

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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31 October 2018

By email to: cp18-21@fca.org.uk

Dear Andreea,

CP18/21: General standards and communication rules for the payment services and e-money sectors

The Financial Services Consumer Panel welcomes the opportunity to respond to the FCA's consultation CP18/21: General standards and communication rules for the payment services and e-money sectors.

The Panel supports the FCA's proposals to both:

1. extend the application of the FCA's principles for business to the provision of payment services and issuance of e-money; and
2. extend the application of Banking Conduct of Business Sourcebook (BCOBS) rules and guidance to communication with payment service and e-money customers.

Extending FCA's Principles for Business to payment services

The Panel commissioned research in late 2017 from the London School of Economics and Political Science to investigate how consumers of existing services are asked for consent to share their transactional financial data, how they make more informed choices, and whether they are adequately protected. We drew attention to the fact that FCA's principles for business do not apply to Third Party Providers (TPPs) regulated under the Payments Services Regulation, and called on the FCA to address this gap. **The Panel therefore wholeheartedly supports the extension of the Principles to the provision of payment services and e-money issuers.** This will bring protection for users of these services in line with those afforded to consumers of other regulated financial services.

The Panel also supports the FCA extending the application of the Principles to payment institutions (PIs), Electronic Money Institutions (EMIs) and Registered Account Information Service Providers (RAISPs).

Extending BCOBS rules & guidance to communications with payment service customers

The FCA's powers do not extend to making specific rules about the form and content of communications provided by PIs and EMIs. This means consumers can lose out through misleading advertisements. The Panel has raised misleading promotions before. In our 2016-17 Annual Report we said "*There is more the FCA could do to make full use of its powers within the existing framework. It has failed to use a new power given to it by the Financial Services Act 2012 to publicise when it takes action to require a firm to remove or*

amend a financial promotion".¹ Panel members also regularly report misleading promotions to the FCA.

The Panel supports the FCA's proposals to extend the application of certain communication rules and guidance in BCOBS to communications with payment service and e-money customers.

Yours sincerely,

Sue Lewis
Chair, Financial Services Consumer Panel

¹ https://www.fs-cp.org.uk/sites/default/files/fscp_2016-2017_annual_report_final.pdf