

Telephone: 020 7066 9346
Local fax: 020 7066 9728
Email: enquiries@fs-cp.org.uk

Jenny Frost
Retail Policy Division
Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Our ref: KW/CP 05/14

14 December 2005

Dear Jenny

Quarterly Consultation Paper CP 05/14* - Chapter 5

The Panel welcomes this opportunity to comment on the proposed changes to the Insurance Conduct of Business Sourcebook outlined in the CP. Thank you for agreeing to allow the Panel a short extension to the deadline for submitting responses. I hope this has not inconvenienced you too greatly.

The Panel discussed these changes at a recent Working Group meeting. The Group's discussions focussed on two aspects of the proposed changes – namely the removal of the requirement for insurers to comply with the status disclosure rules, or to issue a demands and needs statement in non-advised sales.

On balance the Panel agrees with the FSA that these changes will not be detrimental to consumers. However, the Panel notes that not all the information required in status disclosure documents is replicated in the required policy summary, and therefore it would urge the FSA to supplement the rules relating to this summary to include the missing information. The Panel is concerned that consumers will not understand the distinction between brokers and insurers.

In relation to the demands and needs statement, again the Panel does not feel there will be any consumer detriment by removing the requirement for insurers to issue it in non-advised sales. The Panel notes that all firms will still be required to inform consumers before the sale of a product that they have not received advice. The Panel would like to see this information supplemented with an explanation that this means a complaint to the Financial Ombudsman Service cannot be made in relation to advice.

Once again thank you for agreeing this short extension to the deadline.

Yours sincerely

A handwritten signature in black ink, appearing to be the name 'John Howard'. The signature is stylized, with a large, looped 'H' and a vertical line extending downwards from the left side.

John Howard
Chairman
Financial Services Consumer Panel