

Financial Services Consumer Panel



**Annual
Report
2015/2016**



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. It:

- Is independent of the Financial Conduct Authority (FCA).
- Advises the FCA on how its strategy and policies affect UK consumers of financial services.
- Helps the FCA to improve its effectiveness in meeting its consumer protection and competition objectives.
- Looks at the impact of the wider regulatory landscape on consumers, including at EU level.
- Commissions research to support its own independent projects.

Panel members are recruited through open competition. Areas of members' expertise include: consumer advocacy, law, economics, market research, financial services, public policy, communications and retirement planning.

The Panel meets in full, and in one of two Working Groups, 11 times a year. Separate EU and Communications Working Groups meet 5-6 times a year. FCA staff regularly present to Panel and Working Group meetings and the Panel reports to the FCA Board. The Panel also meets with diverse stakeholders, is represented on ad hoc bodies in the UK, and works with consumer and financial services organisations in the EU.

More details of Panel members' activities during the year are at the end of this report.

<http://www.fs-cp.org.uk>

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The Panel in March 2016.

For a list of the 2015-2016 Panel members see Appendix 1.



Foreword by the Chair

The need for a strong, independent, consumer voice has never been greater. This report sets out the Consumer Panel's activities over the last financial year, and our plans for the current year. It will be published around the time Andrew Bailey takes up the reins as CEO of the FCA, so we are taking this opportunity to say that we are looking forward to working with Andrew, and to set out some of our aspirations for improving the way markets work for consumers.

Andrew signalled in his City Week 2016 Conference speech that culture would be a priority. Despite the rhetoric from bank chiefs, the risk of mis-selling is ever present, as the Public Accounts Committee noted recently. Our own work on culture has found that customers' expectations about how banks should treat them are far from being met. This is particularly significant when those customers are small businesses. Poor treatment by their bank doesn't just impact on these businesses, but on the economy as a whole.

We still believe that culture could be significantly improved if the FCA had a legal duty to make rules specifying what constitutes a reasonable duty of care for financial services providers to exercise towards their customers. The current "Treating Customers Fairly" principle does not protect consumers consistently. The benchmark for this appears to be that consumers should not be made worse off through their dealings with firms. This is too low a level of aspiration for a services industry, particularly one that can, and does, cause widespread consumer detriment. The FCA will need to look at its rulebook in light of the Enterprise Act. This would be a good opportunity to consider whether a duty of care would help clarify and simplify rules, and ensure that the benchmark for good culture and practice meets consumer needs and expectations. This is particularly important now that technology is advancing rapidly on the industry. The FCA needs to be ahead of the game, not playing catch up.

The provisional remedies the CMA proposed in its report on competition for personal and business current accounts fail to tackle the root causes of weak competition. The decision not to tackle 'free if in credit' is particularly regrettable. The proposed consumer-orientated service level indicators should at least shed some light on poor practice. Our research found that people want to see clear information about firms' behaviour and service quality as well as product price, value and performance. There is an opportunity here for the FCA to promote greater transparency, and provide

information that consumers can understand and use. However, it should be borne in mind that many people don't want to change their current account provider; they just want better service from the one they have got. This is the competition challenge and, while service quality indicators may help, further remedies are likely to be needed.

We will continue to press for better disclosure of asset management costs, and the additional layers of costs borne by pension savers. Those who invest on behalf of consumers should be able readily to assess performance and value for money, and drive effective competition on behalf of end users.

We believe it is more important than ever that the FCA should measure its success in meeting its statutory objectives, and develop measures that show the relative effectiveness of supervisory and enforcement tools. We appreciate this isn't easy, but it is necessary both to improve consumer outcomes, and to silence the proponents of deregulation. As memories of the financial crisis recede, it is vital the FCA can demonstrate its cost-effectiveness.

Finally, we note that, in a post-pensions-liberalisation world, the role of the FCA in helping consumers avoid scamming and pension theft is extremely important. Every day brings a media story about another person who has entrusted their pension savings to an unregulated firm and, often, lost the lot. The FCA's Register of firms and individual providers, which is supposed to help consumers work out who they can trust, could be really helpful if only it were comprehensible to the average consumer, and contained more useful information about firms' regulatory history.

