

Financial Services Consumer Panel



**Annual
Report
2017/2018**



An independent voice for
consumers of financial services

Who we are

The Financial Services Consumer Panel (the Panel) is a statutory body set up under the Financial Services and Markets Act. It:

- Is independent of the Financial Conduct Authority (FCA);
- Advises the FCA on how its strategy and policies affect UK consumers of financial services;
- Helps the FCA to improve its effectiveness in meeting its consumer protection and competition objectives;
- Looks at the impact of the wider regulatory landscape on consumers, including at EU level; and
- Commissions research to support its own independent projects.

Panel members are recruited through open competition. Areas of members' expertise include: consumer advocacy, law, economics, market research, financial services, public policy, communications and retirement planning.

What we do

Our main job is to advise the FCA. We also have a wider role in influencing financial services policy and legislation, whether this is generated by UK government departments, or the EU. We also undertake a small number of projects every year. Our aim with these is to stimulate debate and influence policy in areas where there are risks for consumers that are not being addressed, or gaps in understanding of how financial services affect consumers.

How we do it

Panel Members meet twice a month – once in full Panel meetings and once in one of two Working Groups (except for the month of August). We also have an ad hoc EU & International Working Group, which met 6 times in 2017-18. FCA staff regularly present to Panel and Working Group meetings and the Panel reports monthly to the FCA Board. We have responded to the FCA's request for more informal meetings, so that we can more easily inform the FCA's work at the earliest stages of development. The Panel is represented on ad hoc bodies in the UK and EU, and works with a wide range of stakeholders in the UK and overseas. We use our small research budget to gather evidence to support our work.

More details of Panel members' activities during the year are at the end of this report.

How we measure our impact

We keep an 'impact log', which details how we have influenced the FCA and others. Most of our impact is 'behind closed doors' – we are most useful to the FCA when the regulator involves us early in the development of policy. Sometimes we can trace a clear line from a Panel position to a new or changed policy, but the exercise is essentially subjective. Every two years we survey our stakeholders to understand what they think about the way we work and our influence.

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Contents

	Foreword by the Chair	1
Chapter 1	The Panel's work in 2017-2018	4
	1.1 Projects	4
	1.2 'Business as usual' activities	6
	1.3 EU engagement and UK withdrawal	15
	1.4 Publications, meetings and events	15
Chapter 2	The Panel's work in 2018-2019	17
	2.1 New projects	17
Appendix 1:	Panel members	21
Appendix 2:	Expenditure	25
Appendix 3:	Meetings with external stakeholders	26
Appendix 4:	Panel Members' participation in events	30
Appendix 5:	Publications, research and responses to consultations	32
Appendix 6:	Panel members on other Bodies	35
	Terms of Reference	37



The Panel in April 2018.
For a list of the 2017-2018 Panel members see Appendix 1.



Foreword by the Chair

Reading through the Panel's Annual Report for 2017-18 I was struck by two things. First, the enormous amount of work Panel members got through working just a couple of days or so a month, and the impact we had. Second – and this is not so good – the number of times the phrase 'the Panel continued to press for' appear. Here, in no particular order, are some of our hardy perennials.

- Competition. Consumers cannot 'drive' competition in financial services markets, where they cannot determine whether they could get a better deal by switching. Price signals are either missing (many bank accounts) or too prominent (comparison websites). It is almost impossible to judge product quality, or whether a firm will treat a potential customer fairly.
- Treatment of loyal customers. People who stay with the same insurer or savings provider usually get a worse deal than new customers. They are punished for loyalty. This often hurts the elderly, or others who can't, or don't want to, switch providers regularly.
- There is a risk 'big data' could lead to new forms of financial exclusion as providers cherry pick low risk customers and price others out of the market.
- Debt. The financial products that contribute most to over-indebtedness are credit cards and overdrafts. The FCA has been reluctant to act decisively on these. It has adopted a piecemeal approach to high-cost credit, rather than looking at the market as a whole, and missed some products that cause considerable harm – like guarantor loans – out of its analysis altogether.
- Investments. The FCA's asset management market study has done a good job of unearthing poor practices in this market. But there is still a lot more to do to ensure consumers get information they can understand when they make investment decisions, whether it is on a platform or through an adviser. They are not clear about the important distinction between advice and guidance. Costs and charges are still obscure. It is still rarely possible to get information up front about what an IFA will charge.

- FCA Register. The Register should be the place consumers go to, to decide whether to do business with a firm. If it is to do its job it needs to be easily accessible, intuitive, and have information about complaints, fines and other enforcement action.
- Small businesses. Small businesses often behave in the same way as individual consumers, prone to similar behavioural biases, and subject to the same power imbalance in their dealings with providers. While the FCA's consultation on extending access to the FOS is a step in the right direction, there are still many problems small businesses face in their dealings with financial services providers that inhibit their economic contribution.

I appreciate these are difficult issues. The FCA is already looking at some of them, others are beyond the regulator's remit. I welcome the spirit of co-operation between the FCA and the Panel: we may not always agree but can always discuss the issues. We are grateful for the support of outgoing Chairman John Griffith-Jones and wish him well for the future. We look forward to continuing this fruitful engagement with the new Chairman Charles Randell.

Brexit necessarily continued to loom large in the FCA's priorities, and the Panel's. Our main concern is that there should be effective consumer representation at all stages of financial services policy development post-Brexit. The Government's refusal to engage meaningfully with consumers during the negotiations is in stark contrast to its approach to industry. This does not bode well for the future. At best, the absence of consumer voice will lead to unintended consequences. At worst, there will be significant weakening of the consumer protections the UK fought so hard for in Brussels. The UK Government needs to ensure the right structures and processes are in place to adapt to a future outside of the EU and to drive its own vision of a sector that delivers good outcomes for consumers and SMEs.

Finally, I would like to thank Kitty Ussher and Liz Barclay who left the Panel and to welcome Dharshini David and Keith Richards who joined us.



Sue Lewis

7 August 2018



The Panel's work in 2017-2018

I.1 Projects

In 2017-18 the Panel's projects were: the impact of **Brexit** on consumers and the post-Brexit regulatory landscape; developing a better understanding of how **consumers consent to share their financial data**; the role of consumers in driving **competition**; and understanding if there was a gap in the **protection insurance market**

Brexit

Much of the commentary about Brexit in the financial services sector has focused on the impact on firms; relatively little has been said about the impact on consumers. Already there are 'cliff edge' issues, for example, firm contractual obligations for motor insurance, and other cross-border products like life insurance and pensions. There are also questions about access to redress and compensation, and data sharing. Consumer representation has been entirely absent from debate about these issues.

