Dear Craig,

During Committee stage for the Financial Guidance and Claims Bill, I promised to write to you on a question you raised about whether a self-employed person who decided to take a personal loan and then provide it as a director's loan account to his or her own limited company, would be covered by the debt advice available through the new, single financial guidance body.

I think we all acknowledge that the self-employed sometimes have an overlap between their personal finances and business finances. As it stands the Bill requires the new body to work with a range of organisations to improve the financial capability and debt management of members of the public. This includes the self-employed.

The language already in the Bill will allow the new body to continue to support organisations such as Business Debtline, which the Money Advice Service (MAS) currently funds. The agreement between MAS and the Money Advice Trust who deliver the Business Debtline allows for support to be provided on personal debts including when they are incurred providing support to a business. I expect that the new body would continue to fund this type of support.

As I indicated in Committee, the general remit of the new body means it will need to consider the needs of all, which include the self-employed. Specifying the self-employed would not add anything, but it could perhaps direct the new body to give undue priority to servicing the needs of the self-employed over other vulnerable people when it needs to prioritise the allocation of its resources. Additional specification could tie the hands of the new body, when it will need the freedom to
be adaptive and responsive to changing needs, including those of the self-employed.

With best wishes,

Guy Opperman MP
Minister for Pensions and Financial Inclusion