

Interest (Scotland) Bill

Consultation Response Paper

This response paper should be read in conjunction with the Scottish Government's consultation document and draft Bill on interest on debt and damages.

It is not necessary to answer all of the questions and you can focus on those in which you have a particular interest.

Please tick the response that most closely matches your opinion. Some questions invite you to expand on your answer and space is provided to do so. If you wish to do so you can also use the space at the end of this document to make additional comments.

Your Details

Name: Pete Mowat

Job Title: Money Advice Officer
(if applicable)

Address: Prospect Community Housing
6 Westburn Avenue
Edinburgh

Postcode: EH14 2TH

Your Organisation's Details

Title of Organisation: Prospect Community Housing
(if applicable)

Type of Organisation: Housing Association
(individual, business, advice organisation,
professional body,
legal body, statutory body)

Address: As above

Email: peter.mowat@prospectch.org.uk

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Postcode:

We will make all responses available to the public in the Scottish Government library unless confidentiality has been requested. Responses from those who reply in confidence will only be included within numerical totals and names and text will not appear in the list of respondents or in any published analysis.

Confidentiality:

Yes	<input type="checkbox"/>
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Deadline for Responses: Friday 4 April 2008

Completion and Submission of Responses

It would be helpful to have your response by e-mail. However to help those who want to comment but do not have e-mail facilities we will be happy to accept written submissions too. Your two options for completing and submitting your response are:

Email submissions: Helen.grosset@scotland.gsi.gov.uk

Written Submissions: Family Law and Administrative Justice
Civil Justice, Law Reform and International Directorate
2 West, St Andrew's House
Regent Road
Edinburgh
EH1 3DG

Telephone 0131 244 4837
Fax 0131 244 8325

Acknowledgements

All responses will be acknowledged either in writing or electronically.

Additional Copies of the Consultation Document and Response Paper

Further copies of the consultation document and the response document are available from the above address or can be downloaded from the Scottish Executive's web site at www.scotland.gov.uk/Publications/2008/01/interestondebt

For further information, or if you would like the consultation document or this paper in another format or language, please contact the above address. We will try to meet your needs.

Questions

Ref	Question	Yes	No	Don't know	Comments
Q1	Do you agree that utility debts should be exempt from the statutory interest regime? Please provide reasons for your answer.	√			Where such priority debts in arrears genuine poverty/hardship, therefore interest punitive and excessive
Q2	Do you agree that rent arrears due to public sector landlords should be exempt from the statutory interest regime? Please provide reasons for your answer.	√			As above
Q3	Are there other categories of debt which should be excluded from the statutory interest regime? Please provide reasons for your answer.	√			Loans, credit etc where interest pre-loaded therefore additional interest nimious and oppressive
Q4a	Do you think the draft Bill will have an effect on the provision of insurance for individuals? If yes, what do you think that effect would be?			√	
Q4b	Do you think the draft Bill will have an effect on the provision of insurance for businesses? If yes, what do you think that effect would be?			√	
Q4c	Do you think the draft Bill will have an effect on the insurance industry? If yes, what do you think that effect would be?			√	
Q5a	Do you think that statutory interest should run on late payments under contracts of employment?	√			Would act to prevent late payment which causes hardship to small businesses and employees

Ref	Question	Yes	No	Don't know	Comments
Q5b	If so, do you think that the statutory interest should run from the date on which payments are due?	√			Only fair
Q6	Do you think that statutory interest should begin to run 30 days after the end of the period in respect of which the service under the contract is remunerated?		√		
Q7	If you think that statutory interest should run on late payments under contracts of employment, do you think there are any particular circumstances when interest should not run on late payments? If so, then what would these be?		√		
Q8a	Should the rate of statutory interest be simple interest? Please provide reasons for your answer.	√			Fair and transparent
Q8b	Should the rate of statutory interest be compound interest? Please provide reasons for your answer.		√		Excessive
Q9a	Should the draft Bill contain provisions for complete judicial discretion in awarding interest? Please provide reasons for your answer.		√		Complete discretion would be a dis-service to sheriff and justice as every case could be challenged
Q9b	Should the draft Bill contain provisions for limited judicial discretion in awarding interest? Please provide reasons for your answer.	√			No discretion to apply interest for Q1, Q2, Q3. Discretion not to award interest for other categories
Q10a	Should the draft Bill allow for any retrospective effects?	√			Backdated interest for late payments contract of employment
Q10b	If so, what should have retrospective effect and why?	√			Date of interest: apply from day 1 overdue as per contract

Ref	Question	Yes	No	Don't know	Comments
Q11	Should there be a difference in transitional arrangements for contractual debts, non-contractual debts or damages? If so, please give reasons.			√	
Q12	Do you think the draft Bill will have an effect on individuals? Please provide reasons for your answer.	√			Protect the poorest by maximising payments to reduce debt and not meet excess interest. Protects small businesses and employees
Q13	Do you think the draft Bill will have an effect on businesses? Please provide reasons for your answer.	√			Big business (eg Banks) may lose some interest but not significant loss in profits. Small business can be better protected on late contract payment
Q14	Do you think the draft Bill will have an effect on backdated pay? Please provide reasons for your answer.	√			Will help to prevent employees being paid late and award interest where this happens
Q15	Do you think the draft Bill should exempt backdated pay from the statutory interest regime? Please provide reasons for your answer.			√	
Q16	Do you think the draft Bill will have implications for future pay negotiations? Please provide reasons for your answer.			√	
Q17	Do you think the draft Bill will alter behaviour and negotiating positions? Please provide reasons for your answer.	√			It will allow for fairness and greater justice and consistency
Q18	Do you think the draft Bill will have an impact on equal pay claims?			√	
Q19	If yes, what would be the likely financial impact on your organisation or the organisations you represent?				

Ref	Question	Yes	No	Don't know	Comments
Q20	Do you think the draft Bill should exempt equal pay claims from the statutory interest regime? Please provide reasons for your answer.			√	

Please use this section if you wish to make additional comments