Industry pressure for a de-regulatory agenda operating under the pretext of increasing 'competitiveness' seems to have receded for now. The Panel met with government, parliamentarians, consumer organisations, industry representatives and other stakeholders to highlight the fact that the UK's robust regulatory framework had been at the heart of the UK financial services sector's strong performance and competitiveness.

The Panel commissioned research to better understand non-EU countries' financial services regulatory architecture. We will use this to make recommendations on how the post-Brexit regulatory policy development framework and landscape can deliver good consumer outcomes. It will be vital that the consumer interest is incorporated systematically into the government and regulator's policy making. Accountability to parliament 'after the event' will not be sufficient to counterbalance the powerful voice of industry in financial services policy.

Consumers sharing their financial data

Against the background of Open Banking and PSD2, and further high-profile cases concerning the mis-use of consumer data, the Panel commissioned research to understand how consumers of financial services are asked for consent to share their transactional financial data; how people might make more informed choices about sharing that data; and whether they are adequately protected when they do share their data.

The Panel published the research findings as well as its recommendations to the FCA, government and other stakeholders in April 2018. The research found that people

don't really understand the value of their data and that even when they read terms and conditions they are none the wiser. Instead, most people rely on 'social forces' such as reviews or a vague feeling that government and regulators will give them some level of protection.

Competition

Research carried out on behalf of the Panel in 2016-17 showed that financial services firms capitalise on retail consumers' behavioural biases. Firms appeared to compete vigorously, but often strived to inhibit consumers' ability to shop around by developing complicated products with obscure or misleading prices and terms and conditions.

In its position paper published in July 2017, the Panel argued that competition authorities should not rely on consumers to boost competition. The Panel highlighted that the number of engaged consumers was not large enough to drive competition or to make firms change their behaviour. Further, the consumers who are engaged can't usually assess whether switching would get them a better deal. This should be at the heart of how competition authorities measure whether demand-side competition remedies work effectively.

In its [position paper](#) the Panel called for:

- Competition authorities to take robust and effective action to tackle firms' exploitation of consumers' behavioural biases and over-complicated products and pricing;
- The FCA to be tough on firms that penalise their loyal and trusting customers;
- The FCA to develop robust measures of consumer outcomes, and require firms to make these widely available, and incorporate them in digital comparison tools; and
- Competition authorities and the FCA to make sure the new generation of automated shopping around and switching services do not simply repeat the problems of the past and further weaken rather than strengthen consumers' position in the financial services market.

Understanding the 'protection gap'

To understand better whether the protection market was producing good outcomes for consumers, we commissioned research looking at consumers' choices when buying protection such as critical illness insurance and income protection insurance. Specifically, the Panel wanted to understand:

- Whether there was a 'protection gap' for these products;
- Whether people who might benefit from protection insurance were getting the information or advice they needed; and
- Whether consumers buying products covering long-term illness or disability (i.e. critical illness or income protection policies) were getting the right type of policy.

The Panel will make recommendations based on this research in 2018-19.

1.2 'Business as usual' activities

Cross-cutting issues

Advice and guidance

The Panel worked with Parliamentarians, government and other stakeholders on the legislation setting up the new **Single Financial Guidance Body** (SFGB). The Bill recognised that the information and guidance provided by the SFGB should be **free and impartial**. However, we called for the government to go further and use the legislation to make 'guidance' a protected term so that only the SFGB and its independent delivery partners could provide guidance. This is important as firms can disguise 'product push' as guidance, which is confusing for consumers and unlikely to produce good outcomes. We also argued that the process for delivering 'opt-out' from Pension Wise guidance should be independent from providers and be managed by the SFGB or one of its independent delivery partners. The FCA will now have to make rules and regulations as provided under the Act and the Panel will work with the team to ensure the process drives good outcomes for consumers.

The Panel continued to work with the FCA on the implementation of the **Financial Advice Market Review** recommendations. We provided [input](#) to parts of consultation on the Financial Advice Market Review (FAMR) covering: streamlined advice, fact finding and the factsheet for employers and trustees. We continued to argue that FCA rules were completely clear irrespective of the type of advice being given and welcomed the FCA's confirmation that 'streamlined advice' does not allow a firm to lower the level of protection due to clients. On the fact find, the Panel recommended that the FCA should approve third party providers of digital data solutions as this would provide comfort to financial advisers that they were using a reputable provider.

In its [response](#) to the FCA Financial Advice Market Review implementation part II and insistent clients consultation, the Panel argued that the amendment to the Regulated Activities Order would allow product providers to describe product sales as 'guidance' and could lead to confusion between the impartial guidance services and 'guidance' offered by firms who were really looking to sell their products. We also encouraged the FCA to carry out consumer testing when considering the FAMR recommendation that providers use descriptions of 'advice' and 'guidance' to help consumers understand the service they were getting.

In its [response](#) to the Money Advice Service consultation on strategic approach to debt advice commissioning 2018-2023, the Panel supported prioritisation of resources based on an understanding of the needs of the wider population, not just those who currently use debt advice services.

Accessibility and transparency

The Panel continued to argue that the FCA should make the **Register** more accessible to consumers, avoiding complex terminology and jargon. For many EEA firms who

passport into the UK, consumers are advised to 'contact the firm directly' to see if FSCS compensation applies which could mean a long-distance call in a foreign language. The register doesn't currently do what it is supposed to do, which is to provide consumers with relevant and useful information and to help consumers decide whether they want to or should do business with a firm. This is particularly important for Open Banking as consumers who want to try the various new services are directed to the FCA register to check whether the firms offering the services are regulated or not. However, many legitimate firms are not on the register; those that are, often appear with incomprehensible or misleading information.

The FCA relies on **Section 348 of FSMA** as a reason for not publishing information; we have challenged this on several occasions. The Mission placed emphasis on the principle of transparency. The Panel believes this must include giving feedback to consumers who complain about misleading promotions. In its response to the FCA Approach to Consumers consultation, the Panel said that in the past the Financial Services Authority had proved it was possible to circumvent s348, for example by creating rules that required firms to publish their complaints' data so that the FSA could then repackage them and publish the information itself. Providing appropriate information about the FCA's regulatory decisions would increase trust in the regulator and the financial services industry overall and would benefit consumers.

