

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Our ref: mortgage business

7 March 2005

Dear Kathryn

CP 05/1* Quarterly Consultation no 3: Third Party Processors

This is the Consumer Panel's response to the proposals contained in Chapter 2 of the January Quarterly Consultation Paper relating to Third Party Processors (TPPs).

The Panel believes that the principle of transparency in the financial services market is an important one for consumers and we support that principle strongly. However, on the basis of the information contained in the Paper we believe that disclosure of the identity and role of TPPs in a mortgage transaction would not necessarily be crucial to the protection of consumers. In some circumstances it is more likely to cause confusion.

On balance we have no objection to the FSA's proposals, provided that:

- Consumers' rights are not adversely affected in any way by the non-disclosure.
- Effective arrangements are in place for dealing with complaints from consumers about the conduct of TPPs, even after the 'outsourcing' agreement/contract with the mortgage lender has terminated.
- Consumers asking the identity and function of the individual/firm they are dealing with must be provided with all the relevant information.

Yours sincerely



Vice Chairman
F S Consumer Panel