

Common Financial Statement - Adviser good practice checklist

- Check that you are using the latest version of the CFS.¹ Using older versions risks using the wrong format and outdated trigger figures. This could lead to offers not being accepted because they are not CFS compliant.
- If expenditure exceeds the trigger figures, then this needs to be discussed in more detail with the client and should be reduced where appropriate. If this is not possible and there is a good reason for exceeding a trigger figure, a brief explanation must be provided in the notes section of the CFS summary sheet and the accompanying letter.
- You must take reasonable steps to verify a client's income and regular outgoings prior to submitting an offer of repayment.²
- The client should not delay in making payments by waiting for creditor responses. Advise your client to make the first payment where possible at the same time as submitting their offer.
- When submitting an offer to creditors, make sure that the letter contains details of the first payment date, the payment frequency and the proposed method of payment. A brief explanation should be provided if this will be different to the contractual payment date.
- Ensure that the accompanying information submitted with the offer briefly outlines the reasons for the client's financial difficulties and any relevant special circumstances, as this will help creditors understand the client's position and why the offer is being made.
- If token payments are proposed, you should liaise with the client about likely timescales and inform the creditor about how long token payments may last. You should also agree with the client either a cycle of regular reviews or when the next review will take place.
- Ensure that letters and other communications to creditors include your current contact details, together with details of how and when creditors can get in touch with you.
- Offers should be reviewed on a regular basis, and revised offers of payment should be made if the client's circumstances change.

¹ The current version is Version 4. You can get details about what versions are incorporated into software at the CFS website www.cfs.moneyadvicetrust.org/faqs.asp?page_id=38

² View OFT Debt management guidance and budgeting advice at www.cfs.moneyadvicetrust.org/faqs.asp?page_id=31