The Panel responded to the LINK consultation on changes to the interchange fee. We expressed concerns about the impact of the proposals on the free ATM network and for consumers and microbusinesses. In particular, the consultation failed to consider which groups would be affected by the proposed changes, including individual and small business customers who rely heavily on cash. The Panel recommended that LINK conduct a proper assessment of the impact of the proposed changes on consumers before reducing the interchange fee.

Accountability

2017 saw the extension of the **Senior Managers and Certification Regime (SM&CR)** to all FSMA authorised firms. While the Panel supported the FCA's strategic focus on individual accountability it argued in its response to the FCA consultation that the proposed changes to governance and culture should lead to measurable improvement in consumer outcomes. The Panel made recommendations to help address the risks of group-think in the boardroom, conflicts of interest and better support for whistle-blowers.

Redress and compensation

The Panel continued to urge the FCA to be more proactive in the use of its powers under **Section 404** of the Financial Services and Markets Act. Under a Section 404 redress scheme, the firms involved must proactively contact all potentially affected customers, reducing the risk of consumers failing to claim, and the risk of claims management companies taking a large slice of any compensation due.

The Panel was concerned that the FCA's **PPI** campaign did not spell out that the deadline for 5.5million consumers was earlier than August 2019 as they were part of earlier customer contact exercises. Some of these will have claimed already, but for others their personal deadline will have passed. The high profile FCA campaign may lead a significant number of the remainder to believe their deadline is now August 2019. We also continued to argue that it was important for banks to improve their PPI complaint handling processes and for the FCA to take enforcement action against the individual executives responsible if consumers were not treated fairly.

Small businesses as users of financial services

Existing consumer protections often treat individual consumers of financial services differently from **small business consumers**. There appears to be an assumption that a consumer, merely because he or she is engaged in business, is in some way more financially literate or sophisticated and thus less deserving of protection than an individual consumer. The Panel believes that deeming a small firm to be 'sophisticated' is not always appropriate.

The FCA published a consultation on widening access to the Financial Ombudsman Service for small businesses. However there were a number of other SME issues the Panel covered in its [response](#) to the 2015 Discussion Paper on the FCA's approach to SMEs as users of financial services, such as access to advice and guidance, and banks' poor treatment of SME customers.. Nearly three years on, the FCA had not even considered these. The Panel reiterated the problems facing SME consumers in its [response](#) to the Treasury Select Committee inquiry into SME financing and its [response](#) to the BEIS Select Committee into small businesses and productivity inquiry.

Technology and data

Technological innovation will have benefits for consumers. However, the Panel is concerned that consumers who do not have access to these technologies or have not engaged with innovation, either by choice or because they are unable to, may be left out. The Panel also continued to highlight its concerns about the use of Big Data. In the insurance market, for example, the increased use of Big Data to inform risk and pricing strategies could lead to some people paying much higher premiums or becoming 'uninsurable'.

In its [response](#) to the FCA's Discussion Paper on **distributed ledger technology** (DLT) the Panel welcomed the FCA's clear and accessible explanation of a complex subject. We also said that it wasn't clear that DLT offered any compelling consumer benefits at this stage.

The Panel provided [input](#) to the House of Commons Committee on Science and Technology inquiry into the use of algorithms in public and business decision making. The Panel argued that Data Ethics Committees both within regulatory and governmental authorities and in firms could help foster an appropriate framework

for regulating algorithms. The Panel was pleased to see the government announce it would create a world-first **Centre for Data Ethics and Innovation** and will press for consumer representation on the Board of the new body.

The Panel also responded to the European Commission's consultation on FinTech. We argued that, while FinTech firms were already challenging the business models of incumbent firms, it remained to be seen whether this would translate into increased competition and tangible benefits to consumers. We also encouraged policy-makers to provide more clarity about the regulatory framework governing Fintech solutions.

FCA Approach to Regulation consultations

When the FCA launched its Mission in April 2017, it committed to publishing a series of documents that would explain its approach to regulation in more depth.

In its response to the **Approach to Consumers** consultation, the Panel said that it had been a missed opportunity to outline what 'fair' looked like and to better explain how the FCA planned to use the powers at its disposal. The Panel continued to argue that there is a huge imbalance of power and knowledge between firms and consumers in financial services markets and that, as such, the onus should be on firms to frame decisions for consumers on 'real world' behaviours and not exploit biases. The Panel also called for a more nuanced definition of 'vulnerable consumers' which recognised that the market environment itself could be a source of vulnerability.

In its **Approach to Competition** the FCA recognised the limitations of relying on consumer engagement to boost competition. This confirms the Panel's long-held view, and we argued that the FCA should start with the harm or potential harm to consumers, and determine which of its tools was best suited to addressing the problem in a timely way. Sometimes conduct rules, or supervisory or enforcement action could be more effective – and reduce harm more quickly – than competition remedies. If consumers were at the heart of the FCA's work as it claims, then they should be at the heart of its approach to regulation, too. Separate 'Approach' documents made no sense. The Panel also reiterated that the FCA's competition remit was to improve competition in the interests of consumers and not for competition's sake or to boost competitiveness.

In responding to the **Approach to Authorisation**, the Panel said that the authorisations process should be an important and effective first hurdle for firms that want to offer financial products and services. The consultation placed too much focus on firms and too little on consumers. The impression given was that the FCA was preoccupied with making the process easier for firms to navigate as if authorisation was an inconvenient administrative process, rather than the high hurdle it should be. Preventing firms with poor business models or ineffective governance from entering the market would save the FCA time and effort later, and be consistent with the preventative approach signalled in the Mission.

FCA effectiveness

In the Mission, the FCA committed to a three-tier approach to measuring its performance. The Panel had long argued for the FCA to find better ways to measure its effectiveness and the impact of its interventions and worked with the team taking this forward throughout the year. We encouraged the FCA to take into account the 'real world' impact on consumers, such as time taken to shop around.

Panel activities by sector

Consumer credit

The Panel consistently argued that the FCA should not only focus on 'traditional' high-cost products (such as payday loans, rent to own, home credit, logbook loans) but also on credit cards, unauthorised overdrafts, guarantor loans and other forms of **higher-cost credit** such as instalment loans. The FCA should have a clear vision of what a good consumer credit market looks like for consumers.

The Panel said the FCA's proposals set out its persistent direct card debt and early intervention remedies consultation were inadequate. In its [response](#), the Panel argued that the proposals ran counter to the preventative approach outlined in the Mission and urged the FCA to undertake a proper Cost Benefit Analysis testing different time periods for intervention, and taking account of the wider costs of over-indebtedness. The Panel also stressed that the onus must be on providing borrowers with a safe route out of persistent debt, while ensuring that firms lend responsibly in the first place.

