

Financial Services Consumer
Panel response to:
FSA consultation paper 24 -
*Consumer Compensation: a
further consultation*

Compensation

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Introduction

1. This paper is the response of the Financial Services Consumer Panel ('the Panel') to the Financial Services Authority (FSA) Consultation Paper 24, 'Consumer compensation: a further consultation'. The Financial Services Authority (FSA) established the Panel to advise the FSA Board on the interests and concerns of consumers and to report on the FSA's effectiveness in meeting its consumer protection and public awareness statutory objectives.

Summary of recommendations

In developing policy on compensation the Financial Services Consumer Panel recommends that the FSA should¹:

Establishing the Scheme

- a) ensure the smooth transition from the existing schemes to the new scheme and at least maintain the quality of service provided to consumers (*paragraph 5*)
- b) appoint members to the new Scheme Board at an early stage to oversee the transition to the new scheme (*paragraph 6*)
- c) ensure that the rules for the new scheme allow partners and dependants to claim compensation if the claimant is deceased, avoiding the existing problems with the Investors' Compensation Scheme (*paragraph 7*)

Eligibility

- d) take into account the impact on private consumers of any changes to eligibility for compensation (*paragraph 10*)
- e) consider including deposits from large corporates when calculating the funding base levy, whether or not large corporates are covered by the Compensation Scheme (*paragraph 11-12*)
- f) review the proposed definition of small corporate entities before extending compensation for non-compulsory general insurance to this group (*paragraph 13*)

Compensation limits

- g) reject the moral hazard argument as a justification for co-insurance (*paragraphs 16 to 23*)
- h) introduce 100% compensation for at least part (if not all) of the claim for the deposit and insurance sub-schemes so that compensation is directed

¹ Paragraph numbers are those used in our response.

at those who have low levels of savings who tend to be on low incomes
(*paragraphs 24 to 28*)

- i) undertake a fundamental review of existing limits as a matter of priority and develop an approach that has an underlying rationale that takes into account:
- savings levels and the extent to which consumers can afford to sustain a loss;
 - the impact on levels of savings and investments of Government policy that individuals will increasingly have to provide for themselves in retirement, and reductions in state benefits;
 - complexity for consumers of products such as ISAs that are subject to different sub-schemes and limits;
 - the need to keep limits up-to-date; and
 - the need for consistency with the level of compensation provided by the Financial Services Ombudsman Scheme for claims relating to breach of conduct of business rules(*paragraphs 33-36*)
- j) consider harmonising the sub-scheme limits over time (*paragraph 32*)
- k) review compensation limits every 3 years (*paragraph 37*)

Public understanding

- l) promote public awareness and understanding of the Compensation Scheme and any limits, and set out its plans and performance measures for achieving this (*paragraph 38-40*)
- m) ensure that information on the Compensation Scheme and any limits is given to consumers when they open a deposit account or take out an investment or insurance policy (*paragraph 40*)

Chapter 1: General comments

2. This Chapter sets out our general observations on:

- the FSA's policy on compensation;
- establishment of the new Scheme; and
- clarity for consumers.

FSA's policy on compensation

3. Adequate redress is a key consumer principle and compensation plays an important role in protecting consumers in the financial services sector. In deciding what degree of consumer protection is appropriate, the Financial Services and Markets Bill (FSMB) (Clause 5 (2)) requires the FSA to take into account:

- the different degrees of risk involved with investments and other transactions;
- the differing degrees of experience and expertise of consumers;
- consumers' needs for advice and information; and
- the general principle that consumers should take responsibility for their own decisions.

The Bill thus requires the FSA to assess the extent to which consumers have the experience and expertise and access to the necessary information to assess the safety and soundness of financial institutions. In the context of compensation, the FSA needs to decide on what grounds it might justify limiting compensation. It will need to make clear to what extent it justifies this policy on the basis of consumers' responsibility rather than other grounds such as the cost of the Scheme and the extent to which consumers can afford to carry losses. Our views on this are at paragraphs 16-23 of our response.

