Financial Services Consumer Panel

Annual Report 2020/2021

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 to represent the interests of all financial services consumer. When we refer to 'consumers', this includes individual consumers as well as small businesses. We are independent of the Financial Conduct Authority (FCA).

Our members are recruited through open competition. Members come from a diverse range of professional backgrounds, bringing expertise in consumer advocacy, law, economics, market research, financial services, public policy, communications, competition, risk management and retirement planning.

What we do

Our main job is to advise the FCA. We also consider wider issues of financial services policy and legislation when they are directly or indirectly related to areas within the FCA's remit. This includes initiatives launched by UK government departments, such as BEIS' Smart Data Initiative and HM Treasury's review of the future regulatory framework. We provide this advice by responding to consultations, meeting with relevant teams and engaging with a wide range of other stakeholders to inform our views. These activities are set out in Chapters 4 and 5 of this report.

We also commission research to support our own independent projects. We aim to stimulate debate and influence policy in areas where there are risks to consumers that are not being addressed, or gaps in understanding of how financial services affect consumers. Chapter 3 of this report sets out our research activities in 2020/21.

How we do it

We meet twice a month – once in full Panel meetings and once in our Working Groups (except for the month of August). FCA staff regularly present to Panel and Working Group meetings and we report our primary concerns monthly to the FCA Board. We also have many more informal meetings with teams from across the FCA. This allows us to more easily inform the FCA's work at the earliest stage of project development. We respond to almost all FCA consultations.

Outside of the FCA, we work with a wide range of stakeholders and consumer groups and our members sit on various other bodies (set out in Appendix 6).

How we measure our impact

We are most useful to the FCA when we are involved in the early in the development of policy. This means that most of our impact is 'behind closed doors'. Sometimes we can trace a clear line from a Panel position to a new or changed policy, but the exercise is highly subjective. Every two years we survey our stakeholders to understand what they think about the way we work and our influence.

For each of our priorities, we propose a set of measures the FCA can use to monitor improvement to consumer outcomes. We discuss these with the relevant FCA teams whenever they present to the Panel, focussing their minds on clear, measurable outcomes.

www.fs-cp.org.uk

Contents

Consumer Panel Members 2020-21

From L-R: Wanda Goldwag, Mark Chidley, Jonathan Hewitt, Francis McGee, Keith Richards, Pam Meadows, Sharon Collard, Julie Hunter, Jennifer Genevieve, Erik Porter, Julia Mundy, Natasha de Teran, Dominic Lindley.

Foreword by the Chair

What an extraordinary year, with the Covid-19 pandemic dominating 2020-21, putting previously unimaginable pressures on households and businesses right across the country. Along with loss of health, freedoms and, in some cases, loved ones, millions of consumers were faced with increased financial difficulties – lower or lost incomes, higher household bills and unbudgeted expenditures.

The FCA responded to this swiftly with a raft of temporary measures and as the FCA's critical friend charged with making the consumer voice heard, we had a helicopter view throughout. We have looked at the FCA proposals from the consumer perspective and looked out for consumers where they weren't already being heard. We were very pleased that the FCA responded with prompt and effective actions, demonstrating that it can be fleet of foot when it needs to be. We strongly believe the FCA should be encouraged to continue faster responses to emerging consumer harms.

Many of the concerns that we had pre-pandemic intensified and new ones emerged during this time. We therefore welcomed HM Treasury's Future Regulatory Framework Review which provides a unique opportunity to create a financial services sector that is fit for the future – one that earns and retains consumer confidence. As we stated in our response to Treasury's consultation, the cornerstone of the new regulatory framework needs to be based on a "duty of best interests". Firms need to truly act in consumers' best interest; and firms which do not act in this way – or which are unlikely to do so – should not be admitted to the market. If they are already in the market, the FCA should be quick to robustly sanction or bar them.

Similarly, the consumer voice has to be hard-wired into every part of the framework for regulators to be equipped to act swiftly and confidently. Consumers should know when they are (and are not) protected and what "protected" means; and they should get prompt and commensurate redress when firms do not meet the best interests standard. Regulation needs to recognise the wider socio-economic and demographic context it exists in – particularly in the pandemic and post-pandemic world. It should keep up with technological change, support and encourage innovation and enable the emergence of new products and services – but only insofar as they benefit consumers.

The Panel has been faced with an intense and important workload over the last year, dealing – at pace – with a broad range of intricate, technical and pressing consumer issues. A committed line-up of experts has made this possible. I would like to thank all the members for their time and expertise – as well as the particular urgency they injected into their task over these twelve months. I would particularly like to thank those members who left the Panel this year: Pam Meadows and Mark Chidley, and to welcome two new members to the Panel, Julie Hunter – an independent consultant, writer and researcher specialising in consumer issues and Natasha de Terán – an author and communications expert, with a particular interest in payments. Together with the rest of the Panel, I look forward to working with them on the challenges ahead of us.

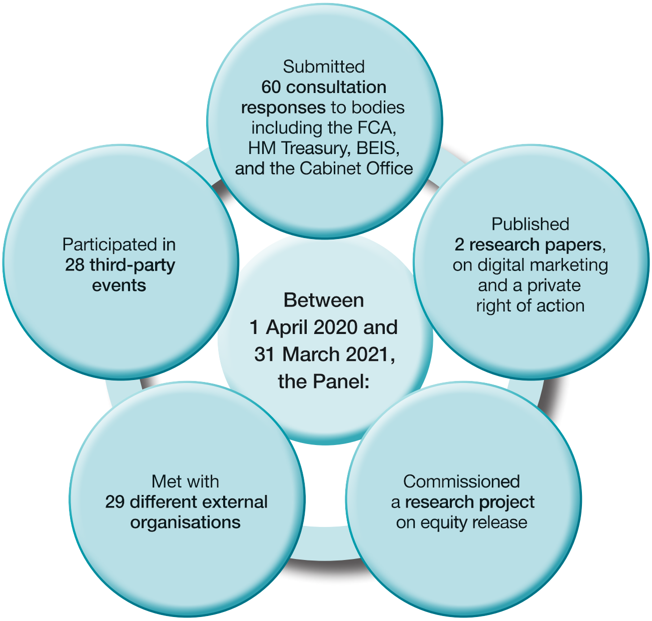
The Panel and the FCA's work have become all the more important in the light of current circumstances. Households and businesses remain under huge pressures and face a daunting array of uncertainties. The financial services sector is key not just to the wider economy's recovery from the pandemic, but also to consumers' recovery. To help ensure the sector properly serves consumers, the Panel will continue to ceaselessly champion their needs and challenge the FCA to consider consumers in all that they do.

Wanda Goldwag
July 2021

Overview of our activities in 2020-21

In 2020/21 we have continued our role as a critical friend to the FCA. We advised and challenged them on what their regulation means for consumers which, this year, has largely meant monitoring the impact of the coronavirus pandemic on consumers and using this insight to help the FCA design robust support packages. Chapter 1 of this report covers our response to the pandemic.

The diagram below summarises our activities over the year:



We continued to advocate for a duty of best interests in financial services. We remain of the view that this is the single most important change to be made to regulation, and one which will deliver consistently good outcomes for consumers. Chapter 2 sets out our work on this issue in 2020/21.

We published our research on digital marketing and private right of action this year. The digital marketing research highlighted a number of potential consumer protection issues that we feel require further regulatory attention. The private right of action research reached a balanced conclusion and we will continue to explore the concept. We also commissioned a piece of research looking the effectiveness of the equity release market. Chapter 3 of this report sets out the key findings of our research and our approach to the equity release project in more detail.

