Framework Schedule 1- Specification Part G

Lot 6 Litigation Services England and Wales (URN 6.0)

1. Key Deliverables

1.1. This clause 1 of Part G of Framework Schedule 1 (Specification) describes the key deliverables of the service. The remaining clauses of this schedule together with all other schedules of the contract describe how The Supplier is required to operate when delivering the services.

a) Litigation Action and Strategy - The Supplier shall utilise relevant data and information to identify the Customer's circumstances and the optimal approach to collecting their Debt and agree with the Buyer how to apply the effective strategy to enable the most appropriate outcomes. The Supplier must be capable of effectively and efficiently applying the full range of civil litigation activities outlined within this Contract, and where unsuccessful, explain why and what and how the Parties can learn from it and build improvements into future activity.

b) Case Management System - The Supplier shall utilise a Case Management System to create an accurate, secure and reconcilable audit trail of all records and activity relating to any Buyer case Placed with the Supplier

c) Client Services – The Supplier shall provide nominated Supplier Staff contacts to Buyers that will be responsible for providing advice, information, and resolution of any queries, issues or risks that arise and impact the contract. The Supplier shall also provide named operational Supplier Staff contacts for day-to-day contract operations activities.

d) Case Management – The Supplier must utilise relevant qualified Supplier Staff, and ensure that work is distributed according to complexity in order to ensure evidence efficiency and cost effectiveness to Buyers. Engagement, reporting and information must be provided to the correct Buyer contacts as specified by the Buyer.

e) Pricing Proposals – The Supplier shall set out the estimated cost of any recommended litigation action a "Litigation Costs Proposal" in line with Paragraph 3.2 of Framework Schedule 3 (Framework Prices)

f) Customer Contact - The Supplier shall treat Customers fairly and shall utilise a range of contact and collection strategies to optimise the volume and quality of engagement with Customers in line with Buyer guidelines including complaints handling.

g) Payments - The Supplier shall provide a range of payment methods and channels to Customers

h) Payment Arrangements – The Supplier must collect Debts on behalf of the Buyer, seek to collect payments in full, or establish payment arrangements in line with the Buyer's instructions. The Supplier shall also ensure secure, accurate and timely Pay-over of Debt collected to the Buyer.

i) Invoice and Charging – The Supplier shall ensure timely accurate invoices, and prompt payment of any Subcontractor.

j) MI and Reporting - The Supplier shall provide the Buyer with access to platforms and MI to enable the Buyer to view real-time case statuses and trend analysis

k) Security – The Supplier and any Subcontractors shall deliver all Services securely in line with GDPR, the Law and the requirements of the Contract, and accurately and effectively record, report and resolve any issues in line with the Contract

2. Standards

2.1 The Supplier must be fully compliant with the Solicitors Regulation Authority (SRA) standards, regulations and codes of conduct for firms and solicitors

2.2 The Supplier and any Subcontractor that processes payments must be PCI DSS certified

2.3 The Supplier must be ISO 9001 certified or have an equivalent quality management system.

2.4 When undertaking any collections or pre-litigation action, the Supplier must adhere to the FCA treating Customer Fairly guidelines

3. Litigation Action URN 6.0

3.1 The following litigation services can be procured through this framework agreement (including the appropriate alternative action in Northern Ireland) The services are as defined within the Civil Procedure Rules unless they are not a court legal action or defined separately within this schedule:

(a) Judgement or equivalent Order to Enforce (as agreed with the Buyer)
(b) Pre-enforcement / Early action Case Management
(c) Pre litigation verification
(d) Warrant of Execution (County Court - bailiff to attend Customer's address);
(e) Attachment of Earnings;
(f) Writ of Fi Fa (High Court);
(g) High Court Enforcement Agent Service;
(h) Third Party Debt Order;
(i) Charging Order (and apply for restriction)
(j) Drive-by Asset Valuation
(k) Order for Sale
(l) Order to obtain information;
(m) Bankruptcy (insolvency, including CVA, IVA proposals and Debt Arrangement Schemes (Scotland);
(n) Order for Possession;
(o) Freezing Injunctions and search orders;
(p) Tomlin Order (court action is stayed);
(q) European Orders for Payment;
(r) European Small Claims Procedure or European Enforcement Order (if appropriate).