We welcomed new Panel members during the year: Sharon Collard, Jennifer Genevieve, and Dominic Lindley. We also said farewell to longstanding members Mike Dailly, Bill Martin and Claire Whyley, all of whom had contributed a great deal to the work of the Panel over the past six years. As we finalised the report, we heard of the death of Jonathan May, a Panel member since 2012. Jonathan brought so much: an incisive mind; a wicked sense of humour; kindness and support to new members; absolute integrity. We will miss him very much, and our thoughts are with his family.



Sue Lewis
7 July 2016





The Panel's work in 2015 – 2016

I.1 Projects

In 2015 – 16 the Panel's priority projects were: improving banking culture, making the case for a duty of care on financial services providers, and "consumers as co-regulators", which explored opportunities to tackle misconduct by giving consumers better information about individual firms' behaviour.

Banking culture

The Panel commissioned research to identify how individual bank customers and microbusinesses define a good banking culture, and how this might be measured.

The study found big gaps between customers' expectations and the reality of personal and microbusiness banking. These gaps were greatest in: access to services, products or help in a way that suits customers' needs; putting customer needs before profit; flexibility to treat customers as individuals; and taking responsibility when things go wrong. The research also demonstrated the negative impact of bank culture on microbusinesses.

The Panel developed a set of indicators that banks could use to measure culture from the perspective of their personal and microbusiness customers. It recommended that the FCA should focus on the practical and transparent ways in which culture can be used to drive consumer-centric firm behaviours.

Duty of care

The Panel called for an amendment to the Financial Services and Markets Act (FSMA) to enshrine a formal duty of care by financial services firms towards their customers. This followed a number of previous calls made by the Panel to improve the legal duties of firms towards their customers, including during the passage of the Consumer Rights Bill in 2013.

The Panel believes that 'Treating Customers Fairly', has been weakened by the 'consumer responsibility' principle in FSMA, and that the legislation is not giving consumers the protection that Parliament intended. A duty of care would remedy this. It would also:

- Be a good mechanism for dealing with the information and bargaining position asymmetry between banks and their customers.
- Be succinct and explicit and more easily taken on board by bank staff than a lengthy code of conduct.

- Bring bankers into line with medical, legal and other professionals where there are large information asymmetries and the potential for severe consumer detriment.
- Complement the Senior Managers and Certification regime.
- Give consumers rights without having to rely on a regulator to champion their cause.
- Encourage a positive “do the right thing” attitude rather than the prevailing negative, compliance-led, “avoid doing the wrong” thing attitude.
- Enable banks and other financial services providers to demonstrate trustworthiness.
- Future-proof work on bank culture. Without it there is nothing to stop culture reverting once the regulatory spotlight has moved on.

A duty of care needs primary legislation, and the Panel has written to MPs and Peers to raise awareness of the proposals.

Consumers as co-regulators

The Panel commissioned [research](#) to determine how information about firms’ behaviour could empower consumers to make more informed decisions about which firms they want to do business with.

If consumers were able to choose firms that behave well and avoid dealing with firms that have repeatedly been censured by the FCA or other regulators, this could catalyse change in firms’ behaviour. The Panel’s research suggested that a significant number of consumers would value this information, but that it would have to be presented in an aggregated, easy-to-understand way.

The Panel recommended that the FCA should evaluate its communications with consumers, including the Register of firms, and assess how they could be used more effectively to harness the power of consumers as co-regulators and promote competition that benefits consumers.

It also recommended some simple measures that would enable consumers to differentiate between firms that are likely to treat them well post-sale and those that are not. To implement this would need the FCA to determine which indicators it should require firms to publish to make the measures comprehensive.

1.2 ‘Business as usual’ activities

1.2.1 Cross-cutting issues

Advice and guidance

Financial advice and guidance enable consumers to make financial decisions, especially in complex markets. On guidance, the Panel has a statutory role in helping the **Money Advice Service** shape its annual business plan.

In summer 2015, HM Treasury and the FCA launched the **Financial Advice Market Review** (FAMR), which set out to establish whether changes to the market for regulated financial advice could make it work better for consumers. The Panel chair was a member of the FAMR Expert Advisory Panel.