In its [response](#) to the FCA's consultation on assessing **creditworthiness** in consumer credit the Panel strongly disagreed with the FCA that the current processes were adequate. The Panel argued that current over-indebtedness statistics could not be explained by sudden and unforeseen changes in people's circumstances that cause them to fall behind on household bills or debt repayments. We said that the FCA should not shy away from building greater friction into the process of applying for borrowing even if this resulted in inconvenience to customers. The proposed affordability framework does not adequately take account of multiple holdings of credit products.

The Panel welcomed the FCA's **thematic review into staff incentives and remuneration and performance management in consumer credit**. However, the Panel [argued](#) that in light of the review's findings the FCA's proposals to introduce new rules and guidance on staff incentives and remuneration for consumer credit firms did not go far enough. Instead, the Panel urged the FCA to take more decisive action and ban commission-based rewards for customer-facing staff in consumer credit firms.

The Panel also [responded](#) to HM Treasury's **Breathing Space call for input** and argued that the proposals offered real potential to provide much-needed, tangible help to people in problem debt and to enable them to get back onto a sustainable financial footing.

In its response to the Treasury Select Committee inquiry into household finances the Panel said that the UK lacked any robust system for monitoring problem debt, and there was no coherent cross-government policy for tackling the issue. While financial services are only one part of the jigsaw, the Panel said that the FCA should focus on stamping out poor conduct and exploitative practices in financial services, in order that problem debt is prevented rather than having to be 'cured', at great expense to citizens and the government.

The Panel also responded to the consultation on the Money Advice Service's approach to debt advice commissioning 2018-2023. The Panel agreed that MAS should prioritise resources based on an understanding of the needs of the wider population, not just those who currently present to debt advice services. However, the Panel expressed doubts about the priority groups MAS had identified, which would be difficult for debt advice services to operationalise. Instead, the Panel encouraged MAS to adopt a less granular approach and to consider how, in practice, debt advice providers would identify and help those in most need.

General insurance

In late 2015, the European institutions agreed the new **Insurance Distribution Directive (IDD)**, on which the Panel had lobbied actively in Brussels since it was first proposed in 2013.

The Panel responded to HM Treasury's consultation on the transposition of the IDD and welcomed the government's intention not to legislate for a broad exemption from the regulation for 'introducers' in the sector. While the Panel agreed, in principle, with an exemption for those who merely provide information, any conflicts of interests between the entity providing the information and the insurer should be fully disclosed to consumers.

In response to both HM Treasury and FCA consultations the Panel expressed its strong support for the new general principle introduced by the IDD which requires all insurance distributors to act honestly, fairly and professionally in the **best interests of their customers**. This requirement goes further than the FCA's 'treating customers fairly' (TCF) principle, as it specifies that remuneration of a distributor or its employees, and performance management of employees, must not conflict with the duty to act in the customer's best interests.

Responding to the FCA's second consultation paper on transposing IDD, the Panel supported the proposal to align the requirements of insurance based investment products under the IDD with MiFID II. From a consumer perspective, all products sold in the retail market should be subject to similar requirements for product feature disclosures, suitability assessments, management and disclosure of conflicts of interests and inducements.

In its response to the FCA's access to insurance call for input, the Panel highlighted the problem associated with the use of big data in insurance markets. Consumers whose circumstances or pre-existing medical conditions fall outside the parameters of automated algorithms are often not able to find insurance products. The Panel again argued for a coordinated approach by government, regulators and industry to find solution to the complex problems caused by the increase in the practice of consumer segmentation in the insurance sector.

Mortgages

The Panel welcomed the FCA's proposal to allow retirement interest-only mortgages. Making interest-only mortgages available to people who already have substantial equity in their homes and sufficient income does not appear to be a major risk either to borrowers or lenders. The transaction is straightforward, the loan would be subject to affordability assessments, the level of debt is known, and selling the property to downsize at a later date, or on the death of one of the partners, is a reasonable capital repayment strategy.

However, in its response to the FCA's consultation, the Panel said that people who wanted to release equity from their home may not understand, or be advised of, all of the options available to them. We argued that mortgage advisers who wanted to advise on equity release products such as lifetime mortgages should have to have a further qualification. This qualification would require advisers to explore the customer's financial needs and requirements in the round, and to consider the effect a release of equity would have on benefits entitlements and tax

Payments

Open Banking, which was 'soft-launched' in early 2018, and PSD2, which came into force in January 2018, could revolutionise how consumers and small businesses initiate payments and increase the provision of innovative 'money management' apps. In a series of blogs, the Panel emphasised that the success of the new services will rely on people giving properly informed consent to use their data. We warned against the risk of people signing up for products and services they didn't understand only to find their data had been shared or used in ways they didn't expect.

The Panel contributed to the Payment Strategy Forum's 'Blueprint for the Future of UK Payments' consultation and supported '**Confirmation of Payee**'. We argued this was simpler than other options such as 'Request to Pay' and also avoided potential data protection/privacy issues.

In its response to the FCA consultation on draft authorisation and reporting forms, the Panel argued that adopting the correct approach to authorisation of payments services providers and e-money services and their supervision was imperative to maintaining confidence in innovative payments services.

The Panel responded to Bacs' Direct Debit call for input. The Panel did not support a new, restricted, scheme and argued that the focus should instead be on reducing fraud within the existing framework. While the Panel welcomed the aim of giving consumers more control over direct debit collections and enhancing security provisions, the call for input did not make clear what these enhancements would cost and who would bear the costs.

Pensions and retirement products

The Panel responded to the interim report on the **FCA's Retirement Outcomes Review**. We raised concerns about the increase in non-advised drawdown, which the FCA highlighted as an emerging issue. The Retirement Outcomes Review underlined the scale of the challenge facing consumers having to make decisions without a full understanding of the implications, including the possible tax and welfare benefits consequences of accessing their pension pot.

The Panel also responded to the Department for Work and Pension's consultation on **disclosure of costs, charges and investments in DC occupational pensions**. The Panel highlighted that member engagement was low and that while the **Pensions Dashboard** may help, it will not be available for some time.

In its response to the FCA consultation on implementing the Asset Management Market Study Remedies and Changes to the Handbook, the Panel recommended that regulatory requirements on **IGCs** should be strengthened to bring them in line with those for Authorised Fund Managers Boards. Given that AFM Boards were already required to assess whether their products and services offered value for money, the Panel did not agree with the implementation period of twelve months. Customers of funds not offering value of money should not have to wait a year for this to be rectified; instead the Panel called for a maximum implementation period of three months. The Panel also highlighted the opacity of with-profit funds and the ineffectiveness of with-profit committees. To help remedy this, the Panel called for the measures proposed under the AMMS to be extended to the with-profits market.

