TfL Supply Chain Intelligence

Market Sounding Questionnaire

European Debt Recovery Services

# **Introduction**

This Market Sounding Questionnaire (MSQ) is issued by Transport for London (TfL) and seeks to obtain market feedback in relation to services available to recover debt globally, but specifically from European countries. Its primary focus is to better understand the market and supplier appetite, capacity and capability, as well as perceived risks and opportunities.

# **Feedback Request**

Feedback is requested from those organisations who are involved in cross-border recovery of debt. TfL would greatly appreciate your feedback in the form of a response to the short questionnaire in Section 4. Please send your responses to:

Name: Jasmine Moss

Role: Assistant Commercial Manager

E-mail: JasmineMoss@tfl.gov.uk

Any feedback received will be reviewed, analysed and may be taken into account in finalising our approach for procurement of European debt recovery services. Responses will be treated in confidence and shared within TfL. For your feedback to be taken into account it must be received by 5PM on Monday 3rd September 2018.

# **Background Information**

TfL operates and enforces a number of road user charging schemes for traffic management services that contribute to the realisation of the Mayor’s Transport Strategy. The five main elements of this are:

1. Congestion Charging
2. T-Charge
3. Low Emission Zone (LEZ)
4. Traffic Enforcement
5. Ultra Low Emission Zone (ULEZ) (going live from April 2019)

**Penalty Charge Recovery Activities**

The primary function of the European debt recovery services TfL require is to issue Penalty Charge Notices (PCNs) to vehicles registered outside of the UK and to collect the outstanding debt. It will also act as an information service for Congestion Charging, T-Charge, Low Emission Zone and Traffic Enforcement customers outside of the UK who might be affected by any of the schemes or any other TfL debts. The provider will provide a translation service for TfL and customers as well as encouraging compliance with these schemes or any other future schemes.

**Congestion Charging, T-Charge, Low Emission Zone and Traffic Enforcement**

The Congestion Charge, T-Charge and the Low Emission Zone are integral parts of the Mayor’s Transport Strategy designed specifically to reduce congestion on central London’s roads and also to drive a reduction in vehicle emissions.

Drivers of vehicles which are subject to a particular road user charging scheme (e.g. Congestion Charging or the Low Emission Zone) are required to pay to enter the relevant zones within charging hours. Failure to pay the relevant charge results in the issue of a PCN, for which the registered keeper of the vehicle is liable. A Congestion Charging contravention attracts a penalty charge of £160. A LEZ contravention attracts a penalty charge of £1,000, or £500 for Light Goods Vehicles from 2010.

The process for enforcing PCNs, including the appeals process, is defined within statutory provisions. If unpaid for a period of time, the debt associated with a PCN is registered with the Traffic Enforcement Centre (TEC) and a warrant, which can be executed in accordance with the relevant legislation, is issued. Where the registered keeper of the contravening vehicle is known and the vehicle is registered in England and Wales, the warrant is passed to a Bailiff who is authorised under legislation to levy distraint in order to recover the outstanding amount.

For vehicles registered in Scotland or Northern Ireland, PCNs and charge certificates are issued by TfL’s service provider, as for England & Wales, but debt registration and beyond is processed in-house by TfL, in accordance with the local legislation.

Where the vehicle is registered overseas, TfL does not have access to a mechanism for identifying the address of the person legally responsible for contraventions issued within TfL’s area of highway authority. Also, it is not possible to register a debt with the TEC for a person not resident in the TEC’s jurisdiction (England & Wales). A debt collection service must be provided for foreign registered vehicles that incur penalty charges which includes:

* finding addresses for the registered keepers of foreign contravening vehicles on the basis of having only received the vehicle registration number from TfL
* issuing PCNs and charge certificates in an attempt to collect the debt
* transferring the debt into the registered keeper’s country to collect the debt owed plus enforcement fees, including court fees.

It must be understood that there is currently no ability to register the debt, and therefore this element must be undertaken without a warrant. The foreign debt collector’s remuneration will be entirely based on a success fee.

The Congestion Charging Zone commenced operation in February 2002 and covers parts of central London. The scheme rules requires all vehicles, except those exempt from the scheme or registered for a discount, to pay to enter and travel within the zone. The Low Emission Zone commenced operation in February 2007 and covers most of Greater London. The scheme imposes minimum standards for vehicle emissions and requires those vehicles which do not comply to pay to enter and travel within the zone. The LEZ targets those vehicles that individually cause the greatest amount of pollution – heavy vehicles with diesel engines. The initial phases of the scheme have focused on lorries, buses and coaches.

Older vehicles driving in central London now need to meet minimum Euro emission standards or pay an extra daily charge known as T-Charge which was introduced in October 2017. This is in addition to the Congestion Charge. From April 2019 the T-Charge will be replaced by the Ultra Low Emission Zone which will mean vehicles using central London will have to meet tighter emissions standards or pay a daily charge to travel within the area of the ULEZ. From 25 October 2021 the area will be expanded to the inner London area bounded by the North and South Circular roads.

TfL also enforces a red route network on some of the major roads in London; this network is 5% of the roads which can carry up to 30% of the city’s traffic. In addition, TfL enforces on certain yellow box junctions and banned manoeuvres in London, all of which will create PCNs if a contravention is captured, and will attract a penalty charge of £130.

TfL currently outsources much of the operation of the Congestion Charging Zone, the Low Emission Zones schemes and traffic enforcement administration to its service provider, Capita. The current European debt recovery services are provided under a separate, single contract to an external provider. This contract is set to expire in October 2019.

# **Questionnaire**

TfL would greatly appreciate your feedback in the form of a response to the following questionnaire. This exercise does not form part of any procurement process. All responses will be carefully considered but will not bind TfL to any particular approach to the procurement, nor will responses be treated as conveying any promise or commitment on the part of the respondent.

Please complete the details in the table below:

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| Organisation Name: |  |
| Key Contact Name: |  |
| Key Contact Email: |  |
| Key Contact Telephone Numbers:(mobile and office) |  |

We would like feedback on the areas in this section; please answer the following questions by providing responses in the blank boxes provided.

1. Please provide a list of all authorities in Europe for which you currently perform penalty charge (or similar) enforcement, i.e. bodies that you currently perform similar services on behalf of.

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1. Please provide an outline of the technical systems, infrastructure, activities and processes that you would typically use to support the delivery of operations across multiple locations, and indicate any emerging systems or innovations that might be useful in the near future.

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1. Please provide details of all vehicle licensing authorities and/or countries (e.g. equivalents to the UK’s DVLA) with which your organisation currently has a working agreement to facilitate access to vehicle registration and keeper details. Alternatively, please provide details of those relationships you anticipate you could easily arrange to have in place.

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1. Is Brexit envisaged to have an impact on your debt collection operations? If yes, please provide details of major challenges you might expect.

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1. Do you have a website which is fully accessible from different countries in Europe, and how do you typically process cross border payments?

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1. Please provide comments in relation to the amount of time it would take you to fully mobilise and implement the services from the date an agreement is entered into, i.e. from entering an agreement to service commencement.

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1. What combination of software recognition tool(s) and/or human expertise do you employ to identify the country of origin for VRMs (vehicle registration mark)?

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1. Do you have any further comments regarding the proposals set out in this market engagement document, including any challenges and/or risks you may foresee?

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Contact: Jasmine Moss

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