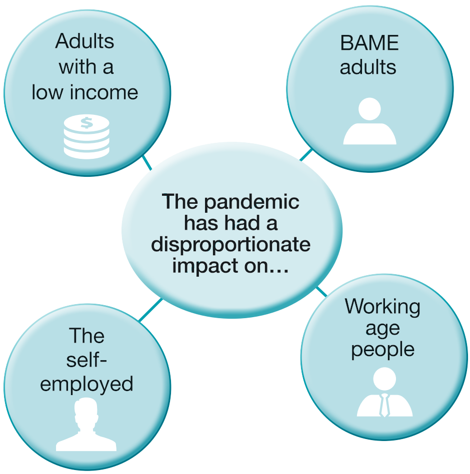
We have responded to almost twice the number of consultations this year than we did last year. Given our wide remit and unique place in the consumer universe, we respond to almost all FCA consultations as well as many others from government departments and members of the regulatory family, such as the Treasury, the Financial Ombudsman Service and the Insolvency Service. These responses set out our views on both cross-cutting issues (Chapter 4) and sector-specific issues (Chapter 5). We also engaged with a range of stakeholders on all of these issues. The activity described in these chapters largely occurred between 1 April 2020 and 31 March 2021, however, where relevant we make reference to subsequent developments or future planned work.

The coronavirus pandemic meant that we had to pause some of our planned activities in 2020/21 and so we will largely be rolling over our priorities for the year ahead. Chapter 6 sets out our priorities for 2021/22.

1. Our response to the coronavirus pandemic

The impact of the coronavirus pandemic on the financial lives of consumers has been our primary focus for 2020/21. This is the area to which we devoted the most resource.

The coronavirus pandemic presented, and will continue to present, a significant challenge to consumers. We know that the impact of the pandemic has not been the same for everyone. Some managed to save more or pay down their debts; but many others lost their job or faced reductions to household income. The pandemic has had a disproportionate impact on the self-employed, adults with a low income, those of working age and BAME adults[1]. New vulnerabilities have emerged, and existing ones have been exacerbated. The sustained period of uncertainty and instability has made it difficult to plan for the future and means consumers don't know when – or if – their financial position will recover.



The Government and regulators have worked quickly – and in new and different ways – to provide support to consumers throughout the pandemic. We were impressed by the speed and agility of these interventions, which have provided a lifeline to consumers when they needed it most. However, there are lessons to be learned on cross-Government and cross-regulator coordination.

1 https://www.fca.org.uk/publications/research/financial-lives-2020-survey-impact-coronavirus#lf-chapter-id-the-impacts-and-experience-of-covid-19-consumers-with-characteristics-of-vulnerability

Uncoordinated action risked worsening hardship for consumers and created unfair differences between different groups – for example, those with mortgages had access to forbearance on their housing costs, but private renters did not. The lack of coordination also made it harder for debt advisers and creditors to serve their customers well.

As a Panel, we scanned the horizon for potential risks for consumers caused by the pandemic. We drew on our own experiences as consumers, our personal and professional networks and our relationships with other consumer-interest groups to bring together insight and provide regular updates to the FCA on our view of the most urgent risks. Where possible, we made suggestions for how these risks could be mitigated and highlighted opportunities for the FCA to work with other bodies to do so.

We also engaged extensively with the FCA's consultations on various support packages for consumers. In all our responses to proposed support packages we welcomed the FCA taking a proactive, flexible approach and encouraging firms to focus on what consumers really need. We also highlighted that assertive supervision of how firms implemented the various forbearance measures would be essential as past experience has told us that firms can't be relied upon to do the right thing. We also called on the FCA to set clear outcomes, with a view to prompt and regular assessment against them.

Another theme in all our responses was to encourage the FCA (and others) to continually consider the next stage – whether that be transitioning from payment deferrals to tailored support, avoiding a financial cliff edge when support packages are withdrawn or looking to the longer term impact on credit files and access to financial services. In our representation to the Comprehensive Spending Review, we highlighted the interaction between societal risks and regulation and set out the support we thought the government would need to give beyond the pandemic. This support included:

- Ongoing public support for debt advice to help meet long term demand
- Help to maintain access to cash and consideration of the socioeconomic wellbeing in communities as part of its approach to maintaining access to cash
- Clarity for SMEs on ongoing support
- Investment in the building of digital skills and supporting consumers to transition to online financial services.

We scanned the horizon for risks to consumers and encouraged the FCA to continually consider the next stage.

We made the following comments with regards to coronavirus-based interventions in particular sectors:

Consumer Credit

We raised concerns about firms' ability to manage the significant increase in inbound contact as a result of people requesting payment deferrals. We said that outbound contact needed to be clear, proactive and timely.

We called for a coherent approach that looked at consumers as a whole, rather than on a product-by-product basis.

We supported the FCA encouraging firms to take a tailored, rather than one-size-fits all, approach.

We called for fair and balanced treatment of consumers' credit files. Successful progress with repayment arrangements should be reported. We also called for the FCA to review how firms were factoring payment deferrals into lending decisions, even where credit files were unaffected.

We raised concerns about limits on the total number and length of payment deferrals, as well as a limit on how long they would be available for. This was because there was no clear end to demand for these deferrals.

We called for coordination between government, regulators and other organisations providing support as removing all support measures at the same time could leave consumers facing a financial cliff-edge.

Mortgages

We made all of the points above about consumer credit in regards to mortgages.

We called for repossessions to be a last resort. We supported initiatives for properties to be transferred to local government or housing associations.

We supported the FCA's temporary guidance to make it clear that firms should allow consumers with maturing interest-only and part-and-part mortgages to delay repayment of the capital on their mortgage if borrowers request to do so and continue to meet their interest payments. This essentially extended the payment deferral guidance to this sub-set of borrowers. However, we raised concerns that the policy would exclude consumers who were behind on their payments or would be unable to make the interest-only payment. We called for other measures to address consumers affected by the pandemic in this way.

Insurance

We have been particularly concerned by the poor behaviour of some insurance firms during the coronavirus pandemic, which may threaten overall trust in the sector.

We were pleased to see the FCA encouraging firms to switch consumers to a cheaper product as a method of forbearance. This was akin to the 'automatic upgrades' the Panel had previously called for.

We called for the FCA to encourage firms to pay particular attention to the complex needs of SMEs and remain mindful of vulnerable customers.

We highlighted that the product value reviews proposed by the FCA would not help with immediate financial hardship experienced by consumers.

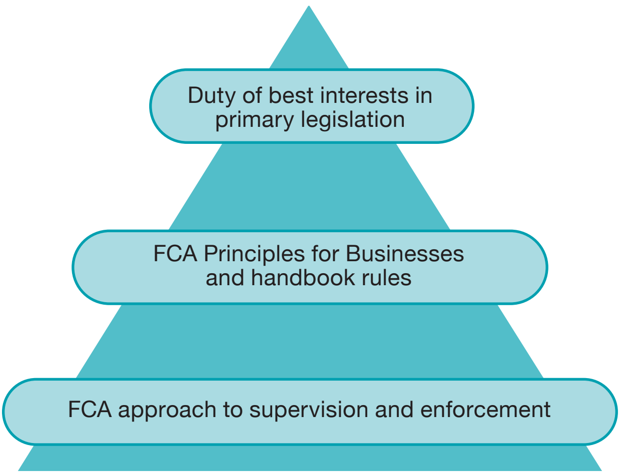
We strongly supported the FCA's bold and decisive action in pursuing the test case on Business Interruption Insurance. This was a strong example of the regulator working in new ways to respond to the crisis. We called for firms to resolve claims as quickly as possible and not subject those unaffected by the test case to undue delays. We suggested firms develop clear, simple online tools and auto-populating claim forms to help make things as easy as possible for consumers. If there was evidence of firms acting poorly, the FCA may need to be more prescriptive.