4. Many of the assumptions and the use of language in the consultation paper do not reflect the reality of consumers' experience. The term "co-insurance" is a misleading euphemism since it implies that consumers are able to assess the risk of a firm collapsing and take action to protect against it. A more accurate and appropriate term might be the 'non-recoverable loss' consumers have to face. Our views on co-insurance are at paragraphs 16 to 23. Furthermore, the tone of many of the arguments put forward by proponents of co-insurance seem to imply that any move to increase the limits or to provide 100% compensation up to a certain level would somehow result in consumers getting something for nothing, whereas in fact they may only receive part of what they have lost through no fault of their own.

Establishing the Scheme

5. **We call upon the FSA to ensure a smooth transition from the existing schemes to the new compensation scheme.** We are concerned that the pensions mis-selling review, the FSAVC selling review and the default being dealt with by the Deposit Protection Board may result in a peak of activity for the Compensation Scheme coinciding with a period of intense change. **We look to the FSA, the existing schemes and the Board of the new scheme to ensure claims are processed promptly and that the quality of service provided to consumers is at least maintained.**
6. We welcome the intention that members of the Scheme's Board should be appointed in the public interest and the commitment to use Nolan-type procedures in making appointments. **We call on the FSA to appoint members to the Scheme Board at an early stage to oversee the transition to the new Scheme.**
7. **The FSA should ensure in drafting the rules for the new Scheme that the anomalies in the old schemes are removed. In particular, the rules should ensure that partners and dependants are eligible to claim and receive compensation for a loss suffered by a depositor, policyholder or investor who is deceased, thereby removing the current problem with the Investors' Compensation Scheme.**

Clarity for consumers

8. We welcome the provision in the Bill that consumers will be eligible for compensation in respect of all authorisable activities, whether or not an authorised firm has permission to carry on the business giving rise to the claim. This removes at least one source of confusion. Even if a consumer has checked the firm is authorised it is unlikely that they will be able to distinguish between permitted and other activities. **We note that the Bill does not deliver comprehensive protection for consumers, in that it does not provide compensation for those consumers who have dealt with unauthorised persons and have suffered loss.**
9. We are disappointed that in other respects the proposed approach (separate levels of compensation for insurance, investments and deposits) means that the single Compensation Scheme will not be as clear as it might have been to consumers. Varying the levels of co-insurance by the level of loss in the Investors' Compensation Scheme is confusing to consumers and will increase the costs and difficulty of educating consumers about the Scheme.

Chapter 2: Eligibility

10. This Chapter sets out our response to questions 1-4. We can only give tentative, rather than firm, views on these questions. The Consultation Paper does not contain the analysis necessary to see what the effect of changes to eligibility might be on private consumers, which must be our primary concern.

Q1 Do you agree that the deposits of larger corporates should be excluded from deposit protection?

Q4 Should large partnerships be excluded from eligibility to claim compensation, where this is permitted by legislation?

11. **We generally support the principle of excluding large corporates from the deposit protection scheme.** However, we do not feel there is sufficient information in the Consultation Paper for us to comment definitively on the treatment of large corporates nor for us to comment on how large partnerships should be treated. In both cases our views would be guided by the impact of such exclusions on the cost of the Compensation Scheme which impacts through charges on private customers. This is unclear from the Consultation Paper.

Q2 Do you think that the exclusion of large corporates from protection should also be reflected in the calculation of any levy? Are there significant costs associated with such an approach and, if so, what might these be?

12. Any decision on whether deposits from large corporates should be excluded from the calculation of the Compensation Scheme levy must take into account the need to ensure an adequate funding base to maintain consumer confidence in the Compensation Scheme. **In this respect, we note that because of the interconnectedness of financial markets, large corporate depositors benefit from the market confidence of having a compensation scheme regardless of whether or not their deposits are protected. We therefore suggest that deposits from large corporates could be included in the funding base even if large corporates do not receive protection from the Compensation Scheme.**

Q3 Should protection for claims on general insurance policies be extended to small corporate entities, to be defined using the criteria set out in paragraph 3.2 above?

