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Our ref: BCSB

Dear Ian, Adrian and Paul,

### **Review of the Banking Code Review Process**

Thank you for your letter of 26 April to Ann Foster, and for the opportunity – which we warmly welcome – to comment on the review process of the Banking Code. You will know that the Panel has supported the Code, and its periodic revision, and has been happy to engage in the stakeholder input to its review. I am responding to your letter as I attended the two round-tables, and trust that you will see my comments as a constructive input to your review of the process.

### **Project Management**

The Panel submitted views to the Review in February 2004, and was then invited to a meeting on 2 April. As the representative of the Panel on that occasion, I found the meeting somewhat unsatisfactory. The letter of invitation simply mentioned “a roundtable”, which I took to be a relatively small gathering. In fact, there were probably over 40 people there, and it was very unclear (there being only small nameplates in front of people) who they were as no list of attendees was available. It turned out that many were from subscribers, some were secretariat members, some from government departments, plus the BCSB – and just three of us from “consumer organisations”. It was then unclear to me whether we were “negotiating” with the subscribers (as they certainly commented on our views, and we on theirs!), or seeking to influence Elaine Kempson by the force of our argument, and whether she was seeking to get consensus from us, or simply test out our arguments.

Perhaps therefore my main recommendation would be that if such a meeting is held again, with a mixture of stakeholders present, then some clarity of purpose and composition would help enormously.

There was a later meeting on 22 June at which we were represented (along with only 1 other consumer group), at which the Reviewer’s main conclusions were outlined. Again, it was not completely clear whether this was meant to be informative, or a continuation of the consultation process.

Finally, it would be helpful if consumer groups could be sent the Reviewer's Report to subscribers. It was quite difficult to locate on the web for a few days, and we were not notified of when it was actually coming out. Again, this does put consumer groups – which are poorly resourced compared to subscribers – at something of a disadvantage. By contrast, the new version was sent to us formally on 25 January of this year, in advance of its 1 March implementation date.

## **Stakeholder Input**

As you know, the consumer movement is very small and has only tiny resources compared with the Code subscribers, and indeed in relation to the users of the companies covered by the Code. Yet the Code's purpose is to ensure fair treatment of customers and so needs to respond to their interests. I therefore think it would be of value to have a specific user session with any future Reviewer, to have the time and space to represent the breadth of consumer views. (I believe such a meeting might have been organised this time, but without consultation on the date and therefore with the Panel unable to be represented – again demonstrating the difficulties of small consumer groups in participating fully in this process.) Perhaps the Code sponsors might also consider some specific consumer research in advance of a review, perhaps undertaken by the BCSB but with the input of the other Consumer Groups?

The above points cover simply the procedure itself and should not detract from our willingness to participate in Code Reviews. We were obviously disappointed that the process did not lead to a ban on unsolicited credit card cheques, or to larger minimum repayments on credit card balances, which we think would be in the interest of consumers. No doubt will we return to these on a future occasion!

We would, of course, be happy to discuss these, or any other points, with Paul Ross, should this be of assistance.

Yours sincerely



Dianne Hayter  
Vice Chairman  
Financial Services Consumer Panel