2. Duty of best interests

We have continued to proactively call for a duty of best interests in financial services in 2020/21, as we have done in previous years. Current consumer protection standards are not high enough to ensure consistently good consumer outcomes.

We continue to advocate for a duty of best interests in financial services. By 'duty of best interests' we mean that financial services firms should be placed under a binding duty to act in the best interests of their consumers. As we said in response to the FCA's discussion paper on culture in financial services, we believe that only a duty of best interests would deliver the cultural change needed within the industry to sufficiently improve consumer outcomes[2]. The poor behaviour of some industry participants during the coronavirus pandemic has further proved why such change is necessary[3].

We called for this duty to be enshrined in primary legislation, putting it at the pinnacle of regulation and setting the highest overarching standard of consumer protection. This means that some other elements of regulation – such as the FCA's Principles for Businesses – would need to be altered to deliver the duty as we see it.



2 https://www.fs-cp.org.uk/sites/default/files/fscp_final_response_to_driving_purposeful_cultures_20200414.pdf

3 For examples, see page 2 of our response to HM Treasury's future regulatory framework review.

The duty of best interests must be supervised and enforced sufficiently in order for it to be effective. We believe this can be achieved using a suite of tools, including the FCA's existing powers and a private right of action. In July, we published research we had commissioned to explore this concept further. The research reached a balanced conclusion, finding that there are both advantages and disadvantages to a private right of action. We continue to believe that concept is one worth exploring.

We engaged with other consumer interest groups such as Macmillan and Which? on this important topic, and will continue to do so in the year ahead as we prepare our response to the FCA's consultation on a new Consumer Duty.

3. Our research

The Panel has a small annual budget to carry out research. We aim 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.

In addition to the private right of action research mentioned above, we also commissioned research into digital marketing and equity release products.

Digital marketing

In June 2020, we published a discussion paper on our research into digital advertising. We had commissioned two pieces of research, both of which focused on high-cost consumer lending and pensions encashment:

- A digital experience agency carried out in-depth research to understand the digital customer journey, which included surveys, qualitative interviews and lab sessions with consumers who had used high-cost loans or looked to cash in their pensions in the previous 6 months.
- An online data analytics agency investigated the online marketing strategies used by high-cost lenders and cash-to-pension firms; and conducted social media listening to help us understand more about the target audiences for these two products.

The research highlighted potential consumer protection issues that we feel require further regulatory attention (summarised in the diagram below). Based on the research findings, we raised our concerns with the FCA, the Advertising Standards Authority and the Competition and Markets Authority. We continued to press for changes in digital marketing and financial promotions, for example in our consultation responses.

High Cost Credit

- We found the potential for targeted digital advertising to exploit and manipulate consumers who were already vulnerable harm.
- We therefore called on the FCA to conduct further research to determine whether this potential for harm had crystallised into actual harm and to take action where necessary.
- We also found that online application journeys were opaque and potentially misleading, so we called on the FCA to review them.

Pensions encashment

- We found that broker websites were not giving consumers sufficient information. This was particularly problematic for those websites that targeted under-55s and did not explain the tax implications of these consumers cashing in their pensions.
- We therefore called for the FCA to investigate the online marketing practices of brokers and take action where it was within their remit to do so.

Equity release

We commissioned research to explore the effectiveness of the equity release market in meeting the needs of later-life borrowers. The research examines whether equity release products offer good value for money and produce good outcomes for consumers compared to other later-life lending options. We are also considering potential remedies to reduce the risk of consumer detriment in this market. The research involves both qualitative in-depth interviews with consumers and a quantitative analysis of charging structures based on a range of typical product features. We aim to publish the outcome of this research in Q4 2021.

4. Cross-cutting issues

This section sets out the Panels activities on cross-cutting issues. These are issues which span most financial services markets and therefore affect the majority of consumers. Each of the areas covered below was a priority for the Panel in 2020/21. We selected these as priorities because either they were significant policy initiatives requiring our input and/or they were the areas of greatest potential risk to consumers.

Future of regulation

There has been much opportunity in the last year to consider the future of financial services regulation. The UK has now left the European Union and is in the process of deciding what its future relationship with EU and other nations should look like. The coronavirus pandemic has also highlighted gaps in the current regulatory support system and challenged regulators to work in new and different ways. In addition, HM Treasury launched the second phase of its future regulatory framework review and the Treasury Committee continued its inquiry into the future of financial services.

In our response to HM Treasury's consultation, we set out our vision for what the future of regulation should look like. The 7 key outcomes we think should be achieved are:

1	Firms act in consumers' best interests.
2	Firms which do not, or are unlikely to, act in this way should not be admitted to the market. If they are already in the market, they should be robustly sanctioned or barred.
3	Consumers know when they are (and are not) protected and what "protected" means.
4	Consumers are protected from new and emerging harms because regulation keeps up with technological change and regulators have the ability to act swiftly.
5	Consumers get prompt and commensurate redress when firms don't meet the best interests standard.

6	Innovation is supported and encouraged insofar as it benefits consumers. New products and services should be appropriate and come with suitable protections.
7	Regulation recognises the wider socio-economic and demographic context it exists in. This includes the diversity of consumers' lives, their relative skill and knowledge compared to firms, the complexity of products available to them, and the impact of non-financial policies on them.

We highlighted to HM Treasury our belief that the cornerstone to a future framework that achieves these outcomes is a duty of best interests. We also called for the consumer voice to be hardwired into every part of the regulatory framework; only by including consumers in designing the regulatory framework do you end up with one that works for them.

One of the key themes of HM Treasury's consultation, and the wider debate on the future of regulation, is competitiveness. We support competitiveness in so far as it benefits consumers, but warned that it must not come at the expense of consumer protection. We believe that achieving the 7 outcomes listed above will also achieve a strong financial services market that earns and retains the confidence of consumers and investors, and is attractive to firms across the world.

Accountability and scrutiny of financial services regulation was also a key theme of HM Treasury's consultation. In this regard we are keen not to add any additional complexity to the system. We also recognised the role that we play in these arrangements and will be considering how we can make our work more open and transparent in future.

Access and inclusion

Access to cash

We remain concerned about the acceleration in the move away from cash, which disproportionately affects the most vulnerable in society[4]. People rely on cash not just as a means of payment, but also as a critical means of budgeting. Many small businesses also rely on cash and the related infrastructure for their livelihoods – they need to be able to deposit the cash they receive.

Therefore, we called on the FCA to speed up the implementation of proposals to introduce friction for banks wanting to close branches and ATMs[5]. We also called on HM Treasury to preserve the freedom to use cash[6], not just manage the transition

4 https://www.fca.org.uk/publication/guidance-consultation/gc20-02.pdf p2
5 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_bank_branch_and_atm_closures_and_conversions.pdf
6 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_hm_treasury_access_to_cash_20201125.pdf

away from it. With regards to developing alternatives to cash usage, we have urged caution against over-reliance on the Post Office and encouraged regulators and government to consider the costs, benefits and sustainability of alternative options.

We received regular updates from the FCA and the Payment Systems Regulator (PSR) on their work in this area, and one of our members chaired a working group which looked at access to cash solutions from the consumer perspective.

"People rely on cash not just as a means of payment, but also as a critical means of budgeting."

Consumers in vulnerable circumstances

We welcomed the FCA's additional guidance to firms on the fair treatment of consumers in vulnerable circumstances. This guidance came at a critical time given the disproportionate impact of the pandemic on vulnerable people, whether newly or already vulnerable. In our response to the FCA's consultation, we set out 6 key objectives for what good looks like in this area:

Commitment	Firms demonstrate a clear commitment to improving positive outcomes for vulnerable consumers. This commitment is communicated throughout the organisation from the Board down and is embedded in firms' culture, strategies, policies and procedures.
Inclusive design	Firms take a proactive approach to meeting the needs of vulnerable customers by planning and designing inclusive services that are able to meet the needs of the greatest number of consumers.
Informed decisions	Firms provide information that is clear, accurate, relevant and timely to ensure that all customers are able to make informed decisions in their best interests. Key information is highlighted and available in alternative formats.
Identifying vulnerability	Firms train all frontline staff to recognise the sign of vulnerability. Disclosure of vulnerability is actively encouraged and supported. Technology is used to flag behaviours that may indicate a potential vulnerability.