13. We are concerned that any extension of protection to allow small businesses to claim against non-compulsory general insurance policies should not significantly increase the funding burden to the detriment of private consumers. In this respect, the criteria set out in paragraph 3.2 of the Consultation Paper for defining a small corporate entity could possibly be too wide. **We recommend the FSA reviews the definition of small corporate entities to ensure that compensation is directed towards businesses least able to afford a financial loss.**

Chapter 3: Compensation limits

14. This Chapter sets out our comments in response to questions 5-9 of the Consultation Paper. Our response is organised under the following headings:

- co-insurance (Q5);
- 100% cover for at least part of the claim for the deposit and insurance sub-schemes (Q6);
- individual limits (Q7, Q8 and Q9); and
- promoting public awareness.

15. In setting compensation limits, the FSA has the difficult task of balancing potential costs to the industry and consumers of any increase in limits with the potential benefit to consumers who may suffer a loss. If the FSA is successful in meeting its regulatory objectives, we would expect to see a reduction in compensation claims and in particular in claims arising out of bad advice. We urge the FSA to formulate its policy with this success in mind rather than planning for failure to the detriment of individuals inadequately compensated as a result of insufficient limits.

Co-insurance

Q5 Of the factors outlined above, which are the most important for you in considering how any co-insurance element should operate or where an individual limit should set? Are there any other factors which should be taken into consideration?

16. We accept that as a practical matter compensation limits (other than for general insurance) are likely to be unavoidable. But as we have said at paragraph 4 we dislike the term 'co-insurance'. Co-insurance has no legitimate place here. It assumes that consumers choose not to take care, or check the safety and soundness of a firm, because of the availability of compensation. We have seen no evidence of this. It is entirely unrealistic to expect most consumers to have the information, resources or awareness to assess why one authorised firm is more risky than the other because:

- information that consumers need to assess the safety and soundness of a firm either does not exist or, if it does, is commercially confidential and is not made available to consumers;
- the infrequency of high profile firms collapsing means that consumers do not expect firms to fail;
- consumers would incur costs both in assessing the riskiness of firms and in switching and "spreading" their money around to avoid risky firms; and

- most consumers are not aware of how to assess that a firm poses a risk, even if the information to do so was available.

These points are addressed in more detail in paragraphs 17-23 below.

Lack of access to relevant information

17. Even if consumers had the skills and time to assess the risk a firm posed, much of the information required to make such an assessment (e.g. the adequacy of management practices) is not, or cannot be, in the public domain. We note that: the confidentiality provisions in the Financial Services and Markets Bill (clause 305) constrain the information the FSA can disclose; the information that the FSA receives from firms to determine the degree of risk that firms may pose to consumers is not available; the FSA's regulatory risk ratings of firms are not published; and the FSA has not, for example, named those firms that have made inadequate preparations for Y2K. In Consultation Paper 17 (*'Enforcing the new regime'*), there is no commitment by the FSA to publicise intervention action as a matter of course. This places consumers in an invidious position: on the one hand it is argued that they should act responsibly by assessing the risk posed by a financial institution, yet on the other hand they are denied information by the FSA on the basis that they might use it to act.

Infrequency of high profile collapse

18. It is argued that co-insurance encourages consumers to make careful decisions about where to place their money since the publicity surrounding a default makes consumers aware of the fact that people do not get all their money back. In practice most consumers do not learn from the publicity: deposit takers rarely default and few consumers are aware of compensation paid out by the Investors' Compensation Scheme.

Costs to consumers in assessing the riskiness of firms

19. In practice the great majority of consumers cannot be fully and continuously informed about the risks posed by a given firm. The costs of them doing so are not one off since consumers would need to assess the risks continuously. The assessment and management of such risks are the primary concern of a company's management and of the FSA as regulator.

Costs of switching and "spreading" money around

20. Consumers face other costs such as redemption penalties, front-loading of charges, loss of interest and other exit costs if they choose to terminate an arrangement because of concern about the risk posed by a firm. There are costs incurred in spreading funds around to avoid risk e.g. interest rates on lower deposits and higher charges etc.

Consumer awareness

21. For co-insurance to have any credence consumers would need to be aware of and understand all the following:

- whether the firm in question is authorised, that the adviser is a genuine employee, and whether the activity is authorisable;
- whether an offer is 'too good to be true';
- whether that firm is likely to fail (both at the point of sale and on an ongoing basis); and
- that a compensation scheme exists and they would receive compensation.

Given the current Deposit Protection Scheme limits consumers would be advised not to have more than £18,000 in a deposit account, but most will be unaware of this.

