

Christopher Woodburn
Chief Executive
General Insurance Standards Council
107-112 Leadenhall Street
London EC3A 4AH

29 December, 1999

Our ref:

Dear Mr. Woodburn

I am writing on behalf of the Financial Services Consumer Panel (the Panel) in response to your second consultation document on general insurance self-regulation. The Panel was set up 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 regulatory 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. The Panel replaces the Personal Investment Authority (PIA) Consumer Panel and continues to advise the PIA Board.

We regret that we are unable to respond in detail to the issues raised in the second consultation document. Instead, we limit our response to issues of accountability.

Consultation

We welcome the further consultation document published by GISC and the roadshows that accompanied it. However, we regret that we were not invited to these roadshows and were only made aware of them by a third party. The PIA Consumer Panel raised concerns in their response to your first consultation document that members of the Panel had not received copies of the document despite GISC's stated desire to elicit comments from a wide variety of consumer

interest groups. Furthermore, the PIA Consumer Panel's response contained a list of the succeeding Panel members to ensure we were on your mailing list for future consultation. It is therefore disappointing that this concern has not been taken on board and we seek reassurance from you that efforts have been made to ensure as wide consumer response to the second consultation as possible.

Governance

We are pleased that GISC has appointed two public interest members to its Board. However, two public interest members on a board of seventeen do not adequately ensure independence from the industry. We acknowledge that GISC is a self-regulating body but do not believe that this exempts it from public accountability. Indeed, GISC states that "the policy holder will be GISC's first consideration" and whilst industry members of GISC will elect directors, this is not balanced, at present, by a significant representation of public interest members of the Board, a key requirement for credibility.

We look forward to being kept informed of developments in your work. I have enclosed a list of current Financial Services Consumer Panel members with brief biographies for your information. You can contact the Panel c/o Denise Burford at the address below.

Please don't hesitate to contact me if you have further queries.

Yours sincerely,

Barbara Saunders

Chairman

FS Consumer Panel

Financial Services Consumer Panel

Biographies

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 was Chair of the Commission for Racial Equality for Northern Ireland from 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 was a founding 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 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.