Responding to vulnerability	Firms offer a wide range of support which is tailored to meet the needs of individuals. Flexibility is key to the fair treatment of vulnerable customers and so firms should encourage and empower their staff to find the right solution for the individual.
Continual improvement	Firms monitor and evaluate outcomes for vulnerable consumers and use the findings to drive continual improvement in their approach.

We urged the FCA to proactively supervise how firms implement the guidance. Given the ever-increasing levels of consumer vulnerability, it will be important that the guidance is applied consistently across financial services. With this in mind, we called on the FCA to not only monitor the application of the guidance as a regulator, but also provide further guidance to firms on how *they* can monitor and evaluate their own approach to vulnerability.

We continued to engage with external groups and forums to discuss issues around consumer vulnerability in financial services. This included Fair By Design's Vulnerability Forum, the Open Finance Working Group's vulnerability workshop and the Money Advice Trust.

Financial Inclusion

We continue to believe in and promote financial inclusion. We co-signed a letter with over 40 other consumer organisations calling for the FCA to be under a duty or required to 'have regards' to financial inclusion. This will ensure that financial inclusion is always considered and informs the FCA's activities across its full range of responsibilities.

Redress and compensation

We believe that consumers should get prompt and commensurate redress. The Financial Ombudsman Service plays a key part in this. We met with the Financial Ombudsman to discuss its annual plan for 2020-21 and then on a quarterly basis to receive updates on its strategy and the trends it has observed. We encouraged the Financial Ombudsman to review its funding model and workforce to adapt to the change in volumes and types of complaint it receives, which are fewer and more complex. We also called on the Financial Ombudsman to increase awareness of its work[7]. Where things do go wrong for consumers, it is important that lessons are learned, and changes made to prevent similar harm in the future. We therefore also called for the insights the Financial Ombudsman generates to be used by the FCA and firms to prevent future complaints.

7 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_fos_plan_and_budget_2021_20201223.pdf

“Consumers should get prompt and commensurate redress.”

The FCA consulted on changes to its complaints scheme this year. This scheme can play an important role in enhancing regulatory effectiveness, highlighting where regulators can make improvements in how they carry out their functions, compensating consumers where appropriate, and helping to ensure fairer consumer outcomes. We therefore supported improvements to the accessibility of the scheme in our response, but called for the FCA to go further in terms of simplifying the language used. We also said that the process should be clearly explained on the FCA website, as this is where most consumers will encounter the scheme first. Whilst we recognised the need to manage the expectations of those seeking to use the scheme, we cautioned the FCA against inadvertently discouraging people from making valid complaints. As well as responding to the FCA, we discussed our feedback on the consultation with the Complaints Commissioner.

We also continued our ongoing relationship with the Financial Services Compensation Scheme (FSCS). We discussed the FSCS’ response to the coronavirus pandemic and shared our concerns about the harm occurring around the perimeter, where consumers may not have access to FSCS protection.

Small businesses as users of financial services

Small businesses have different financial services needs from individual consumers, and different needs from each other. We have continued to observe these differences during the coronavirus pandemic and have valued regular engagement with the FCA’s newly-established Small Businesses Unit to discuss our concerns and be updated on the FCA’s work in this area.

We supported FCA’s proactive approach to publishing guidance to confirm the approach to be taken by lenders when recovering Bounce Back Loan Scheme (BBLS) payments from SMEs[8]. We have urged the FCA to monitor how SMEs are treated by lenders under the various government support schemes and will continue to do so as recoveries on these loans commence. We reiterated our concerns that the Lending Standards Board’s code is not strong enough to ensure collections

8 https://www.fs-cp.org.uk/sites/default/files/fscp_final_response_to_bbls_payg_guidance_20201218.pdf

activity is conducted fairly[9]. We called for lenders and Business Debtline to ensure their contact channels are adequately resourced to deal with the increased contact when recoveries begin.

In our representation to the Comprehensive Spending Review, we called for the Government to provide clarity for SMEs on what will happen when the various support schemes come to an end. This will allow SMEs to plan for the future as much as possible in such uncertain times, which should result in less harm from service interruption or firm failures.

Open Banking and Open Finance

In our responses to the FCA's call for input on Open Finance[10], we recognised that both Open Banking and Open Finance have the potential to deliver benefits for consumers. However, we cautioned that these benefits should not be assumed and regulators should take a 'safety first' approach. We called for:

- The FCA to take the lead on Open Finance as part of the Smart Data initiative.
- Firms to use an inclusive design approach.
- The FCA to challenge the narrow, technology-driven response that incumbents and start-ups are taking to Open Finance. Instead, meeting consumer needs should be at the heart of Open Finance developments.
- Regulators to address the issue of data ethics. We remain concerned that data issues are falling between regulatory gaps.

The Competition and Markets Authority (CMA) consulted on the future governance arrangements for Open Banking. In our response we said that governance must be truly independent – with an independent Chair supported by a panel of experts that bring particular skills. We also said that, as with all areas of financial services, there must be strong consumer representation in the system and a joined up regulatory framework to ensure that gaps don't leave consumers open to harm.

9 https://www.fs-cp.org.uk/sites/default/files/fscp_response_qc_no_25_-_lsb_code_recognition_20191009.docx_.pdf

10 See here and here for our responses to the Open Finance call for input.

FCA Effectiveness and Transformation

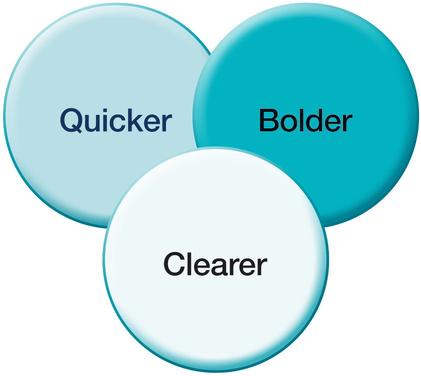
Over the last year we have seen the FCA work in new and different ways. We have welcomed their quick and flexible response to the coronavirus pandemic – designing, consulting on and implementing a suite of support packages in a matter of weeks. This is a significant acceleration to the FCA's usual pace. We have encouraged the FCA to evaluate what lessons they can learn from this experience and apply to their future approach.

In our response to the Future Regulatory Framework Review consultation, we identified some areas where we would like to see the FCA improve its approach. These include:

Evaluations	We would like to see the FCA evaluating a greater proportion of its work. This could mean a shorter, more focused evaluation process that prioritises assessing the impact of the policy on consumer harm. A quicker approach could be facilitated by the FCA collecting data earlier to monitor how things are progressing against its expected outcomes.
Cost-benefit analyses	Currently, the FCA only publishes a cost-benefit analysis on the policy option it has chosen to pursue. In the interests of transparency, we would encourage the FCA to publish high level cost-benefit analyses on the most feasible interventions.

We also called for the FCA to work more closely and, where appropriate, jointly with other regulators. This will help to ensure that consumer harms do not fall in the gaps between various regulators' remits, as we are currently seeing in respect of data and online harms.