Retail banking

The FCA announced a **Strategic Review of Retail Banking Business Models**. The Panel had long argued that understanding how banks made their money was key to understanding the state of competition and wider conduct issues in the market. The Panel looks forward to seeing the findings of this review and working with the FCA as this project progresses.

In its response to the FCA consultation on information about **current account services**, the Panel supported the FCA's work to implement the recommendations of the CMA investigation into retail banking. However, the Panel noted that a narrow set of customer service metrics would focus firms' efforts on improving performance against these measures, rather than seeking to improve their overall treatment of customers.

Moreover, the Panel was disappointed to see that the FCA had not taken greater account of other criteria suggested by the Panel such as: complaints information, information on wrongdoing and penalties/fines faced by firms, firms' response to payment frauds or information relation to firms' culture and professionalism.

The Panel also responded to the **Banking Standards Board** consultation on what good banking outcomes look like to consumers. In its [response](#), the Panel supported the principle of clarity and transparency and argued that overly complex products which are difficult to explain without overloading the consumer with small print ran counter to this principle.

Savings & Investments

The final report of the **Asset Management Market Study**, published in July 2017, highlighted some failings in this market and, as a result, possible detriment to consumers. The Panel continued to argue for **a single charge** to increase cost transparency and eliminate hidden charges and was pleased to see the final review acknowledge this. How the single charge is presented to consumers will be crucial and the Panel welcomed the FCA's [Occasional Paper 32](#) which gave some further clarity on the impact of different ways of presenting charges on investors' decision-making and their understanding and awareness of charges. Members of the Panel also sat on the **Institutional Disclosure Working Group** and **Fund Objectives Working Groups** which looked at some of the remedies in detail. Notwithstanding progress made since the study, the sector still has some way to go to communicate costs and charges and its activities to consumers in a way that is readily understood and enables consumers to make meaningful comparisons between firms.

Following up the AMMS, the FCA announced the terms of reference for its **Investment Platforms Market Study**. This will explore how investment platforms compete to win new, and retain existing consumers, and help the FCA assess how it can improve competition within this market and develop better consumer outcomes. Investment platforms represent an increasingly important part of the retail distribution landscape, and will respond to the consultation in due course. The Panel welcomes the review of opaque intermediation arrangements in the sector.

This year the **PRIIPs Regulation** and **second MiFID Directive** came into force with the overarching objective of injecting more transparency in all asset classes and better protecting investors. In its [response](#) to the FCA's consultation on the PRIIPs Key Information Document (KID) and personal projections, the Panel supported the FCA's proposals to allow firms to publish personal projections alongside the KID. It also agreed with the FCA that the methodology under COBS rules provided a more transparent and consistent framework than the methodology proposed in the KID Regulatory Technical Standard. As the sector continues to implement both MiFID II and PRIIPs, the Panel will monitor how these changes impact on retail investors and

work with the FCA to ensure the original aim of benefitting consumers is realised, including solutions for mitigating any unintended consequences of the legislation.

1.3 EU engagement and UK withdrawal

UK legislation governing a range of financial products and services continues to derive to a large extent from EU legislation. Panel members sat on some of the European Supervisory Authorities' stakeholder groups to ensure the interests of UK consumers were represented at the technical level. The Panel also engaged actively with consumer groups at European level, notably the European Consumer Organisation BEUC, of which the Panel is an affiliate member, FinanceWatch and Better Finance.

As the domestic debate on the impact of Brexit on financial services intensified, the Panel sought to ensure consumers were not left out. We responded to the House of Lords' EU Financial Affairs sub-committee inquiry into regulation and supervision post-Brexit and argued that the way **power, responsibility and accountability** would be distributed between government, Parliament and regulators post-Brexit would have a profound impact on all users of financial services. The Panel also highlighted the need for the FCA to address **contractual continuity in insurance** as an urgent 'cliff-edge' issue that could impact consumers in the short-term.

In its response to the Lords' EU Internal Market Sub-Committee inquiry into the impact of competition policy, the Panel argued that following Brexit government should re-shape competition policy to help foster financial services markets that benefit consumers.

1.4 Publications, meetings and events

Between 1 April 2017 and 31 March 2018, the Panel:

- Submitted **45 consultation responses** to bodies including the FCA, HM Treasury and the European Commission.
- Published **1 position paper**, on consumers and competition
- Commissioned **3 research projects** on consumers and competition, the regulatory architecture of non-EU countries and protection insurance.
- Met with **117 different external organisations** to discuss a range of issues such as the duty of care principle, debt advice, Brexit, technology and investment costs.
- Participated in **39 seminars and other third-party events**.



The Panel's work in 2018-2019

Some projects from 2016-17 will continue to be developed or come to a conclusion this year. The Panel's research and recommendations on data consent were published in April 2018. In the year ahead the Panel will continue to work with a number of stakeholders to ensure the recommendations made in our paper help shape a sector which is becoming increasingly important for financial services consumers. In particular, the Panel will encourage the Government and regulators to find an alternative to lengthy and complex terms and conditions for specifying contracts in a technology-driven era. We will also continue to work on data consent and security as more consumers use services enabled by Open Banking and PSD2.

The Panel will publish its findings and recommendations from its protection market research.

The Panel has consistently called for legislation to require the FCA to make rules specifying what constitutes a reasonable **Duty of Care** for financial services providers to exercise towards their customers. The FCA has committed to publishing a discussion paper on a Duty of Care by the end of 2018. The Panel will continue to explain how a duty of care could help clarify and simplify rules, and ensure that the benchmark for good culture and practice meets consumer needs and expectations. We have also worked with the Practitioner Panel on examples where a particular firm's conduct was 'legal but not fair' to see how they could be addressed.

The FCA identified **Brexit** as the biggest challenge it faces this year. The Panel will work with the FCA and other stakeholders to ensure the interests of consumers are represented through the withdrawal process, and beyond.

Some of the Panel's other projects are listed below.

2.1 New projects

Consumer debt

The Panel is concerned that the FCA considers the impact debt products have on consumers too narrowly. An assessment of the detriment caused by a single product doesn't consider the impact of the range of debt products a consumer may hold. The Panel will consider the extent to which the conduct of consumer credit firms contributes to customers' levels of over-indebtedness. This will consider industry norms, practices, types of product and broader market features, as well as consumer behaviour and responses to industry actions. The project will also investigate whether

RegTech solutions could help identify consumers that are beginning to slip into spiralling debt, in order to prevent harm.