3.2 The Supplier will take appropriate enforcement action based on the relevant legal order obtained as instructed by the Buyer

3.3 The Supplier shall if required, consult with the Buyer to agree any escalation required.

4. Managed Service and Subcontracting

4.1 Where the Supplier is providing a managed service and / or using Subcontractors to deliver any or all Litigation Services, the Supplier shall ensure effective delivery of all Litigation

Services to the Buyer, including those described at Part F 3.1 above, provided directly and/or by any Sub-contractors

4.2 The Supplier will be responsible for ensuring all requirements and standards are effectively flowed down throughout its supply chain in accordance with the Framework Agreement and the relevant Call-Off Contract.

4.3 The Supplier will be responsible for audit and assurance activity that evidences delivery against the requirements, and that the required relevant standards, certifications and accreditations are in place prior to Services commencement, and maintained throughout the life of any Call-Off Contracts.

4.4 The Supplier will ensure value for money by utilising the most effective Subcontractors to provide the Litigation Services and to collect Buyer's specific Debt Types.

4.5 The Supplier will ensure that any management fees Charged for the Litigation Services which relate to the managed services aspect of the Services are reflective of the work undertaken to manage Litigation Services and drive Litigation Services performance.

5. Execution of Litigation Strategies, General Requirements

5.1 The following sections 5 to 19 of this part G shall apply to any and all of the Litigation Services;

5.2 The Supplier shall be able to execute agreed strategies for the recovery of Debts as defined within the Buyer's Call-Off Contract

5.3 The requirements set out in clauses 1 and 2 above are applicable to any Service which involves the execution of a litigation strategy, this is inclusive of any Services detailed within clauses 19 and 20 below.

5.4 The Supplier must only pursue a litigation strategy after Approval is received from the Buyer. The Supplier must provide a Litigation Costs Proposal that outlines the expected costs of the proposed action (this can cover multiple cases if agreed by the Buyer) as per Schedule of this Contract (Framework Prices) The Supplier will provide advice as to any risk of the costs escalating beyond the costs outlined in the proposal and any options for review and cessation of activities that may curtail the costs.

5.5 The Supplier will perform the Buyer Approved litigation strategy on all Accounts Placed for litigation.

5.6 The Supplier shall use a unique identifier for each Account.

5.7 Where the Buyer makes a Placement of a subsequent Account(s) for the same Customer, the Supplier shall use a unique identifier for each Account.

5.8 The Supplier shall have the ability to pursue multiple Accounts for the same Customer, in singular interactions with the Customer, where requested by the Buyer.

5.9 The Supplier must assess and report on the appropriateness of the litigation strategies on a monthly basis, explain why when unsuccessful, and propose revisions of the litigation strategies if the Supplier considers such revisions would improve the results it delivers to the Buyer.

5.10 The Supplier must be able to demonstrate to the Buyer that each Account has been given individual attention.

5.11 The Supplier will ensure that it can evidence to the Buyer, adherence to the litigation strategy agreed with the Buyer, including being able to track individual activity applied to each account.

5.12 The Supplier shall collect and provide promptly on written request, detailed case activity management information to the Buyer.

5.13 The Supplier shall review all inactive Accounts and, unless specified otherwise by the Buyer, return them to the Buyer after a period agreed with the Buyer. The definition of 'inactive Accounts' shall be agreed between the Buyer and Supplier.

5.14 Subject to the terms of the Call-Off Contract, the Supplier may be required to continue recovering Debt where an agreement with the Customer is already in place at the time of the Call-Off Contract expiry. This is to ensure Customers are treated fairly and to minimise the risk of breakage of payment plans and to ensure a smooth hand-back of Accounts to the Buyer.