We had extensive engagement with the FCA regarding their Transformation programme which launched in late 2020. This engagement included including regular updates at our monthly Panel meetings and discussions with the Chair of the FCA Board. We are pleased to see the FCA's ambitious agenda for change – particularly their desire to be quicker, bolder and clearer in what they do. The planned shift in the FCA's risk appetite should allow it to intervene much more flexibly in preventing harm. We will continue to engage with the Transformation programme as it develops over the coming months and years.



5. Sector-specific issues

This section sets out the Panels activities by financial services sector. The Panel's remit is not limited by sector and so in theory we cover every aspect of financial services. We focus our limited resources on where we see the greatest risk of harm to consumers and where we can have the greatest impact by influencing policy initiatives. Each of the areas covered below was a priority for the Panel in 2020/21.

Consumer credit

As mentioned in the 'Our response to the coronavirus pandemic' section above, most of the FCA – and therefore Panel – activity in this sector was about coronavirus this year. However, one important piece of non-coronavirus related work was the Woolard Review. The Woolard Review looked at change and innovation in the unsecured credit market and considered how regulation could be adapted to support a healthy market.

In our response to the consultation on this review, we said that a well-functioning, sustainable credit market should be fair and transparent, accompanied by widely available and properly resourced debt advice and supported by appropriate regulatory protections. We didn't think this vision was being achieved at present and so set out 8 priority actions to address our concerns:

1	Any form of advance or deferred payment is a form of credit and should be so defined under legislation, regulated as such and afforded all the regulatory protections that would bring
2	The FCA should look at providers' business models – both pre-authorisation and on an ongoing basis – and demand fair and responsible behaviours from them, affording permissions only where products and services are sustainable for consumers (and rescinding them where not)
3	Transparency requirements should be enhanced and extended across the credit spectrum ensuring understandability and comparability. These could be supported by requirements on firms to publish statistical information on lending decisions which journalists and FCA could compile and compare – mirroring existing approaches to banking services, insurance value and complaints data

4	There should be a much stronger focus on innovation at the "need" end of the credit spectrum in work that must involve industry, the third sector and other parts of government. This should encompass everything from the sort of data used to make lending decisions, to "inclusive by design" product features, payment schedules, forbearance practices, customer treatment, collection methods and more
5	Restrictions should be introduced on online marketing (especially limits on the techniques firms use to target particular types of consumer) and frictions introduced at the point of any online credit decision-making, as well as cooling off periods
6	All lenders should be obliged to include in their application processes signposts to MaPS and specifically flag the existence of social lenders
7	Lenders should be bound to make insurance-style "demands and needs" assessments before lending or be required to state when revolving or fixed term credit is likely to be the better choice
8	The FCA's review of credit information should ensure that data is more transparent and consistent, reported in a form that can be aggregated and understood

We support the findings of the Woolard Review, particularly the recommendation to bring unregulated buy-now pay-later products within the perimeter. We encouraged the FCA to implement the proposed remedies swiftly and to use its non-FSMA powers where appropriate. We will continue to engage with the FCA to ensure this is the case.

General insurance

In addition to its coronavirus guidance and BII test case (see Chapter 1), the FCA also consulted on changes to its Handbook to address the harms identified during the general insurance pricing practices market study. The Panel has been engaged in this work since the beginning and we are keen to see the remedies being implemented. We share the FCA's vision that the relationship between quality and price needs to be much more transparent to enable consumers to exert influence by their choices and actions.

However, in our response to the proposed changes, we explained that the proposals would not achieve the outcomes we wanted to see. They would not provide sufficient clarity on the relationship between risk, cover and price, nor on the cost of add-ons and distribution. We were also concerned about SMEs being excluded from the potential benefits of the remedies, particularly given the huge impact the coronavirus pandemic has had on SMEs over the past year. Overall, the proposals did not ensure consumers would receive the cover they could reasonably expect.

To address these concerns, we called for:

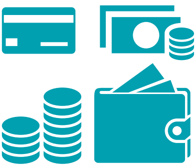
1. The FCA to consider how it can use its powers to improve transparency.
2. There to be closer scrutiny of price-comparison websites going forward.
3. The FCA to publish a dashboard of metrics it will use to measure the success of the remedies. This should be monitored immediately, rather than waiting for the 2 year post-implementation review.
4. The FCA to commission research on the take up of non-mandatory insurance and monitor how this changes as the pricing practices market study remedies are introduced.

Mortgages

In addition to our response to the FCA's coronavirus guidance, we also responded to proposals to remove barriers within its rulebook that prevented some borrowers from switching product. The proposals would help consumers in books which were closed to new customers switch to a new mortgage deal with a firm that sits in the same group as their current lender. In our response, we welcomed this move but raised concerns that it would only apply in a narrow set of circumstances. We explained that there was a far larger group of consumers unable to switch mortgage deals (often referred to as 'mortgage prisoners') that these proposals would not help, and called for Government to assist these borrowers. We also highlighted that firms would need to proactively promote the FCA's changes, as many of the consumers the proposals were designed to help were likely to be disengaged.

We established quarterly meetings with the FCA's mortgage supervision and policy teams which provide a forum for us share any concerns we have in this market and for the FCA to update us on how these are being addressed.

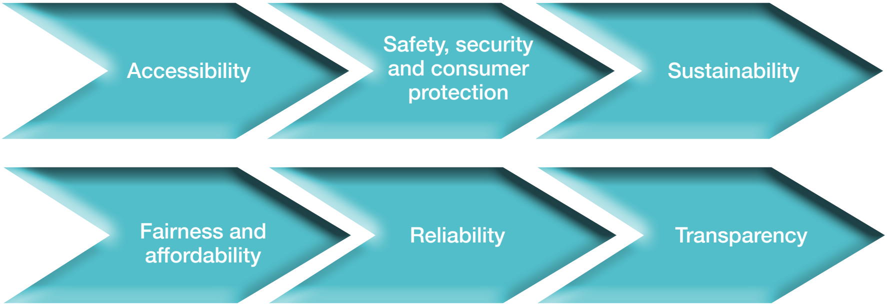
Payments



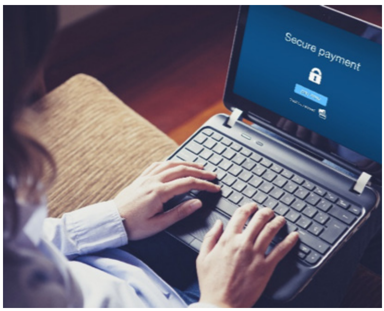
The payment system is of vital importance to the United Kingdom; every part of society depends on and requires access to it, and without it our economy would grind to a halt. Payment systems are in constant evolution, but there has never been a time of more intense change in payments – whether that be in the way we can pay, the way we are paying; who is providing our payment services or how they are charging for them. This change brings benefits for consumers and business, but also introduces new risks and exacerbates existing ones.

In our response to HM Treasury's Payments Landscape Review, we expressed concern about this pace of change and the increasing complexity and risk it brings. We called for HM Treasury to consider the impact that increased choice and innovation were having on consumer understanding. We also called for the FCA and FSCS perimeter to be extended to include all payment types, so that all consumers benefit from the protections associated with regulation.

We also set out 6 principles for what we think a well-functioning payments landscape should look like:



In February, the FCA consulted on raising the contactless payment limits. In our response, we said that choice and control were key to doing this safely. We stated our belief that consumers should have the choice to opt into contactless payments and have control over the limits (both cumulative and single transaction). Without this in place, there is insufficient mitigation of fraud and overspending risk. We were also concerned that raising limits would accelerate the already-expedited transition away from cash which is problematic for many consumers (see access and inclusion section above).



Unfortunately, fraud remains a prevalent issue in the payments sector. Detriment from authorised push payment (APP) fraud remains too high and must be addressed. The Lending Standards Board's Contingent Reimbursement Model Code goes some way to address this, but we have concerns about low participation in the code and low and inconsistent reimbursement to consumers. In our response to the LSB's consultation on this code, we said that all consumers should be reimbursed in full unless grossly negligent, and that firms mustn't take too broad an approach to gross negligence. We also called on firms to innovate to reduce the risk of APP fraud occurring in the first place.