In its response to FAMR, the Panel noted that the Retail Distribution Review (RDR) has made significant improvements to the investment advice market by eliminating commission bias and increasing professionalism. The Panel was unconvinced of the existence of an “**advice gap**” which firms were using to justify ‘safe harbours’ or to limit advisers’ future liabilities. In the event, the FAMR Final Report did not include any recommendations on these issues. However, the report focused on helping firms, for example, creating an Advice Unit within the FCA on automated advice, rather than good consumer outcomes. The concept of ‘streamlined advice’ could be risky for consumers. The Panel has repeatedly said that consumers need to understand when they are getting regulated advice and when they are not, and what the consequences are. In responding to the FAMR, the Panel called again for a Code of Conduct for non-advised sales.

In response to the separate Government review of **public financial guidance**, the Panel argued that there was still a role for a statutory body to provide financial guidance. It emphasised that such a body should have the objective of improving financial capability, and its tasks should include identifying and filling the gaps that exist in the provision of free and impartial advice. It should also be a ‘centre of expertise’ in understanding what interventions are most effective in increasing consumers’ ability to manage their finances.

Accessibility and transparency

The Panel raised concerns with the FCA about the revamped Financial Services Register, which lists authorised firms and approved persons. The FCA, the media and others advise consumers to consult the Register before buying products or services, so it is important it is fit for purpose. The Panel recommended that the FCA should make the Register more accessible to consumers by using simple language and avoiding jargon. It also expressed concern about the level of detail about ‘passported’ firms (those that are based in another EEA Member State but eligible through EU rules to sell their products into the UK). The Panel understands the legal restrictions, but still considers that, for example, enforcement action against passporting firms in their home state could, and should, be available on the Register.

The Panel submitted observations to the FCA’s preliminary examination of the use of personal data gathered online (“**Big Data**”) in general insurance. The use of personal data, including that harvested online, will potentially lead to a demutualisation of risk in insurance and credit markets. This may result in better prices for some people, but also risks excluding others, and opens up the possibility of discriminating against groups of consumers. The Panel is concerned that consumers do not realise the

impact their social media activity may have on their ability to access financial products and services.

Competition

Healthy competition, fostering lower prices and higher quality, is key to financial markets that work in the best interest of consumers. However, competition does not work well for consumers across financial services markets. For many financial services – such as bank accounts or retail investment products – price signals are either missing or distorted.

It is a fallacy that more choice means competition is working. Consumers cannot meaningfully choose between hundreds of products all doing similar things, especially when quality features are obscured as is often the case in comparison websites, which emphasise prices. Yet despite the difficulties consumers have in assessing the market against their needs, the FCA persists in advancing demand-side remedies.

One example is the remedies the FCA proposed in its **cash savings market study**. In the Panel's view, firms should make savers aware, promptly, of changes to their savings rates. There should also be more pressure on firms to treat their customers fairly, for example by automatically moving savers onto the next best available rate, when their fixed or teaser rate ends. This would be similar to the measure in the 2001 Banking Code.

The real test of whether competition is working is whether consumers switch to a better deal when they do change supplier, and the Panel will continue to argue that competition remedies should be tested against this measure.

Technology, data and research

The Panel encouraged the FCA to use Project Innovate to resolve some of the intractable issues faced by consumers, in particular the excluded and most vulnerable.

Panel members took part in the FCA's Regulatory Sandbox feedback events and argued that consumer access to redress and compensation should be maintained for firms wishing to test new products in real markets.

Redress and compensation

As in previous years, the Panel urged the FCA to be more proactive in the use of its powers under **Section 404** of FSMA. Under a Section 404 scheme, the firms involved have to contact all potentially affected customers proactively, and therefore the risk of consumers failing to claim is reduced, as is the risk that claims management companies will take a large slice of any compensation due.

On the FCA's proposals for a time bar on Payment Protection Insurance (PPI) complaints, the Panel did not consider that the FCA had made the case for a deadline. It recommended that, should the FCA decide to go ahead, the following consumer protection measures were needed: clear notification of the deadline by banks to PPI customers, ensuring adequate protection for those making claims, exclusion of previously rejected complaints from the scope, proactive and fair redress and strong enforcement action by the FCA.