5.15 When an Account has gone through the litigation process, in accordance with the agreed litigation strategy, without being resolved, the Supplier will use the available information to assess the suitability of next steps. The Supplier will suggest the most appropriate actions to take, to the Buyer (e.g. enforcement, write-off etc.). The Supplier will demonstrate what data and information it has used to inform the assessment. The Supplier will then take the next steps if Approved by the Buyer.

5.16 The Supplier must report to the Buyer on the reasons for failing to obtain recovery on Accounts Placed with the Supplier for litigation and provide a monthly report to the Buyer which provides these reasons at Account level e.g. a closure file with detailed return codes.

5.17 Where requested by the Buyer in writing, the Supplier shall promptly provide comprehensive information to support the decision to write-off Accounts.

5.18 If Litigation or any Enforcement action is not successful, the Buyer may instruct the Supplier to utilise the Buyer's specific legal powers. Any such requirements will be detailed within the Buyer's Call-Off Contract.

6. Litigation Case Management System

6.1 The Supplier shall maintain an accurate up-to-date view of all case details and action taken on all accounts placed by the Buyer

6.2 The Supplier shall provide MI taken from the system relating to case status and action to the Buyer in the format and frequency agreed with the Buyer within their Call-Off Contract. The Supplier must have the capability to provide this electronically through Buyer access to their systems.

6.3 The Supplier will fully comply with the Buyer's periodic reconciliation of Accounts held, including balances of Accounts held, against the Buyer's records, in accordance with the Performance Indicators and Target Performance Levels as set out in Call-Off Schedule 14 (Service Levels) The detailed requirements and periodicity will be agreed with the Buyer, but must be available at least quarterly.

7. Client Services

7.1 The Supplier shall provide relevant qualified contacts of Supplier Staff;

- for day to day operational activities;
- to liaise with the Buyer to arrange attendance of the Buyer at court hearings as required by the Buyer;
- to provide advice and information to Buyers with regards to proposed litigation action and escalation of action including pricing proposals;
- and will provide nominated contacts that are authorised to deliver and approve pricing proposals;

- and will liaise with 3rd party organisations including but not limited to Customer legal representatives, Land Registry officials, conveyancing solicitors, as appropriate and as specified by Buyers within their Call-Off Specification.
- to provide advice, information, and resolution of any queries, issues or risks that arise and impact the contract.

7.2 The Supplier shall provide a dedicated contacts of Supplier Staff to Buyers that will be responsible for organising, managing and recording as required by the Buyer for;

- regular review meetings, which may be in person at the Buyer's premises, by video-conference, webinar or telephone
- regular catch-up meetings/telephone calls to discuss current and on-going issues
- working with the Buyer to resolve any on-going operational issues
- working with the Buyer to proactively introduce initiatives to:
    - Create efficiencies in processes
    - Improve the environmental performance of the contract.

8. Customer Contact

8.1 The Supplier shall, and shall ensure that Subcontractors shall, initiate contact with Customers and act on contact with Customers, as per the Buyer Approved litigation strategy.

8.2 For Accounts Placed the Supplier shall contact all Customers where contact information is available, according to the litigation strategy Approved by the Buyer.

8.3 Where Letter Before Action or Early Action is requested by the Buyer, The Supplier shall provide national coverage for contact with Customers.

8.4 The Supplier shall initiate contact using a full range of methods which can include but are not limited to;

- letters
- SMS text
- telephone calls
- automatic dialler
- face to face (field or reconnections agents)

8.5 Contact channels and contact frequency used by the Supplier must be Approved by the Buyer.

8.6 The Supplier shall ensure that any contact with Customers within the litigation strategy is executed promptly after Placement of Accounts from the Buyer.

8.7 Where appropriate the Supplier shall deal with authorised representatives of the Customer (e.g. Power of Attorney) subject to validation rules to be agreed by the Buyer during Implementation.

