there would not be an ongoing recurring problem.
 - GS apologised that this had happened at a very inopportune time of the April Interest being applied and advised that he and DP were seeking assurances from our suppliers that such issues would be avoided in the future.
- Many of the users appreciate the availability of the BANCS Online system, however, when a case is closed due to an IP's release, it disappears from the system. As a final statement is often required it was suggested that there could be an archive for closed cases from which a final statement could be obtained.
 - DP agreed that this should be possible to set up.
- GS also mentioned that work has restarted on a new system to replace the legacy systems that EAD presently run, implementation is expected within 2 years. This would incorporate what is needed to replace the current systems and to better meet the requirements as determined by our users.

GS explained there is to be a review of the benefit received by banking voluntary case monies with the ISA planned for early 2008. This will question if voluntary case monies should be banked with The Insolvency Service or be reliant on utilising non IS Accounts. This review would rely heavily on the feedback of our users and the final decision would be driven by the needs of our customers, and their requirements regarding benefits from the interest rate and level of service.

Interest

There was a question made regarding interest applied on the Insolvency Service Accounts when a payment is issued. Presently interest is applied to a case whilst funds are held but stops being applied on the amount of any payment when it debits the account. However the funds do not necessarily clear the payee account for weeks or months and there is a resultant loss of interest to the case during this time.

- GS said that EAD are aware of this issue, but at present cannot offer a solution, although the matter is constantly reviewed.

Julie Brown asked if there had been a problem with the dispatch of April interest notices as some seemed to come through late or not at all.

- Helen Day confirmed that most had been printed and posted by the end of the first week of April. There had however been a small number that had missing address data Copies should be requested if not received by now.

There had been instances of a voluntary case being reopened with a receipt applied but interest bearing had not been reinstated.

- HD confirmed EAD standard practice that when a voluntary case is reopened in such circumstances, we issue a letter advising of the revised account and interest bearing status.

It was also asked why a case was reopened for a receipt to be credited when the IP had been released and was not being reinstated.

HD confirmed that although the account would be reopened it would then be closed with any balance transferred to the Official Receiver (OR).

Payments

Michael Wren asked if it would be possible to submit payment requests other than through the post, such as fax or electronically to speed the process.

- GS said that he was conscious of the delay postal submission caused to dividend releases. He advised that payments are issued under a system to maintain security and prevent fraud, but he is keen to explore development of improvements that would enhance

customer experience. These improvements are in addition to those discussed earlier in the meeting and are in two possible stages:

- Stage One:
 - Enable use of a unique security number encoded to the payment instruction that can be transmitted to EA by fax or email.
 - EA would then call back the customer before releasing payment.
 - This will require a modification to legislation and indemnities from IPs against payments issued in error or fraudulently.
 - Possible delivery 2008.
 - There was concern from some attendees that their IPs would not agree to this, although previously anecdotal support for this concept has been noted.
 - Stage Two:
 - Enable a full online payment instruction facility with notional delivery in 2009 dependent on customer acceptance.
- Karen Raynor needed more details concerning a suspense account transfer from the Official Receiver. GS asked her to e-mail him with the case details.

3. Performance.

Ron Heppenstall presented an overview of Estate Accounts Directorate performance from the last year.

- This included an overview of the change that had been made with the reorganisation from IP & OR banking last year.
- RH confirmed the Key Performance Indicators had been met for 2006/2007. RH then outlined comparisons between the levels of 05/06 Vs 06/07.
 - There had been an overall increase of 21% in the number of receipts processed.
 - However there had been a 17% decrease in the number of payments made from the IP ISA, with a 29% increase in the number of payments made from the OR ISA.
 - BACS payment requests had increased by 11%.
 - There had been no significant change in the numbers of cases closed by IP firms, however the number of OR releases had increased by 19%.
 - The analysis also showed that although there were fewer voluntary cases being held the amount of voluntary funds held in the ISA had increased.

