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By email: POATR@fca.org.uk

Dear Sir / Madam,

Financial Services Consumer Panel response to FCA Engagement Paper 1 – Admission to trading on a regulated market

The Financial Services Consumer Panel (the Panel) welcomes the opportunity to respond to the FCA’s Engagement Paper on admissions to trading on a regulated market.

Whilst we take the view that not all of the questions are applicable to the Panel, we welcome the opportunity to respond to this engagement paper on how the FCA may write admission rules for issuers seeking to have securities admitted to trading on regulated markets under the new public offers and admission to trading regime and would like the FCA to consider the following:

Consumer lens

The Panel would urge the FCA to ensure all policy changes, affecting upstream markets, or activities which nevertheless will, at some point, in some way, impact consumers, are considered through the lens of consumers in terms of the impact on consumers and the degree to which the policy changes either increase or reduce the possibility of, and/or the quantum of, harm. Whilst some policy changes within the new regime for public offers and admissions to trading may focus on wholesale products and activities, these will invariably end up, in some way, impacting consumers.

The Panel shares the FCA’s caution about relaxing current requirements for a prospectus for admission to trading of securities on a regulated market where this might adversely impact consumers.

The Panel are of the view that any changes to the consumer prospectus needs to be understood on this basis and fully tested with a wide range of consumers to ensure they genuinely understand the changes and what the prospectus is communicating to them. It is key that the FCA understand how any proposed changes impact and affect the understanding that consumers have and/or the resultant behaviour based upon this understanding.

The Panel look forward to engaging with the FCA on this topic further.

Secondary International Competitiveness and Growth Objective (SICGO)

The Panel would remind the FCA that the SICGO is only a secondary objective. A key primary objective is to ensure an appropriate degree of protection for consumers exists. There should be no trade-off between primary and secondary objectives – that is, the secondary objective should only be pursued once the primary objective has been fully met and cannot be advanced on its own. The secondary objective might shape but does not

dilute the primary objectives (see FCA Guidance¹ and statement by the FCA Chair at the FCA's Annual Public meeting 4.10.23)."

Yours sincerely,

Helen Charlton
Chair, Financial Services Consumer Panel

¹ <https://www.fca.org.uk/publication/corporate/secondary-international-competitiveness-growth-objective-statement.pdf>