8.8 In addition to the scripts and templates for Customer contact to be agreed as part of the litigation strategy, new guidance may be agreed from time to time between the Buyer and Supplier for how Customers should be communicated with this should:

- include scripts and/or templates for each communication channel should as a minimum;
- encourage the Customer to engage;
- include reference to further support where appropriate e.g. debt advice agencies;
- clearly set out relevant information to enable the Customer to make informed decisions;
- include reference to the Law;
- clearly set out the process of escalation and consequences

8.9 The Supplier shall respond to Customer queries using channels such as described in paragraph 8.4 above as Approved ny the Buyer.

8.10 The Supplier shall send all disputes, appeals and objections or queries with or from Customers requiring input from the Buyer (alongside any related correspondence or additional information) to the Buyer and only suspend litigation if instructed by the Buyer.

8.11 The Supplier shall have the ability to centrally, electronically record, and track disputes, appeals, objections, queries and complaints and promptly make this information available to the Buyer upon a written request.

8.12 Where a Buyer provides a response to any Customer disputes, appeals, objections, queries or complaints, the Supplier must review the Account and adjust the relevant Outstanding Balance and/or litigation strategy as appropriate or as instructed by the Buyer.

8.13 The Supplier must demonstrate that they are treating customers fairly in any engagement, interaction or correspondence with Customers.

9. Calculating Interest and Penalties

9.1 The Supplier shall, where requested, calculate and reflect interest and penalties in the Outstanding Balance as per any methodology provided by the Buyer as part of their Call-Off Contract.

9.2 Where requested by the Buyer, the Supplier shall notify the Customer of the increase in their obligation due to the accrued interest and/or penalty/and/or fee due.

10. Customer Circumstances

10.1 The Supplier will monitor and react to Customer change of circumstances, including vulnerability, as per the litigation strategy Approved by the Buyer.

10.2 Unless specified otherwise by the Buyer, the Supplier will notify the Buyer of:

- Changes to Customer contact information in an agreed format.
- Customers identified by the Supplier as vulnerable.
- Customers identified as undergoing a statutory debt solution.
- Customers who have deceased
- Customers who are in prison
- Customers who are on armed services duty

10.3 The Supplier shall maintain well-established relationships and communication channels with the various industry commercial and charity debt advice providers to ensure that any notifications regarding a Customer's circumstances are received promptly from such debt advice providers, acted on in accordance with the litigation strategy and that information is passed to the Buyer where any decision-making is required at an Account level.

10.4 In accordance with Buyer requirements, the Supplier shall use all available tools to implement forbearance, freeze interest/charges or apply breathing space for Customers facing financial difficulty.

11. Payment Arrangements

11.1 Where instructed by the Buyer, including as part of any agreed Letter Before Action or Early Action process, the Supplier;

- Shall agree with the Buyer the process for managing payment arrangements, broken Payment Arrangements and escalations;

- Shall negotiate a payment arrangement with Customer and follow up on non-compliance with the Payment Arrangement.;

- Will aim to secure payment in full, and if a Customer is not able to pay, negotiate a suitable arrangement with the Customer in accordance with the guidance provided by the Buyer;

- Shall ensure that all payment arrangements are based on an assessment of the Customer's affordability to create tailored and affordable repayment plans;

- Will not settle a Debt for less than 100% repayment of such Debt, unless specifically instructed by the Buyer;

- Will offer direct debit as the first option for all Payment Arrangements unless otherwise agreed with the Buyer as part of the litigation strategy;

- Will contact a Customer following the first missed payment and continue to follow up where payments have not been made in accordance with Payment Arrangements, in order to settle the Account in full, or bring the Customer back onto a Payment Arrangement.

12. Payment Processing

12.1 The Supplier will liaise with Customers in order to resolve their Outstanding Balances, match payments to the relevant Outstanding Balance and transfer any funds collected to the Buyer as per the arrangements specified by the Buyer within their Call-Off Contract.