The FCA introduced guidance for payments firms on safeguarding consumer funds. The guidance was designed in response to coronavirus, however, we called for it to remain in place beyond the pandemic[11]. We said that firms should clearly and prominently state the circumstances in which funds are safeguarded. We noted that firms in this sector may be new to regulation and so encouraged the FCA to think creatively about how it could engage with payments firms to land messages about what being regulated means. Active supervision of firms' compliance with the guidance would help with this.

There is increased risk of harm from insolvency in the payments sector, which can disrupt consumers often sole means of making and receiving payments. We therefore strongly supported changes proposed by HM Treasury to insolvency processes for payment institutions and electronic money institutions[12]. We stressed the importance of consumers being communicated with promptly in the event of an insolvency, to allow them time to contact the parties they may be unable to pay on time and to ensure they submit any claims for reimbursement before bar dates. We also welcomed the FCA's guidance to insolvency practitioners on dealing with the failure of regulated payments firms and e-money institutions[13]. Given the scale and pace of innovation in this sector, it is unlikely insolvency practitioners would have encountered many, if any, such failures before and so the knowledge sharing by the FCA was particularly welcome.

Pensions and retirement products

Pensions continued to be a priority for the Panel and the FCA this year, with consultations on pensions transfer advice, the pensions dashboard, comparing value for money and cost disclosures.

Pension transfer advice is likely to be the single most important piece of financial advice some consumers receive in their lifetimes, so it is critical that the quality of such advice is improved well beyond current levels. In our response to the FCA's proposed guidance on pensions advice, we welcomed the FCA's clarification around cost disclosures, which aimed to make advice charges more transparent and helpful to consumers. We also suggested a review in Q1 2022 of how the guidance had been adopted.

The Panel welcomed a presentation from Pension Wise on their behavioural trials aimed at encouraging more people to take pensions guidance before accessing their pensions. Given Pension Wise's positive satisfaction rates, we felt the uptake of its guidance could be improved. This is despite the good work the FCA has done

11 https://www.fs-cp.org.uk/sites/default/files/fscp_response_to_guidance_to_payments_firms_on_safeguarding_customers_funds_20200605.docx_.pdf

12 https://www.fs-cp.org.uk/sites/default/files/fscp_response_hmt_insolvency_changes_for_pi_and_emi_final.pdf

13 https://www.fs-cp.org.uk/sites/default/files/fscp_response_gc_20-5_insolvency_practitioner_guidance_final.pdf

following the Retirement Outcomes Review with new 'wake-up packs'. We called for further research to be conducted into why consumers opt-out of guidance to better influence policy in this area. We hope to continue conversations with the FCA and Money and Pensions Service (MaPS) in the future to ensure consumers get the holistic guidance they need.

MaPS also called for input on its pensions dashboard, the aims of which we fully supported, subject to the concerns we'd previously raised with the Department for Work and Pensions (DWP) about data sharing, consumer consent, dashboard governance and the future of dashboards[14]. We are also concerned about the length of time it's taking to implement the dashboard, and have highlighted that its implementation will need to be supported by robust signposting to guidance and/or advice where appropriate. In July 2020, we met with Chris Curry, Principal of the Pensions Dashboard Programme at MaPS, to discuss progress on the dashboard.

In June 2020, the FCA consulted on how Independent Governance Committees (IGCs) and Governance Advisory Arrangements (GAAs) compare the value for money (VfM) of pension products and services and promote the best value for pension scheme members. In our response, we recognised the need to strike a balance between prescription to ensure consistent outcomes and preserving flexibility that allows firms to achieve the best outcomes for scheme members. We felt that firms providing pensions products should have a specific responsibility for ensuring VfM to the customers of these products and called for further discussion of this issue.

DWP issued a call for evidence seeking views on the effectiveness of costs, charges and transparency measures in protecting pension scheme member outcomes. We welcomed the publication of this paper as we have long advocated for greater transparency of costs and charges in pensions and investments in particular[15]. We said that whilst the intention of extending the fund charge cap to some or all transaction costs was sound in theory, it shouldn't limit the fund manager having flexibility to make decisions that ensure the best outcomes for the scheme members.

14 https://www.fs-cp.org.uk/sites/default/files/fscp_final_20200728_pensions_dashboard_data_scope_paper_response.pdf
15 https://www.fs-cp.org.uk/sites/default/files/fscp_final_dwp_standardised_cost_disclosure_and_charge_cap_cp_20200820.pdf

Savings and Investments

This year we continued to push for improvements in the investments market following the events of 2019 in relation to mini-bonds. We supported the FCA's proposals to make permanent the ban on the mass-marketing of these products, as the temporary intervention had effectively mitigated consumer harm in this area. In our response to the consultation, we drew the FCA's attention to the findings of our digital marketing research, as the marketing of mini-bonds spoke to our wider concerns around the poor disclosure of regulatory information and the ineffectiveness of risk warnings.

The FCA issued a call for input on the wider consumer investments market, covering almost every aspect of the market. In our response we set out our vision for what a well-functioning investments market looks like. Our starting point was that we do not believe investments and investing are right for every consumer, nor do we believe that those who are already investing should be investing more. We would also like to see:

1	A market where more of the population with investible assets, and where the decision is right for them, make an active and informed choice to invest, or not, maximising their own returns and supporting the real economy.
2	A common industry-wide definition of consumer segments (such as 'high net worth', 'novice' or 'able to sustain losses') which is used to inform product design, set purchasing channels, target marketing and ongoing engagement.
3	The overall regulatory landscape modernised in the way envisaged by the Digital Markets Unit and the Online Harms Bill so that interlocking rules better protect people from misleading promotions and illegal scams.
4	Information, education, guidance and advice is readily available and tailored to the consumer to ensure they are supported in taking decisions both pre-investment and on an ongoing basis whilst holding the investments.
5	The use of guidance or advice should be the gateway to anything other than a range of default-based, simple, tax-efficient investments.
6	All firms must have a duty of best interest with regard to the consumer, building out the requirement in COBS2.1.1 and raising standards above fair treatment.
7	Products must be better designed, labelled and described to enable consumers to better understand fully the opportunities, risks and costs involved and easily compare these across options.

8	The regulator should increasingly use wider market intelligence and Reg-tech to target focus on areas of the market, firms and promotions of concern and should have the powers to act swiftly, always erring on the side of the consumer, to prevent consumer harm.
9	When harm does occur, there must be easily accessible and efficient redress and compensation solutions. The FSCS proposition in retail investments needs a fundamental and radical re-think to ensure it remains appropriate and is sustainable in the long term.

The FCA consulted on a new prudential regime for investment firms. The new regime aims to streamline and simplify the prudential requirements for solo-regulated investment firms in the UK. We supported the FCA's aims for the regime in our response as we believed the proposals would improve outcomes for consumers in the long run. We encouraged the FCA to ensure that the reduction in costs caused by the new regime is passed on to consumers.

We also responded to HM Treasury's consultation on the overseas funds regime which aimed to simplify the process for allowing investment funds set up overseas to be marketed in the UK. We said it was necessary for consumers to have ease of access to the same protections from the FSCS and recourse to the Financial Ombudsman under OFR funds as they do UK funds. Therefore, we called for the Financial Ombudsman's jurisdiction to be extended. We also called for the high standards of disclosure to be maintained.