Automatic upgrades

One of the FCA's cross-sector priorities is the "treatment of existing customers." There are numerous examples of loyal consumers not being treated fairly and left in poor products when a firm has better products, or equivalent products at a better price. The Panel will investigate whether an automatic upgrades system could help loyal consumers who are disadvantaged by sticking with providers that compete for new customers by offering them a better deal.

Regulatory gaps

There are various examples of where regulatory gaps in financial services are causing detriment to consumers. For example, people who need advice on pensions or negotiating a debt repayment may be falling through a gap.

The same can be said for the regulatory gap between debt advisers and insolvency practitioners. If an insolvency practitioner expects to be appointed, for example to do an Individual Voluntary Arrangement (IVA), then it can give debt advice without FCA authorisation or oversight.

Consumers aren't likely to understand the different regulatory requirements applying to their particular route into a debt solution/remedy and there are real concerns that many consumers receive debt advice that is not regulated by the FCA. The Panel will seek to understand better where these regulatory gaps exist and what is their impact on consumers.





Appendix I:

Panel members



Sue Lewis – Chair

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings¹ – 19/22²



Liz Barclay (Liz Barclay left the Panel on 28 February 2018)

Attendance at full Panel meetings: 10/10
Attendance at Working Group meetings: 10/10



Caroline Barr

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 11/11



Mark Chidley

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 11/11

¹ Note: the current Panel Chair is not a member of the Working Groups, other than the EU Working Group, but attends on an ad hoc basis as required.

² Absent 3 times due to attendance at external meetings on behalf of the Consumer Panel



Sharon Collard

Attendance at full Panel meetings: 10/11

Attendance at Working Group meetings: 9/11



Dharshini David

(Dharshini David joined the Panel on 1 November 2017)

Attendance at full Panel meetings: 4/5

Attendance at Working Group meetings: 5/5



Teresa Fritz

Attendance at full Panel meetings: 10/11

Attendance at Working Group meetings: 10/11



Jennifer Genevieve

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11



Dominic Lindley

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11



Pamela Meadows

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11



Faith Reynolds

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 10/11



Keith Richards

(Keith Richards joined the Panel on 1 November 2017)

Attendance at full Panel meetings: 5/5

Attendance at Working Group meetings: 3/5



Angela Roberts

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11



Jeff Salway

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11



Doug Taylor

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11



Kitty Ussher

(Kitty Ussher left the Panel 31 August 2017)

Attendance at full Panel meetings: 4/4

Attendance at Working Group meetings: 4/4

Appendix 2: Expenditure

The FCA Board agrees a Budget for Panel members' fees, expenses and any consultancy or research work it commissions. The Panel is supported by a Secretariat of 5 FTE staff.

Actual expenditure in 2017-2018 was £433,000.

	Actual April 2015 – March 2016 (£000)	Actual April 2016 – March 2017 (£000)	Actual April 2017 – March 2018 (£000)								
Panel Members' fees and expenses¹	298	287	307								
Other Expenditure²	194	108	126								
Total	492	395	433								
<p>1. The fees exclude employers' National Insurance Contributions paid by the FCA. The fees payable to Panel Members during the year from 1 April 2017 to 31 March 2018 were as follows:</p> <table> <tbody> <tr> <td>Panel Chair</td> <td>£60,000</td> </tr> <tr> <td>Working Group Chairs (55 days)</td> <td>£26,000</td> </tr> <tr> <td>Members whose minimum commitment is 45 days a year</td> <td>£18,000</td> </tr> <tr> <td>Members whose minimum commitment is 32.5 days a year</td> <td>£13,000</td> </tr> </tbody> </table> <p>2. Other expenditure includes recruitment and research.</p>				Panel Chair	£60,000	Working Group Chairs (55 days)	£26,000	Members whose minimum commitment is 45 days a year	£18,000	Members whose minimum commitment is 32.5 days a year	£13,000
Panel Chair	£60,000										
Working Group Chairs (55 days)	£26,000										
Members whose minimum commitment is 45 days a year	£18,000										
Members whose minimum commitment is 32.5 days a year	£13,000										

Appendix 3:

Meetings with external stakeholders

Between 1 April 2017 and 31 March 2018, members of the Financial Services Consumer Panel met with the following external bodies:

AEGON

Age UK

AIG Europe

Allianz De

Association of Investment Companies (AIC)

All-Party Parliamentary Group on Credit Unions

All-Party Parliament Group on Crowdfunding and non-bank finance

All-Party Parliamentary Group on Debt & Personal Finance

Association of Professional Financial Advisers (APFA)

Association of British Insurers

Association of Mortgage Intermediaries

B&CE

BACS

Banking Standards Board

Barclays

Bdifferent

Better Finance

Bureau Européen des Unions de Consommateurs (BEUC)

British Insurance Brokers' Association (BIBA)

British Bankers Association

Birmingham University

Bristol University

Britain Thinks

Brunel University

Building Societies Association

Cash Services

CASS (Current Account Switching Service)

Centre for Social and Financial Innovation (CSFI)

Chartered Banker

The Chartered Insurance Institute (CII)

Citizens Advice

City UK

Civil Aviation Authority

Competition & Markets Authority

Complaints Commissioner

Council or Mortgage Lenders

Department for Business Innovation & Skills

Department for Work and Pensions (DWP)

Essential Services Access Network

Experian

European Banking Authority (EBA)

European Commission

European Insurance and Occupational Pensions Authority (EIOPA)

European Securities and Markets Authority (ESMA)

Fairbanking

Fairer Finance

Financial Conduct Authority (FCA)

Finance & Leasing Association

Finance Foundation

Financial Inclusion Commission

Finance Innovation Lab

Financial Education Forum

Financial Health Fellowship

Financial Inclusion (Mick McAteer company)

Financial Ombudsman Service

Financial Services Compensation Scheme (FSCS)

Gleneagles Advisory Board

Hargreaves Lansdown

High Cost Credit Alliance

HM Treasury

House of Commons

House of Lords

Information Commissioner's Officer

Innovate for Ageing

Institute and Faculty of Actuaries

Investment Association

IRSG

J P Morgan

Joseph Rowntree Foundation

London School of Economics

Legal Services Consumer Panel

Lending Standards Board

LV

LSE

MacMillan Cancer Support

Money Advice Service

Money Advice Trust

Moneybox

Moneyhub

National Audit Office

National Consumer Federation

New Payment System Operator

Nat West

New City Agenda

Open Banking Implementation Entity

Organisation for Economic Co-operation and Development (OECD)

Payments Systems Regulator Panel

Pensions and Lifetime Savings Association

Pensions Regulator

Pensions Policy Institute

Personal Finance Society

PIMFA

Populus

Prospect Magazine

Prudential Regulation Authority

Reform

Resolution Foundation

Retirement Leaders Annual Summit

Scottish Financial Enterprise

Share Action

SCM Direct

Share Action

SME Alliance

Social Market Foundation

StepChange

Tax Incentivised Savings Association (TISA)

TSC

TPAS (The Pensions Advisory Service)

TUC

UKRN

Unity Bank

Yodlee

Westminster Business Forum

Which?