12.2 The Supplier shall have the facility to offer Customers a full range of payment methods. Accepted payment methods shall be specified by the Buyer as part of the Call-Off Contract.

12.3 Where applicable, for any cash payments tendered by the Supplier at an office or through a postal system the Supplier shall issue a form of receipt to the Customer.

12.4 The Supplier shall match each Customer payment to the relevant Outstanding Balance using the individual Account reference number and allocate payments correctly.

12.5 If the Supplier receives payment with no Debt reference from a Customer who has more than one Debt placed with the Supplier, the Supplier shall hold the payment in a suspense account and:

- where there is sufficient information, contact the Customer for advice on which Debt to allocate the funds to; and

- if the Customer does not respond within 10 Working Days, allocate the money as per any payment hierarchy procedure communicated to the Supplier by the Buyer at the time the Account was or Accounts were place with the Supplier.

12.6 The Supplier shall monitor payments to ensure that funds are cleared through the Supplier's accounts and reduce Outstanding Balances by the amount of Customer payments accordingly.

12.7 The Supplier shall investigate queries to facilitate prompt (re)allocation of payments and resolution of issues.

12.8 The Supplier shall transfer payments received from Customers electronically via composite payments(s) to an agreed frequency to the relevant Designated Account as specified by the Buyer within their Call-Off Contract.

12.9 The Supplier shall support the composite payment with an electronic payment file, in a format and frequency specified by the Buyer in their Call-Off Contract. The file must detail individual payments and include as a minimum:

- Supplier account reference number / unique identifier
- Buyer account reference number / unique identifier
- The Customer name
- The amount recovered; and
- Effective date of payment
- Where possible the file should also include details of payment mechanism.

12.10 The Supplier shall provide a monthly invoice to the Buyer outlining the Supplier's commission fee for each electronic payment file.

12.11 The Supplier should only transfer payments to the Buyer that are cleared through the UK banking system. Should any payments be reversed or dishonoured post transfer of funds to the Buyer, the Buyer should be promptly notified and supplied with the relevant supporting documentation or a reconciliation file where appropriate. The Buyer shall not be liable for and no Charges will be payable to the Supplier on dishonoured payments and any Charges received prior to a payment being dishonoured must be reconciled and credited to the Buyer.

12.12 The Supplier must not pass on any payment processing Charges to the Customer and any Charges shall be absorbed by the Supplier, unless specified otherwise by the Buyer.

12.13 The Supplier shall remit any credit balances/funds overpaid to the Buyer or Customer as specified by the Buyer within their Call-Off Contract.

12.14 Any overpayment transfers to the Buyer must be accompanied by detail of the Customers and Debts.

12.15 Any refunds to Customers must include reasons for the refund in writing.

12.16 The Supplier shall not be entitled to Charges nor shall the Buyer be liable for Charges on any overpaid debt amounts.

13. Ceasing Processing

13.1 Under circumstances Approved by the Buyer, the Supplier shall cease all litigation activity and return Accounts to the Buyer.

13.2 The requirement under Paragraph 13.1 is applicable under each of the following trigger events, unless otherwise agreed by the Buyer:

- The Outstanding Balance reached nil
- The agreed litigation strategy has been exhausted and the Debt is no longer in recovery (e.g. in an active repayment plan)
- A formal notification of the Customer's death is received from the Buyer or the Buyer's representative or any other verified source, unless the Buyer has opted into a Deceased Portfolio Service.
- Any other trigger events defined by the Buyer

13.3 For Accounts meeting the trigger events outlined in 13.2 the Supplier will:

- Immediately stop recovery action and stop automated recovery from the Customer
- Issue any communications specified by the Buyer
- Return Accounts to the Buyer in a standardised file, the content and frequency to be agreed with the Buyer.

13.4 The Supplier should ensure that all debt litigation strategies provide the ability for the Buyer to decide which portfolios or segments are to be returned to the Buyer for internal management or write-off e.g. Accounts meeting the definition of severe financial difficulty as agreed with the Buyer during Implementation.