Small businesses as users of financial services

Many small businesses, especially microbusinesses, face similar challenges in the market for financial services as do retail consumers but do not get the same regulatory protection as they are considered to be more financially sophisticated. The Panel has challenged this assumption on several occasions. It held a roundtable for SME representatives to understand better the problems faced by small businesses, and how regulatory protection might help.

The Panel's research on banking culture showed that the experience of microbusiness banking customers was considerably more negative than that of personal customers. Many participants in the research did not have their expectations met at all, and felt their business custom was not valued. They said that bank staff often did not appear to understand the importance of cash-flow to the survival of their business. Above all else, they did not consider they received the level of service for which they were paying as business customers. The widespread mis-selling of interest rate hedging products showed that small businesses are just as vulnerable to being mis-sold complex financial products as retail consumers.

In its response to the FCA's discussion paper on SMEs, the Panel urged the FCA to carry out a segmentation of SMEs to explore the differences between businesses of different sizes and characteristics, and whether there are specific issues relating to different legal forms (e.g. sole trader, partnership or limited company). The Panel also argued there is a need for banks to make available suitable banking and lending products for the smallest of business consumers.

1.2.2 Panel activities by sector

Pensions freedoms and retirement products

The full effects of the pension liberalisation reforms announced in the 2014 Budget are still unknown, and changes to the legal and regulatory framework for retirement products remained a high priority for the Panel in 2015.

In giving evidence to the Work & Pensions Select Committee in September 2015, the Panel reiterated the essential role **Pension Wise** played in helping consumers navigate their new pension options. However, the Panel criticised the lack of publicly available data on usage of Pension Wise and statistics on the types of consumers

using the guidance. Although the HM Treasury published data late in 2015, this did not separate the costs of the face-to-face and telephone guidance services.

The Panel also argued that the scope of the guidance offered was too limited as it did not take into account all of a consumer's assets and liabilities, including equity in property, nor the interaction with tax and benefits, or the need to plan for the risk of needing long term care.

The proliferation of the market for retirement products and services following pension liberalisation is leading to further growth in non-advised (i.e. execution only) sales. Where a sale is non-advised the consumer takes full responsibility for the purchase and does not have the same recourse to the Financial Ombudsman Service or the Financial Services Compensation Scheme for mis-selling if they buy an unsuitable product.

Execution only purchase of drawdown products has grown rapidly since the pension reforms took effect. Managing drawdown through retirement can be complex and expensive, and the risks are significant. The Panel is concerned that consumers may not be aware of the impact on their pension pot if they withdraw the same level of income when the fund value is falling during a market downturn – so-called 'pound cost ravaging', which compounds the losses.

The Government postponed the introduction of a **secondary market for annuities** until 2017, following opposition from both industry and consumer groups, including the Panel. The Panel urged the Government to extend Pension Wise's remit to provide consumers with advice on whether to sell their annuity when this market becomes operational. Financial advisers are unlikely to offer this service to clients as in most cases the sale of an existing annuity will not be in the customer's best interest, leaving consumers with nowhere to get advice unless Pension Wise fills the gap.

Although pensions are a national matter, the Panel also commented on proposals for a '**Pan-European Personal Pension Product**' (PEPP), which consumers could buy from a provider based in any country in the EU. The Panel acknowledged that there could be benefits to a PEPP, particularly for consumers living in member states that do not have developed personal pension markets, but highlighted the obstacles to implementation including national differences in taxation and contract law.

Savings & Investments

The Panel's 2014 research showed that, despite numerous regulatory and self-regulatory interventions, retail customers still do not know what costs they will face when they invest. Reported charges may be as little as a quarter of the true costs, as many of the charges are deducted directly from the fund and remain hidden.

Complex charging structures can obscure fund performance, for example when tracker funds charge active fund management fees, and have a significant impact on the eventual return for the investor. Following auto-enrolment into workplace pensions, it is even more important that asset management and other pension costs are surfaced and controlled.