Virgin Money

Appendix 4: Panel Members' participation in events

April 2017

CMA First Three Years – **Sue Lewis**

Behavioural Insights Financial Capability Challenge – **Sue Lewis**

May 2017

Which? Roundtable: implications of leaving the EU for financial services – **Sue Lewis**

Hargreaves Lansdown roundtable on retirement income policy – **Doug Taylor**

Social Market Foundation – Switch or stick roundtable – **Angela Roberts**

June 2017

Chartered Banker Stakeholder Forum – **Sue Lewis**

FCA Access to insurance – **Angela Roberts**

TUC Roundtable – the present landscape: what are the strengths and weaknesses of the UK financial sector – **Jennifer Genevieve**

July 2017

CMA Roundtable on digital comparison tools & vulnerable consumers – **Sue Lewis**

DWP Pensions Roundtable discussion with Minister for Pensions and Financial

Inclusion – **Doug Taylor**

SMF Roundtable re current account market – **Dominic Lindley**

TUC Roundtable room for manoeuvre – how much does the global monetary system constrain the UK's economic choices – **Faith Reynolds**

SMF roundtable: the future of financial regulations – **Pam Meadows** and **Angela Roberts**

August 2017

Pensions Policy Institute on Financial Guidance – **Teresa Fritz**

Single Financial Guidance Body DWP workshop – **Sue Lewis**

September 2017

FCA Alternatives to high cost credit: affordable credit – **Pam Meadows**

25th Pensions and Savings Symposium – **Sue Lewis**

The Pensions Advisory Service Industry Open Day – **Sue Lewis**

FCA Roundtable on extending asset management remedies to unit-linked funds and with profits business – **Teresa Fritz**

LV/PPI Fringe Event at Labour Conference: We need to talk about pensions How to encourage consumers to take charge of their pensions – **Teresa Fritz**

Prospect Magazine Fringe Event at Labour Conference: How can increased competition in banking help address financial exclusion – **Doug Taylor**
LV Roundtable: income roulette and financial resilience – **Caroline Barr**

October 2017

LV/PPI Fringe Event at Conservative Conference: We need to talk about pensions – how to encourage consumers to take charge of their pensions – **Teresa Fritz**
ABI Protection Committee – **Sue Lewis**

Institute and Faculty of Actuaries roundtable on the evolution of equity release mortgage market – **Sue Lewis**

UKRN/Citizens Advice roundtable: Big data, bigger challenges: how will markets serve consumers of the future – **Sue Lewis**

November 2017

BSB: Missing piece in the financial inclusion debate – **Angela Roberts**

Westminster Business Forum Seminar: Future of retail banking – **Faith Reynolds**

Reform event on financial inclusion – **Angela Roberts**

December 2017

Share Action roundtable on financial inclusion – **Teresa Fritz**

January 2018

Innovating for ageing event – **Sue Lewis**

February 2018

Retirement Leaders Annual Summit – **Sue Lewis** and **Doug Taylor**

ABI Conference on insurance: our place in the world – **Sue Lewis**

BSA event on mortgage distribution – **Sue Lewis**

March 2018

Essential Services Access Network: What would really help consumers of essential services? – **Sue Lewis**

Cash Services: Understanding the “less cash society” – **Pam Meadows**

Consumer and markets green paper roundtable – **Mark Chidley**

Investment Association UK Funds Regime working group – **Angela Roberts**

CII Insuring Women's Futures – **Sue Lewis** and **Teresa Fritz**

Appendix 5:

Publications, research and responses to consultations

Position Papers

July 2017 Consumers and Competition

Response to Discussion Papers

March 2018 Distributed Ledger Technology

Responses to Consultations

April 2017 CP 16/42 Reviewing the funding of the Financial Services Compensation Scheme

June 2017 Science and Technology Committee inquiry into the use of algorithms in public and business decision making

June 2017 Digital comparison tools market study – update paper

June 2017 Bridging the gap: a level playing field for financial disputes – call for written evidence

June 2017 Financial Advice Market Review (FAMR): Implementation part I – section 4: non-advised sales

June 2017 Enhanced disclosure of charges and transaction costs – technical consultation

June 2017 HMT’s Consultation on the transposition of the Insurance Distribution Directive (IDD) in UK law

June 2017 Insurance Distribution Directive Implementation – Consultation I

June 2017 Implementation of the revised Payment Services Directive (PSD2): draft approach document and draft handbook changes

June 2017 EC Consultation Response: FinTech a more competitive and innovative European financial sector

July 2017 Credit card market study: consultation on persistent debt and earlier intervention remedies

July 2017 Financial Advice Market Review (FAMR): Implementation Part I, sections 2, 3 and 5: streamlined advice, fact find and the factsheet for employers and trustees

August 2017 CP 17/22 Revised Payment Services Directive (PSD2) implementation: draft authorisation and reporting forms

September 2017 Money Advice Service (MAS) Strategic Approach to Debt Advice

September 2017 Retirement Outcomes Review

September 2017 Access to Insurance: Call for Input

September 2017 House of Lords EU Internal Market Sub-Committee impact of Brexit on UK competition policy