(PERFORMANCE PRESENTATION)

4. Customer Survey.

GS presented the outcomes of the customer survey issued with the last IP Cashier Newsletter.

- He apologised that it had not been available to complete online sooner as this facilitated a higher return rate.
- Responses from larger firms were evident and this enhanced the quality of the survey. GS thanked all present for the time taken in promoting the survey.
- Generally, there is a high level of customer satisfaction although some outcomes indicated that turbulence from the Directorate restructuring had impacted customer experience.
- GS advised that whilst the response rate had improved, still only 3.7% of surveys had been returned and he hoped for a better response in future.

(CUSTOMER SURVEY)

5. Section Reports.

a. Business Support Team.

DP provided an overview of BST and the staff on the section. He focused on how BST supports both the Directorate and the users of the unit. DP summarised what BST has achieved since October 2006 including the updating of BANCS (and LOLA) to comply with the most recent Fees Amendment Order that came into force on the 1st April 2007.

DP finished by listing enhancements to BANCS Online planned or currently in progress and drew attention to the IP Estate Accounts notice board on our internet site that has a page under Online Access summarising BANCS Online future and past developments.

(BST PRESENTATION)

b. Cashiers.

SP provided an overview of Cashiers and the staff on the section and outlined the core work that is undertaken such as cancelling cheque requests, processing TT/FETT payments and reconciling the daily bank statement and receipts. The Cashiers team also act as primary contact for liaising with OPG.

To enhance the service, SP asked that Foreign Currency Cheques be forwarded directly to EAD and to ensure details on BACS/CHAPS payments are correct.

SP also wished to confirm that the Bank of England would reject payments that need repair in any way and return them to the originator.

(CASHIERS PRESENTATION)

c. Receipts, Payments & Petitions.

HD provided an overview of the Receipts, Payments and Petitions team. HD advised that in line with the fees amendment order (2007) the previous TT charge of £0.15 had increased to £10.00, and therefore the minimum value that could be sent via TT has decreased from £250,000.00 to £175,000.00.

HD informed the group that the possibility of including comments on an OR's cashbook when using the posting code RX13 is being investigated. This was in response to an issue brought forward from previous User Groups.

HD wished to remind IPs to ensure that "**suspense account**" is clearly recorded on the requisition if the payment is to be raised from the separate account.

HD all present that voluntary cases need to be correctly advertised in the London Gazette.

d. Enquiries.

HD provided an overview of the work actioned by the Enquiries team. HD advised that the Enquiries team is the most customer facing team dealing with approximately 2000 telephone calls a month.

Many of the telephone enquiries recently received were in connection with the Fees Amendment Order (2007). HD confirmed that Secretary of State fees are no longer charged on receipts paid in on or after the 1st April 2007 on cases where the order date was before the 1st April 2004.

HD reminded the group that a final receipts and payments account and release document (Form 6.50, 4.42 or annulment order) are required to facilitate case closure. Any closure requests submitted with incomplete documentation would be returned.

HD advised the group that a request in writing must be made when querying where a receipt has come from. The information required is not recorded on the system and therefore further investigation is needed.

6. Banking Fee Review.

GS presented an overview of the project. The Fee Review had been a response to finding the reasons for recurrent issues around case and fee status. It was intended that the project be conducted in such a way as to be mutually beneficial. GS said that the project had received very good feedback and is to be run each year between January and March.

Sheila Bowles asked if the fee questionnaire could be sent via email, and that five days to respond to the questionnaire was too short a time.

Andrew Keywood asked if the Fee Review could be better co-ordinated as he had to respond to the same query more than once with differing staff each time.

Overall the attendees agreed that the Fee Review was a good idea and were in agreement that it should be run again.

(BANKING FEE PRESENTATION)

7. Date & place of next meeting

The next User Group is to be held at Ladywood House, Birmingham on the 25th October 2007.