Recent European legislation, notably the **PRIPs Regulation** and the **second MiFID Directive**, will oblige both manufacturers and distributors of retail investment products to be more transparent about the cost of their products. However, the reforms contain significant gaps as the cost reporting requirements do not apply to all retail funds and products, and specifically not to pensions.

In the Panel's view, the FCA will need to introduce supply-side measures to force the asset management sector to control costs and deliver better returns for the millions of consumers who rely on their investments for all or part of their livelihood. Among these changes are tougher and more independent governance, a duty of care towards investors and, potentially, the introduction of a single charge to increase cost transparency and eliminate hidden charges.

Based on research for the Panel by Dr Chris Sier, the Panel proposed a new standard of cost reporting, which would make pension funds costs and charges more transparent. The standard would provide trustees and independent governance committees with clearer sight of the charges the schemes are paying. While a single charge remains the Panel's goal, the standard could be used now as it is based on data that asset managers should already be collecting.

The Panel called on the FCA in its **asset management market study** to examine whether advisers, investment consultants and other guardians of the consumer interest are able to assess performance and value for money, and whether they are effective drivers of competition on behalf of consumers.

Consumer credit

Most over-indebtedness in the UK arises from the use of **overdrafts** and **credit cards**. According to StepChange Debt Charity credit card debt is the single biggest cause of problem debt, with two thirds of their clients having at least one card and their average debt reaching more than £8,000. Last year, 14 million people suffered a shock to their income or a change in circumstances and 4.5m of them used credit to cope.

The Panel has consistently argued that there should be more of a level playing field in the regulatory approach to different forms of credit. Responding to the FCA's interim findings in its **credit card market study**, the Panel called for a greater focus on supply-side remedies including requirements for tougher affordability tests, an increase in the floor for minimum repayments, a total 'per person' credit limit,

and a requirement that consumers should always explicitly request any increase in their credit limit. Moreover, the Panel called on the FCA to demonstrate through extensive consumer testing that the proposed demand-side measures would have the intended impact.

The Panel also pressed the Competitions and Markets Authority (CMA) to look at the **cost of authorised and unauthorised overdrafts** as part of its inquiry into the retail banking market.

However, it is not just the regulated market for consumer credit that continues to be of concern. The tightening of the market for consumer credit is likely to reduce overall access, and may drive people to use **illegal money-lenders**. Funding for the English and Welsh Illegal Money-Lending Teams has been drastically reduced in recent years. The Panel worked with other consumer groups and debt charities to raise awareness of the need for a sustainable and long-term funding arrangement, and was pleased that Treasury decided to consult on an industry levy to fund the work of the teams. The Panel also argued that the regulator should run a campaign similar to that it runs for investment scams. Both loan sharking and investment scams are FCA regulatory boundary issues. It is not logical that the FCA should devote resources to warning potential victims of one but not the other, particularly when loan shark victims are amongst the most vulnerable consumers.

The Panel contributed to the British Bankers' Association (BBA) Vulnerability Taskforce and its report on how firms can improve approaches to vulnerable people.

General Insurance

The FCA published its proposed remedies for the market for **general insurance add-on products**, after an earlier market study found that add-ons for general insurance products were often poor value and did not serve customers' needs.

The Panel supported most of the remedies, notably the FCA's intention to pilot a scorecard of value measures aimed at incentivising firms to improve product values.

The Panel continued its calls to introduce a right for English and Welsh consumers to claim compensation for **unfairly refused or delayed insurance claims**. The Panel worked with the Law Commission and parliamentary stakeholders to defeat an industry amendment to the Enterprise Bill that would have nullified the right to damages.

The Panel was also represented on HM Treasury's Insurance Fraud Taskforce, which investigated the causes of fraudulent behaviour and recommended solutions to reduce the level of insurance fraud, thereby lowering costs and protecting the interests of honest consumers. The Panel expressed disappointment that the **interim report** was so heavily biased to the industry view. Insurance contracts are

complicated and firms rely on small print and incentivised loss adjusters to reduce the amount of claims. This can leave consumers believing that firms are trying to avoid paying out and that it is necessary to inflate claims in order to reach a fair outcome. The Panel believes this issue merits a closer look.