September 2017	CP 8/17 Strengthening accountability in banking and insurance optimisations to the SIMR, and changes to SMR forms
September 2017	Advising on pension transfers consultation
October 2017	Payment Strategy Forum’s Blueprint for the future of UK Payments
October 2017	CP 17/18 Implementing asset management market study remedies and changes to handbook
October 2017	Inquiry into financial regulation and supervision following Brexit
October 2017	The PRIIPs key information document and personal projections
October 2017	Financial Advice Market Review (FAMR) Implementation Part II and insistent clients
October 2017	Staff incentives, remuneration and performance management in consumer credit
October 2017	Goods Mortgages Bill
October 2017	Insurance Directive Implementation – Consultation Paper 2
October 2017	Open Banking Implementation Entity (OBIE) consultation on the roadmap for the future development of Open Banking beyond January 2018
October 2017	House of Commons Work & Pensions Committee: Pensions Freedoms Inquiry
October 2017	Information about Current Account Services
October 2017	CP 17/25 Individual accountability: extending the senior managers and certification regime (SM&CR) to all FSMA authorised firms and CP 17/26 individual accountability: extending the SM&CR to insurers
October 2017	CP 17/27 Assessing credit-worthiness in consumer credit – proposed changes to rules and guidance
November 2017	Quarterly consultation No 18 Chapter 9 – Retirement interest-only mortgages
December 2017	LINK Interchange Rate Consultation
January 2018	DWP Disclosure of Costs, Charges and Investments in DC Occupational Pensions
January 2018	Payment Systems Regulatory Contingent Model
January 2018	HMT Breathing Space Call for Evidence
January 2018	Banking Standards Board consultation on “shat do good banking outcomes look like to consumers?”
January 2018	CP 17/43 Credit card market study: Persistent debt and earlier intervention remedies – feedback on CP 17/10 and further consultation
February 2018	Financial Ombudsman Service’s Business Plan and Budget 2018/19
February 2018	Industry Codes of Conduct and Discussion Paper on FCA Principle 5
February 2018	FCA Mission: Approach to Consumers
February 2018	Household finance: Income, saving and debt inquiry
March 2018	TSC Inquiry SME Finance

Legislative Briefings

July 2017 Parliamentary Briefing on the Financial Guidance and Claims Bill

Research Papers

July 2017 Consumers and Competition Delivering more effective consumer power in retail financial markets

Appendix 6:

Panel Members on Other Bodies

Age UK Project Advisory Board

Teresa Fritz

Current Account Switching Service

Faith Reynolds

FSCS Consumer Awareness Advisory Panel

Jennifer Genevieve

EBA Stakeholder Group

Dominic Lindley

EIOPA Insurance and Re-Insurance Stakeholder Group

Teresa Fritz

FairBanking Assessment Panel

Sue Lewis

FairBanking Impartiality Committee

Sue Lewis

FCA Fund Objectives Working Group

Angela Roberts

FCA Institutional Disclosure Working Group

Angela Roberts

Financial Advice Markets Review Expert Groups

Sue Lewis

Teresa Fritz

Caroline Barr

Financial Inclusion Commission: Access to home insurance project

Angela Roberts

Gleneagles Advisory Board

Sue Lewis

Investment Association: Costs & Charges Advisory Board

Teresa Fritz

Investment Association: Investor Communications Working Group

Sue Lewis

Investment Association: UK Funds Regime Working Group

Angela Roberts

Local Government Pension Scheme Board

Teresa Fritz

Money Advice Service

Teresa Fritz

Money Advice Service Stakeholder Groups

Jennifer Genevieve

Kitty Ussher

Payment Strategy Forum

Faith Reynolds

Payment Systems Regulator Panel

Pam Meadows

PFS Consumer Insight Panel

Sue Lewis

UK Finance Consumer Advisory Group

Sue Lewis

Terms of Reference

1. The Financial Services Consumer Panel ('the Panel') was established by the Financial Conduct Authority ('FCA') under the Financial Services and Markets Act 2000 to represent the interests of consumers.

Scope

2. The Panel represents the interests of all groups of financial services consumers.
3. The Panel provides advice and challenge to the FCA on the extent to which the FCA's general policies and practices are consistent with its general duties, as required under the Financial Services and Markets Act 2000.
4. The Panel focuses on the FCA's strategic and operational objectives, together with the expectations on the FCA to discharge its general functions in a way which promotes competition in the interests of consumers and to have regard to the regulatory principles.
5. The Panel operates independently of the FCA. The emphasis of its work is on activities that are regulated by the FCA, although it may also look at the impact on consumers of activities that are not regulated but are related to the FCA's general duties.

Membership

6. The FCA Board appoints Panel members, with HM Treasury's approval required for the appointment or dismissal of the Chair.
7. The FCA may appoint to the Panel such consumers, or persons representing the interests of consumers, as it considers appropriate.
8. The FCA must secure that membership of the Panel is such as to give a fair degree of representation to those who are using, or are or may be contemplating using, services other than in connection with business carried on by them. Members of the Panel are recruited through a process of open competition and encompass a broad range of relevant expertise and experience. Panel members will normally serve a maximum of two three-year terms.

The Panel's Duties

9. The Panel will:

- 9.1 Meet regularly and be available for consultation by the FCA on specific high-level issues.
- 9.2 Be active in bringing to the attention of the FCA issues which are likely to be of significance to consumers.
- 9.3 Commission such research as it considers necessary in order to help it to fulfil its duties under these terms of reference.
- 9.4 Request access to information from the FCA which it reasonably requires to carry out its work.
- 9.5 Request regular access to the FCA Chairman, Board, Chief Executive and senior executives of the FCA.
- 9.6 Give the FCA sufficient prior warning of new consumer issues that the Panel is putting in the public domain ("no surprises").
- 9.7 Maintain the confidentiality of information provided to the Panel by the FCA.

FCA Duties

10. The FCA will:

- 10.1 Consult the Panel throughout its deliberations on policies and practices that have a consumer impact.
- 10.2 Consider representations made to it by the Consumer Panel, and must from time to time publish in such a manner as it thinks fit, responses to the representations.
- 10.3 Provide a secretariat to support the Panel to enable it to operate effectively.
- 10.4 Agree with the Panel an annual budget sufficient for the Panel to fulfil its duties under these terms of reference.
- 10.5 Provide the Panel with prompt access to all information which the Panel reasonably requires in order to fulfil its duties.
- 10.6 Give the Panel reasonable access to the FCA Chairman, Board, Chief Executive and senior executives of the FCA.

10.7 Give sufficient prior notice of new consumer issues that the FCA is putting in the public domain (“no surprises”).

Accountability

11. The Panel will publish an annual report on its work, which will be presented to the FCA Board.
12. The Panel may speak out publicly when it wishes to draw attention to matters in the public interest.
13. The Panel will report informally on its work to HM Treasury and other stakeholders.

Financial Services Consumer Panel

12 Endeavour Square
London E20 1JN

Tel: +44 (0)20 7066 9346
e-mail: enquiries@fs-cp.org.uk
Website: www.fs-cp.org.uk