We welcomed the FCA's proposals to clarify climate-related disclosures required by listed issuers[16]. With the increasing popularity of green investments, it was important the FCA put measures in place which ensure that consumers have simple and trustworthy information to inform their investment decisions. This will become more important as ever-greater prominence and attention is given to Environmental, Social and Governance (ESG) issues. We remain engaged in ongoing conversations about how ESG issues should be taken into account by firms and regulators, and effectively communicated to consumers.

16 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_climate-related_disclosures.pdf

Cryptoassets

In January 2021, HM Treasury also consulted on the broader regulation of cryptoassets and stablecoins, seeking views on whether the current regulatory framework was equipped to harness the benefits of these products whilst mitigating the risk to consumers and stability. In our response, we encouraged HM Treasury to consider 4 key issues:

1. Consumer protection

It is essential that where certain propositions may achieve scale, risks to consumers are averted through appropriate regulation, on both conduct and prudential matters.

2. Consumer understanding

Increased choice and innovation impact consumers' understanding. Not all consumers are financially literate and the rise of 'meme investing' on social media platforms means consumer choices can be heavily swayed by influencers.

3. International access

HMT and regulators must carefully consider the territorial scope of proposed regulations, and how these regulations will be effectively supervised, to ensure all consumers are appropriately protected.

4. Financial promotions

Advertising (including short-form adverts across social media platforms) must be transparent and accurately state the risks to consumers including whether or not the product is FSCS protected. Firms may use targeted digital advertising.

Given our concerns around financial promotions, we were pleased to see HM Treasury also consulted on proposals to bring the promotion of cryptoassets within the regulatory perimeter. In our response, we called for BigTech firms to play their part in addressing the harms in this space. We believe that digital platform owners should be made responsible for ensuring the appropriate approval exists for fin proms they pass on or host, and that they ensure targeting is within the boundaries of those approvals.

We expressed some concern about HM Treasury's proposed limitations on scope based on transferability and fungibility, as all consumers were unlikely to understand these concepts. We encouraged HM Treasury to look to consider how provisions in European Commissions proposed Regulation of Cryptoassets – which takes a different approach to scope – could usefully be incorporated in the UK.

Debt advice

Widely available and properly resourced debt advice is essential to well-functioning credit markets. We expect the demand for debt advice to significantly increase over the coming year as the various coronavirus support schemes come to an end and consumers are returned to more traditional forbearance. We therefore supported the additional debt advice levy to help fund the provision of debt advice at this important time[17]. We also welcomed the introduction of the Breathing Space scheme, but urged the FCA to issue guidance directing firms to allow additional pre-breathing space where customers experience delays getting debt advice due to operational pressures caused by the pandemic[18].

In June 2020, the Cabinet Office launched a call for evidence on fairness in government debt management which sought input on how government debt management practices could be improved. We responded to raise concerns about the following elements:

- The assessment of affordability is inconsistent across government and other sectors. We called for government and local authorities to use the Single Financial Statement in their assessments and pre-populate and validate data where possible.
- Communications to recover debts can be harsh in tone, whereas they should be helpful and supportive.
- Metrics to monitor debt management activity tend to be focussed on operational delivery and should instead be refocussed on fair outcomes for consumers.

17 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_debt_advice_levy_rates_2020-21.pdf

18 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_cp20-21_breathing_space_handbook_changes_20201222.pdf

In January 2021, the Insolvency Service issued consultation on changes to the monetary eligibility criteria for debt relief orders (DROs). In our response, we strongly supported the proposed changes to the criteria and said it was essential that consumers were made aware of them so that those most in need could benefit. We encouraged the Insolvency Service to publish clear guidance for Insolvency Practitioners to outline the additional information expectations around DROs and pathways for consumers to move between debt solutions, as well as temporarily waiving fees for DROs.

"Widely available and properly resourced debt advice is essential to well-functioning credit markets."

6. Our priorities for the year ahead

This section sets out the Panels priorities for 2021/22. We conduct an annual review of our priorities, which considers our progress against the previous year's priorities, the FCA's own priorities and the external environment. We may re-prioritise during the year if circumstances require us to do so.

The coronavirus pandemic required us to refocus our limited resources for 2020-21 which meant some of our priorities were paused for large parts of the year. We will therefore largely be rolling over our priorities for 2021/22.

The key cross-cutting areas we will focus on for 2021/22 are:

Duty of best interests

We will continue to call for a statutory duty of best interests.

We will engage closely with the FCA's consultation on this issue, published in May 2021.

Future of regulation

We will respond to the next phase of HM Treasury's consultation on the future regulatory framework.

We will continue to suggest improvements to the framework, in line with our vision for what it should look like.

Data ethics

We will set out what good looks like in terms of ethical use of data and promote this to regulators.

We will encourage regulators to better collaborate to ensure firms handle consumer data ethically.

Consumer vulnerability

We will advocate for vulnerable consumers to receive outcomes at least as good as other consumers.

We will increase participation and leadership in raising awareness of vulnerability, who it affects and how.

SMEs as users of financial services

We will continue to ensure that the FCA taks full account of the interests of all relevant small businesses when regulating financial services.

We will also complete and publish our research on equity release in Q4 2021.

Our sector-specific focus will remain the same as for 2020/21.

Appendix 1: Panel members

Please note that Panel members may have been unable to attend some Panel or Working Group meetings as they were required to attend other business on behalf of the Panel.

Wanda Goldwag – Chair

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 22/22

Mark Chidley

Attendance at full Panel meetings: 9/9
Attendance at Working Group meetings: 9/9

Sharon Collard

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

Jennifer Genevieve

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

Dominic Lindley

Attendance at full Panel meetings: 0/11
Attendance at Working Group meetings: 0/11

Pamela Meadows

Attendance at full Panel meetings: 1/1
Attendance at Working Group meetings: 1/1

Francis McGee

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

Keith Richards

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 10/11

Jonathan Hewitt

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

Julia Mundy

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

Erik Porter

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

Natasha de Teran

Joined the Panel in June 2020

Attendance at full Panel meetings: 8/9
Attendance at Working Group meetings: 8/9

Julie Hunter

Joined the Panel in June 2020

Attendance at full Panel meetings: 9/9
Attendance at Working Group meetings: 9/9

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 2020-2021 was £249,066.

	Actual April 2017 –March 2018 (£000)	Actual April 2018 –March 2019 (£000)	Actual April 2019 –March 2020 (£000)	Actual April 2020 –March 2021 (£000)
Panel Members' fees and expenses[1]	307	289	143	187
Other Expenditure[2]	126	150	193	62
Total	**433**	**439**	**336**	**249**

1. The fees exclude employers' National Insurance Contributions paid by the FCA. The fees payable to Panel Members during the year from 1 April 2020 to 31 March 2021 were as follows:

Panel Chair	£60,000
Working Group Chairs (55 days)	£26,000
Members whose minimum commitment is 45 days a year	£15,000

2. Other expenditure includes recruitment and research.

Appendix 3: Meetings with external stakeholders

Between 1 April 2020 and 31 March 2021, members of the Financial Services Consumer Panel met with the following external bodies:

Advertising Standards Authority

All Party Parliamentary Group on Debt and Personal Finance

All Party Parliamentary Group on Financial Services and Markets

Building Societies Association

City Asset

Competition and Markets Authority

Fair by Design

Finance and Leasing Association

Financial Ombudsman Service

Financial Services Compensation Scheme

HM Treasury

Insolvency Service

Just Retirement

Law Commission

Macmillan

Money Advice Trust

Money and Mental Health Policy Institute

Money and Pensions Service

Money Marketing

Open Banking Implementation Entity

Payment Systems Regulator

Pensions Dashboards Programme (MaPS)

Pensions & Lifetime Savings Association

Personal Investment Management and Financial Advice Association

Resolution Foundation

The Financial Regulators Complaints Commissioner

The Pensions Ombudsman

UK Finance

Which?