22. It is entirely unrealistic to expect consumers to be able to take such informed decisions given what we know about consumers' current knowledge of financial services. For example, research shows that:

- only 5% of consumers were aware of the Personal Investment Authority despite it having been in existence for 4 years² (significantly less would therefore know whether or how to check whether a firm was regulated);
- only 18 % of consumers were aware that a Compensation Scheme for investors existed³.

23. As we have said above, we accept that for the foreseeable future compensation limits will apply. But we do not accept that an inappropriate argument should be used to justify inadequate restitution.

100% cover for at least part of the claim for the deposit and insurance sub-schemes

Q6 Do you agree that the deposit and insurance sub-schemes should offer 100% cover for part of a claim? If so, how much of a claim should attract 100% cover? What are your views on the co-insurance element that should apply to the rest of the claim?

24. We strongly endorse the proposal that full (100%) compensation should be available for at least part of the claim for the deposit and insurance sub-schemes and should continue to be a feature of the investment sub-scheme. This will provide protection to those consumers least able to afford a financial loss.

² PIA Consumer Panel research (1998) based on a representative sample of the UK population

³ PIA Consumer Panel Annual Report 1996

25. Our analysis of NOP's Financial Research Survey⁴ based on a representative sample of adults in Great Britain (see Appendix 1 for details) shows that a significant proportion of deposit accounts in the sample are held by those on low incomes. As Figure 1 in Appendix 1 shows:

- 16% of deposit accounts of less than £20,000 are held by those with annual household incomes of less than £7,500; and
- 44% of deposit accounts of less than £20,000 are held by those with annual household incomes of less than £17,500 which is below the national average household income of £18,494 per annum⁵.

The loss of 10% of their savings is likely to hit these less well off consumers very hard. This provides a clear justification for 100% compensation for deposits.

26. In deciding whether 100% should be available for all or part of the claim, the FSA should look at the savings patterns of different groups, and in particular those who are vulnerable to any loss of savings such as low income consumers and retired people. Figure 2 in Appendix 1 shows the value of deposits by type of saver. Whilst 82% of all personal deposit accounts contain less than £5,000, only 65% of deposit accounts held by retired people contain less than £5,000.

27. Retired people tend to have lower household incomes than those in employment and may be more dependent on their savings. As Figure 3 in Appendix 1 shows of deposit accounts of less than £20,000 held by retired people:

- 37% are held by those with an annual household income of less than £7,500; and
- 78% are held by those with an annual household income of less than £17,500 which is below the national average household income.

28. Whether or not 100% compensation should apply to all or part of the claim depends upon the interaction with the individual limits set. There may be a case for restricting the 100% part of the claim at significantly higher levels if individual limits are raised as we recommend at paragraph 33. However, having different levels of compensation available depending on the amount of loss is confusing to consumers, makes no appreciable differences to the burden for regulated firms and makes our recommendation for public awareness (see paragraph 38 below) more difficult and costly to achieve.

⁴ Data collected July 1998 to June 1999

⁵ Table 8.1 Average incomes of households, 1996/7, "Annual Abstract of Statistics", Office for National Statistics

Individual limits

29. **We support the proposal that there will be no aggregate limit on the amount the Scheme can pay out in a given period which will ensure that all eligible consumers will be able to receive compensation.**

30. We recognise that the costs of compensation are borne by consumers. In recognition of the costs to consumers we accept that there should be maximum limits on the amount of compensation paid out in respect of individual claims ('an individual limit'). Nevertheless, we are aware of cases where the individual limit has resulted in substantial losses being suffered by private consumers. These can result in real hardship (e.g. the loss of funds invested to provide a retirement income). To reduce consumer detriment we recommend that:

- the individual limits are reviewed (paragraph 31); and
- the custody and client money rules are reviewed to ensure they provide appropriate protection to consumers' funds in the event of a collapse.

31. **We call on the FSA to undertake a fundamental review of existing limits as a matter of priority and develop an approach that has an underlying rationale.** We take issue with paragraph 2.2 of the Consultation Paper, which suggests that there is some underlying rationale to the amounts paid out by different schemes. The present compensation limits are largely historic and accidental.