In late 2015 the European institutions agreed the new **Insurance Distribution Directive**, on which the Panel had lobbied actively in Brussels since it was first proposed in 2013. The new Directive will require the UK to make a number of changes to the regulation of the insurance market by early 2018, notably the introduction of a standardised 'Product Information Document' for all insurance policies.

Retail banking

Misconduct in the sector remains rife and customers are frequently not treated fairly. Despite CEOs' public declarations on putting customers at the heart of their businesses, uphold rates for complaints at the Financial Ombudsman Service remain high, at 39% of all banking and credit complaints in 2014-2015, suggesting that some firms are still not taking complaints seriously and dealing with them appropriately at the earliest opportunity.

The Panel supported the introduction of the **Senior Managers Regime and Conduct Rules**, which aim to clarify lines of personal responsibility and identify where responsibility lies if misconduct takes place. The Panel argued for the extension of the regime to Non-Executive Directors (NEDs) as it believed that NEDs must be competent to perform their role of providing independent oversight and constructive challenge. Success of the new rules is dependent on the will of senior managers across the industry to take responsibility for their implementation. Full transparency from firms and consistent and regular reporting of any breaches are necessary to ensure staff do not fall through the gaps.

The Panel welcomed the extension of the regime's scope to cover both branches of EEA-based banks in the UK and NEDs, but urged the FCA to ensure that occurrences of misconduct would trigger consideration of enforcement action against both the firm and individuals within it, to give the regime the necessary deterrent effect.

The second major development of interest in the banking sector was the publication of the CMA's interim findings in its **competition review of the market for personal current accounts**. The Panel questioned the CMA's focus on demand-side remedies, such as switching services, and also strongly challenged the interim conclusion that the cost opacity inherent in the "free if in credit" banking model did not inhibit consumers from comparing value for money between different providers.

In its response to the CMA's findings, the Panel called for a renewed analysis of the costs and benefits of the "free if in credit" model. It also urged the CMA to give

much greater consideration to supply-side remedies, for example by capping fees for unauthorised overdrafts.

As in previous years, several people complained to the Panel about **forced bank account closures**, and their inability to challenge their bank's unilateral decision to close their account. The Panel has repeatedly called on the BBA to issue guidance that ensures consumers who are at risk of having their account shut down are treated fairly, as they may struggle to open an account elsewhere.

In responding to a Government review of the UK's anti-money laundering rules, the Panel emphasised the fact that some banks' interpretations of their responsibilities under rules to prevent money laundering had led them to forcibly close some customers' bank accounts without explanation, and leaving the customer with no means of challenging or appealing that decision.

Mortgages

The UK mortgage market is still changing following the **Mortgage Market Review** (MMR) and the **European Mortgage Credit Directive** in previous years.

The Panel has argued that the FCA, in its assessment of competition in the UK mortgage market, should look at groups of consumers who are less well-served, including older people and the self-employed. There are particular problems for some consumers if they want to switch to a new provider, as stricter affordability checks means that they effectively become "**mortgage prisoners**", at the mercy of their current provider and any future changes to the variable rate on their contract. This problem will worsen if interest rates rise. The Panel also raised concerns that the Buy-To-Let mortgage market may have an adverse impact on financial stability. Buy-to-let mortgages are not FCA-regulated, so lenders do not use stress tests to examine mortgage affordability in the event of an interest rate rise.

In the interests of **cost transparency**, the Panel continued to call on lenders to include all fees in a total costs figure that was presented in promotions, as FCA data have shown a shift to intermediated mortgage sales, which generally means the consumer pays the provider substantial fees which are not included in the advertised cost of the mortgage.

In the Panel's view, there is also a strong case for extending the **ban on commission** introduced for investment advice under the RDR to mortgage advisors, as commission increases price opacity and can lead to product bias and the sale of products which may not be in the customers' best interest.

Payments

The Panel focused on the use of **Continuous Payment Authorities** (CPAs). CPAs, also known as recurring payments, are increasingly used for debt collection and

subscriptions. CPAs, unlike other regular payment arrangements, are not displayed, for example, through internet banking; often both the payee and the payment due date can be unknown to the account holder.

