

# Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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By email: [CreditInformationMarketStudy@fca.org.uk](mailto:CreditInformationMarketStudy@fca.org.uk)

Dear Sir / Madam,

## **MS 19/1.1 Credit Information Market Study - Terms of Reference**

This is the Financial Services Consumer Panel's response to the FCA's consultation on the Terms of Reference for its Credit Information Market Study.

The Panel welcomes the FCA's announcement that it will be conducting a market study in this area. In its response to the FCA's consultation on 'Assessing creditworthiness in consumer credit – proposed changes to rules and guidance', the Panel recommended the FCA review the credit information sector to evaluate its effectiveness.<sup>1</sup> The Panel is pleased to see the FCA taking this forward.

We value the early engagement we have had with the FCA team as it sought to define the scope of its Market Study, and we are pleased to see most of the points we raised reflected in the proposed Terms of Reference. The Panel therefore supports the Terms of Reference, but would request that the FCA makes the following points more explicit and seeks to investigate them as part of its work:

- **Market structure, business models and engagement:** to what extent does the existence of multiple Credit Reference Agencies (CRAs) and any competition between them benefit/harm consumers; and how do these benefits/harms play out in practice?
- **Consumer engagement and behaviour:**
  - How easy or difficult it is for consumers to use these services in order to get a complete picture of their credit history?
  - How consumer-friendly are the CRA systems for people to check and correct errors on their credit files? How well do these systems work in practice for consumers?
  - Regarding products and services designed to improve consumer credit scores, what evidence is there about the value of these services to consumers and what they get in return for their money? For example, is there evidence that consumers who use these services go on to access better-value credit?

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<sup>1</sup> [https://www.fs-cp.org.uk/sites/default/files/fscp\\_response\\_creditworthiness\\_in\\_consumer\\_credit.docx\\_.pdf](https://www.fs-cp.org.uk/sites/default/files/fscp_response_creditworthiness_in_consumer_credit.docx_.pdf)

I trust that you will find these comments useful, and I look forward to the continuing engagement between the FCA and the Panel as work on the credit information Market Study progresses.

Yours faithfully,

Wanda Goldwag  
Chair, Financial Services Consumer Panel