Q7 Do you agree with the FSA's proposal that individual limits should be set separately for each sub-scheme?

32. **In the interests of clarity for consumers, we urge the FSA in its review of compensation limits to consider harmonising the sub-scheme limits over time.** Given consumers' lack of awareness that a Compensation Scheme exists, they are even less likely to understand that the Scheme has sub-schemes with differing limits. Furthermore new products, such as ISAs, which may fall into any of the sub-schemes will add to consumer confusion about how much of their money is protected.

Q8 Do you agree that the individual limits in either the deposit sub-scheme or the investment sub-scheme should be retained at their existing levels or increased? If so, what level and why?

33. **We strongly recommend that individual limits are increased as a matter of priority.** We are extremely concerned that current limits are out of date. As more consumers, including those least able to afford a financial loss, attempt to provide for themselves, the inadequacy of the compensation scheme limits could leave careful, forward-planning individuals in poverty, particularly in retirement.

34. Whilst we have noted that only 4% of claims to the ICS are above the individual limit of £48,000, our analysis of investments held by retail consumers using NOP's Financial Research Survey based on a representative sample of adults in Great Britain (see Appendix 1 for

details) suggests that some consumers with above the £30,000 limit at which 100% compensation is available might suffer hardship as a result of this limit. For example:-

- 46% of investments of £30,000 or more are held by retired people.
- 23% of investments of £30,000 or more are held by those with an annual household income of less than £17,500 (which is less than average annual household income of £18,494).

35. Our analysis of the Financial Research Survey also suggests that the £20,000 compensation limit for deposits may result in hardship. For example:

- 49% of deposit accounts of £20,000 or more are held by retired people.
- 39% of deposit accounts of £20,000 or more are held by those with an annual household income of less than £17,500.

36. In reviewing the limits the FSA should take into account the following:

- consumers' levels of savings and investments and the extent to which they can afford to sustain a loss;
- the Government's policy that individuals should increasingly provide for themselves in retirement, the reduction in state benefits for retirement and the influence this might have on savings and investments;
- complexity for consumers, particularly with products such as ISAs which can attract three different levels of compensation cover;
- the need to keep limits up-to-date to keep pace with growth in levels of savings and investments;
- the level of compensation provided by the Financial Services Ombudsman Scheme of up to £100,000 and the need for consistency with this for compensation claims relating to a breach of conduct of business rules.

Q9 Do you agree with the FSA's proposal for future review of individual limits and the co-insurance structure applied to claims?

37. Following a fundamental review of limits, we recommend that the FSA should regularly review compensation limits. Rapid development of financial services markets and socio-economic changes suggest that reviewing the limits every 5 years is not sufficient. **We recommend that the FSA to reviews compensation limits every 3 years.**

Promoting public awareness

38. If consumers use a regulated firm they are likely to assume that 100% of their money is protected. **It is vital that the FSA promotes public awareness and understanding of the Compensation Scheme and**

essential that any limits are publicised. We recommend that the FSA sets challenging performance indicators to raise consumer awareness of:

- **the Compensation Scheme, and**
- **the limit(s) of this Scheme.**

We call on the FSA to produce specific plans of how it intends to address this. The FSA should carry out and publish independent market research to measure levels of consumer awareness on a regular basis.

39. We note that requirements have already been introduced for firms to make consumers aware of the existence of the deposit protection and investor compensation scheme arrangements in compliance with the Deposit Guarantee Directive and the Investors' Compensation Directive. Disappointingly, the Consultation Paper contains no information on the effectiveness of these requirements apart from a reference to initial research suggesting that consumers' general awareness of compensation is low.

40. We also recommend that information is given to consumers in clear and prominent warnings when they open a deposit account, take out an investment or insurance policy. This should state clearly what element of the customer's money is not protected in the event of the firm defaulting.

Chapter 4: Funding

Q 10 What are your views on the definition of base costs and how these should be allocated across all firms authorised by the FSA?

Q 11 Do you think banks and building societies should be grouped together in one sub-scheme or divided into separate contribution groups?

Q 12 Is there any case for further sub-division of this group [all others], bearing in mind the need for contribution groups to be large enough to be self-funding wherever possible?