World Bank

Appendix 4: Panel Members' participation in events

May 2020
UK Finance: Virtual workshop on digital media and financial promotions

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June 2020
City & Financial: Webinar – what is the likely aftermath at the end of the Covid-19 pandemic?

July 2020
Fidelity Investments Women and Money Campaign lab

August 2020
Pensions and Lifetimes Savings Association roundtable on defined contribution pension scheme decumulation

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September 2020
UK Finance: Webinar – Economic Crime and Digital Platforms
City Wire: Virtual FinTech forum

October 2020
Chartered Banker: Webinar – vulnerability

November 2020
UK Finance: Webinar – Beyond Covid-19: Bridging the Digital Divide in Financial Services
Industry and Parliament Trust: Ensuring Financial Inclusion
Industry and Parliament Trust: Pensions
UKRN: Reimagining vulnerability data
City and Financial: Recognition and Incentives in Financial Services
UK Finance: Webinar – Operational Resilience: Lesson Learnt from the Crisis and How well have we fared

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December 2020
FT Adviser Smarter Business Summit
PAY UK: Panel discussion on the vulnerability of consumers when switching accounts

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January 2021
Industry and Parliament Trust: Superfunds
Centre for European Policy Studies: Online focus group on professional development of financial literacy
Centre for European Policy Studies: Online focus group on financial transactions-based detection
UK Finance: Webinar – Open Banking Futures
Resolution Fountain – Living Pension
Centre for European Policy Studies focus Group on Financial transaction-based detection

February 2021
UK Finance: Webinar – Future Ready Payments 2030
FCA ESG and sustainable investments roundtable
Nationwide plc: Virtual event – 'The trouble with our times is that the future is not what it used to be'
Boring Money: Webinar – Online Investing Report
NCU Conference

March 2021
International Longevity Centre: Report launch – Retirement income prospects for Generation X
FCA Women's Economic Empowerment TechSprint

Appendix 5: Publications, research and responses to consultations

Discussion Papers

July 2020	Digital Advertising in Financial Services

Research Papers

July 2020	The pros and cons of a private right of action for consumers in light of evidence from other sectors and countries

Consultation response

April 2020	Call for Input Open Finance
April 2020	FCA Proposals for temporary measures to support users of certain consumer credit products during Covid-19 crisis
April 2020	DP 20/1 Transforming Culture in Financial Services – Driving Purposeful Culture
April 2020	FCA Proposals to Help Motor Finance and High Cost Credit Customers During Covid 19 Crisis
May 2020	Response to the FCA's draft guidance for insurance and premium finance firms: Coronavirus and customers in financial difficulty
May 2020	Response to Mortgages and Coronavirus: updated draft guidance for firms
June 2020	Business Interruption Insurance (BII) test case: draft guidance for firms
June 2020	"Coronavirus and Safeguarding Customers' funds: proposed guidance for payment firms"
June 2020	Financial Services Consumer Panel response to FCA proposals to further support consumer credit consumers
July 2020	FCA proposals to further support motor finance and high-cost credit customers
July 2020	Annual Report 2019-2020
July 2020	GC 20/2 Branch and ATM closures or conversions
August 2020	Updated Guidance for Insurance and Premium Finance Firms: Coronavirus and Customers in Financial Difficulty
August 2020	Call for Input on ongoing support for consumers affected by coronavirus – mortgages and consumer credit
August 2020	CP 20/10 Extending implementation deadlines for the Certification Regime and Conduct Rules
September 2020	Mortgages and coronavirus: Additional guidance for firms

September 2020	CP 20/13 Removing barriers to intra-group switching and helping borrowers with maturing interest-only and part-and-part mortgages
September 2020	CP 20/11: Complaints against the Regulators – The Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA) and the Bank of England (the Bank)
September 2020	Call for Input of the Pensions Dashboard Programme's (PDP) Working Group Papers
September 2020	Advising on Pension Transfers GC 20/1
September 2020	To the Updated Guidance for Insurance and Premium Finance Firms: Coronavirus and Customers in Financial Difficulty
September 2020	Fairness in government debt management: a call for evidence
September 2020	CP 20/16 Debt Advice levy rates for 2020/21
September 2020	Next stage of support for consumer credit and overdraft customers
September 2020	Driving Value for Money in Pensions Consultation
September 2020	Representation to the Comprehensive Spending Review 2020
September 2020	New UK Prudential Regime for Investment Firms Discussion Paper DP20/02
October 2020	CP 20/3 Proposals to enhance climate-related disclosures by listed issuers
October 2020	Lending Standards Board review of the Contingent Reimbursement Model Code
October 2020	High Risk Investments
October 2020	GC 20/3 Guidance to firms on the fair treatment of vulnerable customers
October 2020	Supplementary response to Open Finance Call for Input
October 2020	CP 20/18 Chapter 3: Proposals to amend the Opening Banking identification requirements
October 2020	HM Treasury Payments Landscape Review Call for Evidence
October 2020	Additional Guidance for Insurance and Premium Finance Firms: Coronavirus and Customers in Financial Difficulty
October 2020	HM Treasury cryptoasset promotions consultation
November 2020	Mortgages and Coronavirus: further updated guidance for firms
November 2020	HMT's Overseas Fund Regime (OFR) Consultation
November 2020	Consumer credit and coronavirus: additional guidance for firms (November 2020)
December 2020	HM Treasury Access to Cash call for evidence
December 2020	Call for Input: review into change and innovation in the unsecured credit market
December 2020	Consumer Investment Call for Input
December 2020	Bounce Back Loan Scheme – Pay as You Grow options Guidance
December 2020	CP 20/21 – Breathing Space regulations: Changes to the FCA Handbook

January 2021	Draft Guidance: Mortgages, consumer credit and coronavirus: updated Tailored Support Guidance for firms
January 2021	GC 20/5: Guidance for insolvency practitioners on how to approach regulated firms
January 2021	Draft Guidance: Mortgages, consumer credit and coronavirus: updated Tailored Support Guidance for firms
January 2021	PLSA comments on Review of Default Fund Charge Cap and Standardised Cost Disclosure
January 2021	The Panel's response to the Product value and Coronavirus: draft guidance for Insurance Firms
February 2021	Consumer Panel response to GI Practices Handbook Changes
February 2021	Draft Guidance: Business interruption guidance on Proving the Presence of Coronavirus
February 2021	Financial Ombudsman Service's Plan and Budget 2021/2022
February 2021	HM Treasury's Future Regulatory Framework Review phase II consultation
February 2021	The Insolvency Service: Debt Relief Orders: Consultation on changes to the monetary eligibility criteria
February 2021	CP 21/3: Changes to the SCA-RTS – contactless payments
March 2021	Draft Guidance, Mortgages and coronavirus: updated Tailored Support Guidance (March)
March 2021	HM Treasury Cryptoassets and Stablecoins consultation

Appendix 6:
Panel Members on Other Bodies

FCA Consumer Network
Julie Hunter
Francis McGee

FCA Currency & Principles Engagement Group
Mark Chidley

FCA Purpose Working Group
Wanda Goldwag

FCA Strong Customer Authentication Monitoring Forum
Pam Meadows

Financial Ombudsman Consumer Liaison Group
Jennifer Genevieve

Money & Pensions Advisory Service – Challenge Groups
Jonathan Hewitt
Julia Mundy

Money & Pensions Advisory Service – Mortgage Adviser Directory Steering Group
Pam Meadows

Open Banking Entity Steering Group
Mark Chidley

Payment Systems Regulator Panel
Natasha de Teran
Pam Meadows

UK Finance: Consumer Advisory Group
Wanda Goldwag

Fair by Design Vulnerability Forum
Julie Hunter

Department of Work & Pensions Group – Small Pension Pots
Francis McGee

Appendix 7: 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

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