The use of CPAs to settle debts in particular creates a real risk of consumer detriment, as the amount and timing are not known to the payer and could jeopardise their ability to settle regular household bills, such as rent.

Although the FCA has no powers to prevent merchants or lenders setting up a CPA if the customer agrees, the Panel has called on the FCA to monitor the use of CPAs, and to ask some challenging questions of firms that offer products for which CPAs are central to the business model.

1.3 EU engagement

UK legislation governing a range of financial products and services, including asset management, payment accounts and mortgages, is now to a large extent derived from EU legislation.

Over the past year, the focus of the Panel's European engagement has been the **Capital Markets Union (CMU)** initiative and the **Green Paper on Retail Financial Services**.

The Panel worked closely with stakeholders in the European Parliament, European Commission and with European consumer groups to defend the interests of retail investors as the EU rolls out its **CMU** initiative. This initiative, which aims to boost flows of capital across national borders within the EU, seeks ways of tapping into household savings to finance the real economy. The Panel argued this would not be effective unless investor protection improved, and was consistent, across the EU.

In its response to the European Commission's Green Paper on the CMU, the Panel submitted evidence to the European Commission underlining the need for a robust regulatory framework governing retail investment products to prevent the mis-selling of the past and to increase consumer trust in the asset management industry. Measures aimed solely at making it easier for consumers to invest their savings will be of short-term benefit only, and sustained retail investor participation in capital markets requires the industry to act in the best interest of its investors, not only their shareholders. The Panel also warned the Commission to be mindful of the disparate levels of consumer protection across the EU, which was likely to act as a barrier to cross-border shopping for financial products and services.

In its response to the European Commission's Retail Financial Services Green Paper, the Panel reiterated the specificity of the financial services market and the

need for a tailored response to competition. Whilst competition within domestic markets is already a challenge, an EU retail financial services single market would present additional risks to consumers related to currency exchange rates; language barriers and differences in tax or contract law. The Panel also pointed to risks posed by differences in scale and scope of consumer protection in Member States, in particular regarding compensation and redress mechanisms as well as the quality of enforcement of EU retail financial services legislation across the EU. The Panel renewed its call to the European Commission to propose an update to the 1997 **Investor Compensation Schemes Directive** and to introduce a European **Insurance Guarantee Schemes Directive**.

In addition, the Panel has followed with interest the adoption and implementation of the package of European measures to bring greater transparency and investor protection to the market for retail investment products, including **MiFID II**, the **PRIIPs Regulation** and the **Insurance Distribution Directive**.

It urged the European Commission to propose only a partial delay of MiFID II to ensure the investor protection measures could enter into force in January 2017 as originally envisaged. It also submitted observations to the European Supervisory Authorities (ESAs) on the content of the “Key Information Document” for retail investment products under the new PRIIPs Regulation.

Panel members have met EU stakeholders in Brussels, Paris and Frankfurt. Members also have more formal representation in EU policy-making through their membership of the European Commission’s Financial Services User Group and the stakeholder groups within the European Supervisory Authorities, which have become increasingly important in setting EU-wide regulatory standards.

In addition, the Panel continued to engage actively with consumer groups at European level, notably BEUC (of which the Panel is an Affiliate member), FinanceWatch and Better Finance.

1.4 Publications, meetings and events

Between 1 April 2015 and 31 March 2016, Panel members:

- Submitted **59 consultation responses** to bodies including the FCA, HM Treasury and the European Commission;
- Published **5 position papers**, on the need for consumers as co-regulators, on banking culture, duty of care on financial services providers and Consumer Panel engagement with the European Commission;

- Met with **98 different external organisations** to discuss a range of issues such as transparency in pension schemes, late payments for insurance claims, debt advice and investment costs;
- Spoke at **44 seminars and other third-party events**;
- Hosted **2 roundtables** to discuss investment costs and small and medium sized enterprises.



The Panel's priorities for 2016-2017

As usual, the Panel's main task will be to support the FCA, for example by responding to requests for advice and consultations; and working to ensure the consumer view is integrated into the FCA's culture and ways of working.