Q13 With reference to the contribution group structure proposed for this sub-scheme, how should costs be allocated to individual firms within a group?

Q 14 In the context of a scheme that primarily operates on a pay-as-you-go basis, do you think firms should be required to pay a joining levy? If so, at what level do you think this levy should be set?

41. The FSA should ensure that whatever funding arrangements are put in place they take account of the following factors:

- the Scheme is able to meet eligible claims to maintain market confidence;
- it should be capable of paying out compensation without undue delay;
- cross subsidisation of the costs of compensation between different industry sectors may be appropriate in certain circumstances.

Appendix 1 – NOP’s Financial Research Survey

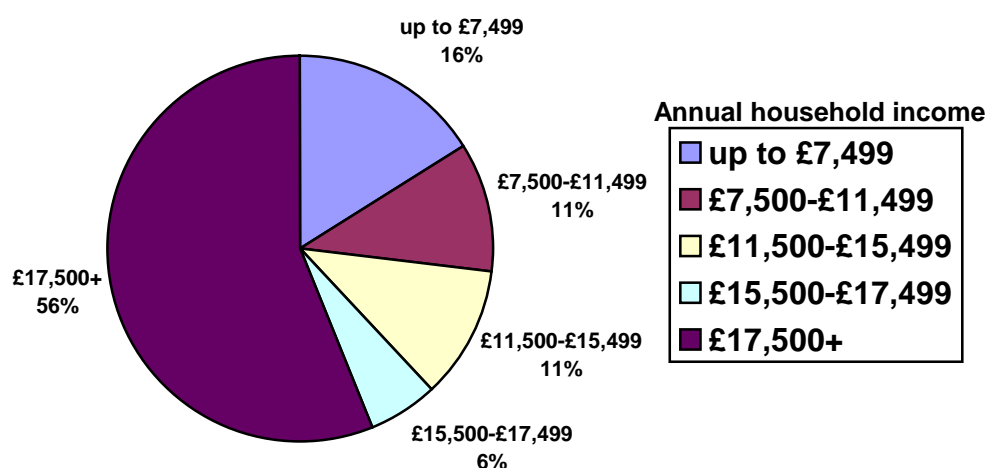
NOP’s Financial Research Survey interviews a representative sample of 60,000 adults in Great Britain face-to-face each year. It asks a range of questions about personal finance products and services.

The data in this response on deposit accounts includes amounts held in savings accounts. The data does not include current accounts because the value of savings in current accounts is not collected by NOP.

The data included in this response on investments excludes life assurance and pensions as NOP do not collect the value of investments held in these products. The data includes investments held in PEPs, unit trusts, investment trusts, investment bonds and gilts. National Savings Schemes have been excluded. ISAs have also been excluded due to insufficient data at present.