13.5 The Supplier should ensure that litigation strategies, particularly dialler operations have the ability to immediately cease or limit activity, if, as and when instructed by the Buyer, where a media-sensitive event occurs e.g. ceasing dialling the W11 1TQ postcode (Grenfell Tower).

14. Alternative Dispute Resolution

14.1 The Supplier will manage alternative dispute resolution processes including agreeing appointment of an arbitrator, mediator or independent examiner and continuing to negotiate and keep in contact with Customer through the following processes:

- Complaints and/or grievance settlement (including those proceedings conducted by trade association or ombudsmen where applicable);
- Mediation or
- Arbitration.

15. Pre-Enforcement Letters

15.1 The Supplier will issue a Letter Before Action (LBA) to the Customer prior to commencing any further litigation or enforcement action.

15.2 The Supplier shall determine appropriate proceedings and act in accordance with the Buyer Approved litigation strategy

15.3 The Supplier will provide confirmation of the issue of the LBA and the date it was issued to the Buyer as part of the Litigation Costs proposal.

16. Legal Documents – Preparation, Issue and Service

16.1 The Supplier shall prepare, issue and serve legal documents to the Customer, both in person and electronically, as appropriate in accordance with the Civil Procedure Rules and as agreed with the Buyer.

16.2 The Supplier shall retain contemporaneous evidence of service where conducted in person.

16.3 The Supplier shall promptly advise the Buyer on completion of service and return evidence of service to the Buyer in the prescribed format where agreed with the Buyer.

16.4 The Supplier shall, where appropriate, commence action with a view to enforcement.

16.5 The Supplier shall keep the Buyer promptly informed of track allocation where defence is filed and allocation questionnaires are to be completed, and promptly seek to agree disclosure with the Buyer where a case is allocated to fast or multi case management tracks.

16.6 The Supplier shall seek court fee, legal/process costs from the Customer in all instances unless Approved by the Buyer.

17. Pre-enforcement /Early action URN6.0b

17.1 Pre-enforcement / Early action can be requested by the Buyer at any stage within the litigation and enforcement process including prior to or in between stages of litigation. The Buyer will define their specific requirements within their Call-Off Contract, but as a minimum the Supplier will be required to have the capability and capacity for;

- Contacting the Customer to advise the case is now with the Supplier

- Provide the Customer with the opportunity to pay the debt
- Progressing the case through a series of actions to secure payment of the debt including, but not limited to:
  - Lettering campaigns
  - Telephony
  - Texting

18. Pre Litigation Verification URN6.0c

18.1 The Supplier must directly or via Subcontractors provide an address verification service to the Buyer. The Buyer's specific requirement will be detailed within their Call-Off Contract, but as a minimum the Supplier must provide capability and capacity to identify and inform the Buyer if a Customer;

- Is living as stated (as per the information provided by The Buyer)
- Cannot be located
- Has changed address and if so details of the new address must be provided to the Buyer

19. Drive-By Valuations URN 6.0j

19.1 A Drive-By Valuation is a service to obtain confirmation that a property exists and is in a reasonable condition

19.2 When a Drive-By Valuation is required by a Buyer, The Supplier shall undertake a physical viewing of the property detailed within the Account Placed the Buyer in order to;

- evidence to the Buyer that the property exists
- provide the Buyer with an approximate market value of the property

19.3 An actual physical Drive-By/visit is not required if Approved by the Buyer. This may be if the Supplier can provide supplementary evidence of the existence and value of the property.

19.4 A Stand-alone (Ad Hoc) Drive-By is required from the Supplier when a Buyer – as part of their initial online investigation - cannot find evidence of the condition and/or approximate value of a property in order to deem the property suitable for order for sale action.

19.5 Unless specified by the Buyer, there will be a mandatory Drive-By valuation by the Supplier on all Cases Placed for the Full Order For Sale Service, in order to establish an up-to-date market value.