

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Assets, Savings and Consumers
HM Treasury
1 Horse Guards Road
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By email:
GoodsMortgagesBill@hmtreasury.gsi.gov.uk

13 October 2017

Dear Sir / Madam

Goods Mortgages Bill

The Financial Services Consumer Panel is an independent statutory body. We represent the interests of individual and small business consumers in the development of policy and regulation of financial services in the UK. We welcome the opportunity to respond to HM Treasury's consultation on the Goods Mortgages Bill

The Panel responded to the previous Law Commission consultation on Bills of Sale in December 2015, supporting the proposals to reform the law on 'logbook' loans to include protections similar to those offered by hire purchase law.

The Panel agrees that the current law is archaic, and urgently requires updating. We support the proposal to repeal the Bills of Sale Acts in their entirety and replace them with a new "Goods Mortgages Act" to govern the way that individuals may use their existing goods as security for a loan or other obligation. It seems sensible that the proposed provisions should also be implemented in Northern Ireland.

While it does not address the potentially high cost of borrowing, the Panel believes that this move will significantly improve consumer protection, especially for consumers taking out logbook loans on their vehicles, who may have few other choices for borrowing money.

Yours faithfully,

Sue Lewis
Chair, Financial Services Consumer Panel