Figure 1: deposit accounts of less than £20,000 by annual household income

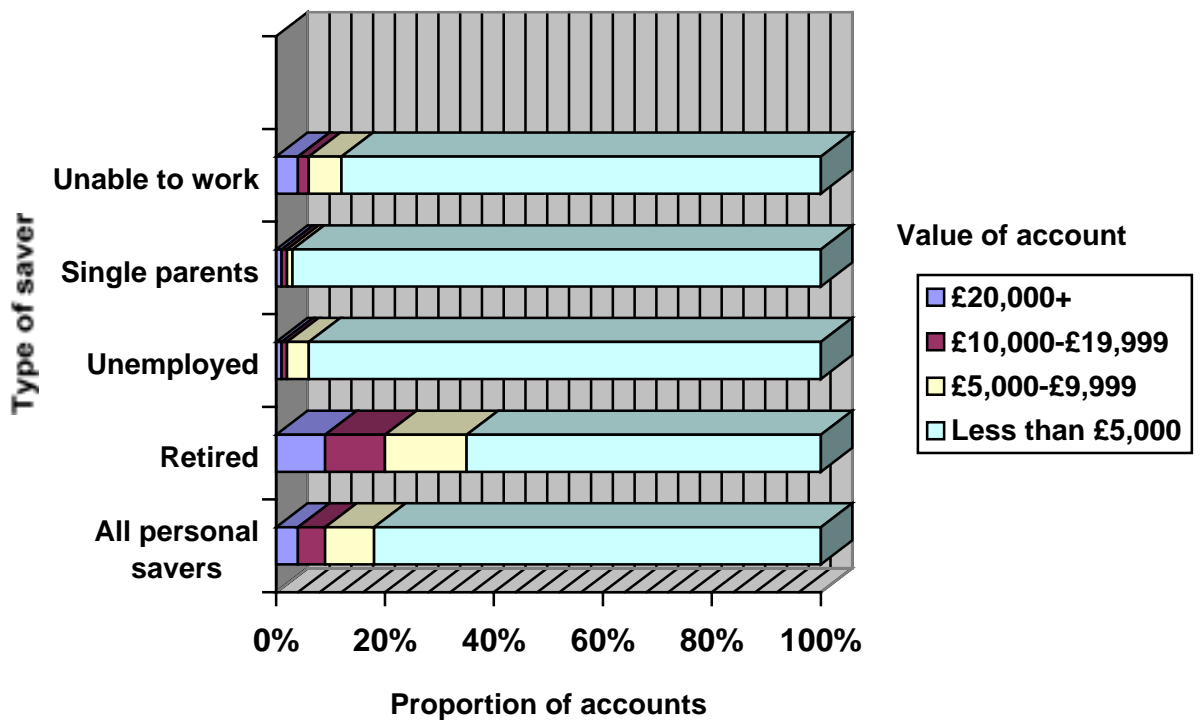
44% have annual household incomes of less than £17,500 which is below the national average household income



Base: representative sample of adults in Great Britain – deposit accounts held of less than £20,000 (19,649 accounts)

Source: NOP Financial Research Survey, 1998-9

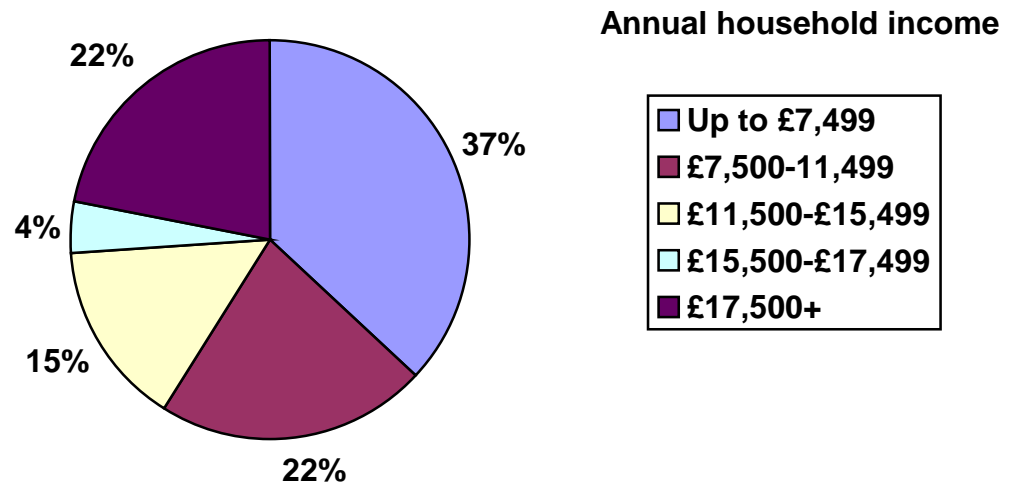
Figure 2: Value of deposit account by type of saver



Base: representative sample of adults in Great Britain with savings in deposit accounts giving value of account: 27,983 accounts (all personal savers), 5,688 accounts (retired), 754 accounts (unemployed), 1,709 accounts (single parents), 612 accounts (unable to work)

Source: NOP Financial Research Survey 1998-9

Figure 3: Retired savers: deposit accounts of less than £20,000 held by annual household income



Base: representative sample of adults in Great Britain – deposit accounts held by retired savers of less than £20,000 (4,094 accounts)

Source: NOP Financial Research Survey, 1998-9

About the Financial Services Consumer Panel

The Financial Services Consumer Panel was established by the Financial Services Authority (FSA) to advise the FSA Board on the interests and concerns of consumers and to report on the FSA's effectiveness in meeting its consumer protection and public awareness statutory objectives. There are eleven members of the Panel representing a broad range of consumer interests. The Panel is independent of the FSA – it can raise its own concerns, initiate its own research and publish its own reports.

Who is on the Panel?

Barbara Saunders (Chairman)

Barbara is a public interest member of the PIA Board. She is an independent consumer consultant and past Chairman of the Council of the Insurance Ombudsman Bureau. Among other public and professional appointments she is a Non-Executive Director of the St Albans and Hemel Hempstead NHS Trust and a member of the Architects Registration Board.

Colin Brown (Vice Chairman)

Colin is an independent consultant specialising in consumer affairs. Previously Deputy Director of Research at Consumers' Association and Senior Fellow at the Policy Studies Institute, he has over 20 years' experience of social and consumer research.

Jean Gaffin

Jean is Chairman of the Advisory Committee on Telecommunications for Disabled and Elderly People that provides advice to the telecommunications regulator, OFTEL, and a Non-Executive Director of Harrow & Hillingdon Healthcare NHS Trust. She has extensive experience of working on behalf of vulnerable consumers. Previous positions include: the Executive Director of the National Council for Hospice and Palliative Care Services and Chief Executive of Arthritis Care.

Yvonne Gallacher

Yvonne is Chief Executive of Money Advice Scotland, which was set up by the Scottish Consumer Council. She has over 10 years experience of consumer credit/money advice issues and of working with vulnerable consumers in a variety of roles, including debt counsellor, trainer and manager. She is Co-Director and Secretary of the Government funded Lead Body for Advice, Guidance, Counselling & Psychotherapy (CAMPAG). Yvonne is a member of the Scottish Consumer Council.

Joan Harbison

Joan is Chief Commissioner of the Equality Commission for Northern Ireland. She has been Chair of the Commission for Racial Equality for Northern Ireland since its inception in 1997 and is a former Chairman and member of the Executive Committee of the Northern Ireland Association of Citizens' Advice Bureaux. She has held a number of public appointments including being Vice Chairman of the Eastern Health and Social Services Board and the Northern Ireland Standing Advisory Commission on Human Rights and former member of the Human Fertilisation and Embryology Authority.

Noel Hunter

Noel is County Trading Standards Officer for Warwickshire. A National Council member of the National Consumer Council, he also chairs the Management Board of the Institute of Trading Standards Administration and is an adviser to the Local Government Association.

Gerald Lanchin

Gerry is a Vice President of the National Federation of Consumer Groups. He is a former Under Secretary of the Consumer Affairs Division of the Department of Trade and Industry and author of "Government and the Consumer". His involvement in consumer protection includes being a former Council Member of Consumers' Association and of Consumer Congress Committee. He was the first chairman of the Direct Mail Services Standards Board and a member of the Data Protection Tribunal for 10 years.

Nick Pearson

Nick is the National Money Advice Co-ordinator for the Federation of Independent Advice Centres. A career spent in advice organisations including the National Association of Citizens' Advice Bureaux where he was manager of the Money Advice Support Unit, he has particular experience of credit, debt and personal finance issues and of working with vulnerable consumers.

Richard Smethurst

Richard is Provost of Worcester College, Oxford University; he chairs the Training Standards Panel of IMRO, of which he is a non-executive Director. He has served as an economic adviser in Whitehall, and the Monopolies and Mergers Commission, where he was Deputy Chairman. Richard lectures widely on financial and economic topics to businessmen and adult education groups. He is President of the National Institute of Adult Continuing Education.

Jane Vass

Jane is an independent consumer researcher specialising in financial services. She was previously Head of the Financial and Economic Research Group at Consumers' Association and is still author and editor of a number of Consumers' Association publications in addition to other research, including

work for the National Consumer Council. Her current committee memberships include: Council of the Ombudsman for Estate Agents, the Inland Revenue Tax Law Rewrite Project Consultative Committee, the PIA Training Advisory Group and the FSA Training Advisory Panel.

Dave Watts

Dave is a partner in a media business which is involved in publishing, editing and journalism - personal finance plays a large part in this. He is a former editor of "Which?" and "Money Which?" and former Assistant Director of Consumers' Association. He was also a policyholder representative on the Insurance Brokers Registration Council for nine years.

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