The Panel will continue work on a duty of care, banking culture, investment costs and charges and the treatment of small businesses. In addition it will look at: consumers as drivers of competition; measuring the FCA's effectiveness; peer-to-peer lending; and technology and financial services.

The Panel will also respond to the developing agendas of the UK Government and European Commission, in particular in the areas of financial advice and the Capital Markets Union.

2.1 Priorities carried over from 2015

Banking culture

The Panel will continue to work closely with the FCA to develop practical and transparent ways in which culture change can be used to drive better treatment for consumers.

Duty of Care

The Panel will also continue to advocate for a change in the law to oblige providers of financial services to act with their customers' best interests in mind, in other words to owe a duty of care, and seek out a legislative vehicle for this to be brought into force.

Investment costs

Creating a more transparent asset management industry where costs are comprehensively and clearly declared to retail investors and their representatives will remain a high priority for the Panel. It will look at potential drivers for change, including implementation of EU legislation (PRIIPs and MiFID II) and the new DWP-FCA proposals on transaction cost reporting for workplace pensions.

Small businesses as consumers of financial services

The Panel will work with the FCA to identify areas of regulation that should be changed to improve legal protection for the UK's smallest businesses as financial services consumers.

2.2 New priorities

Consumers as drivers of competition

Following a number of competition inquiries which have recommended demand-side remedies focused on changing consumer behaviour, the Panel will examine to what extent regulators can reasonably expect consumers to drive competition in retail financial services. It will continue to press the FCA to implement the conclusions of “Smarter Communications” and the review of its website in a way that makes regulatory information more accessible to consumers.

Measuring the FCA's effectiveness

The Panel believes the FCA should develop some more practical means of measuring its success in meeting its statutory objective, building on the inclusion of some measures within its 2016/17 Business Plan. The Panel will help the FCA to develop these and other measures further.

Peer-to-peer lending

The Panel has noted the rapid growth in the market for peer-to-peer lending and the fact that it remains largely unregulated. The Panel will examine whether those who choose to lend money this way fully understand what they are doing, and are aware of the significant risks.

Technology and financial services

In view of the increasing digitalisation of the distribution of financial services, the Panel will look at the potential risks and benefits to consumers and the challenges this development poses for regulators. It will focus on automated advice.

2.3 Priorities in Europe

The Panel will follow negotiations on the new Prospectus Regulation, and any legislative initiatives that may flow from the Retail Financial Services Green Paper.

The Panel will analyse the finalised technical standards on the PRIIPs Regulation and make recommendations to the European Commission if it believes any further changes are necessary in the consumers' interest.

The Panel will also monitor EIOPA's work on the technical and implementing standards for the new Insurance Distribution Directive, and the European Banking Authority's work on standardised terminology relating to payment accounts under the Payment Accounts Directive.

The Panel will remain in close contact with European stakeholders, including consumer groups in other Member States, to ensure the consumer voice is heard as clearly as possible in European decision-making.

2.4 Risk Outlook

The Panel regularly highlights to the FCA what it sees as the current risks facing consumers. The Panel has identified a number of areas to monitor in the coming year, including: the disorderly exit from the market of debt management firms not achieving FCA authorisation; the new pension freedoms; and with the increased use of technology, the risk of data being stolen, and of firms profiling customers more accurately using 'Big Data' which can exacerbate the risk of exploitation and financial exclusion.

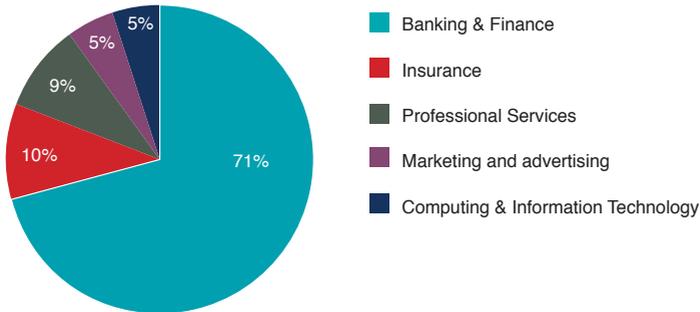


Coverage of the Panel in the media

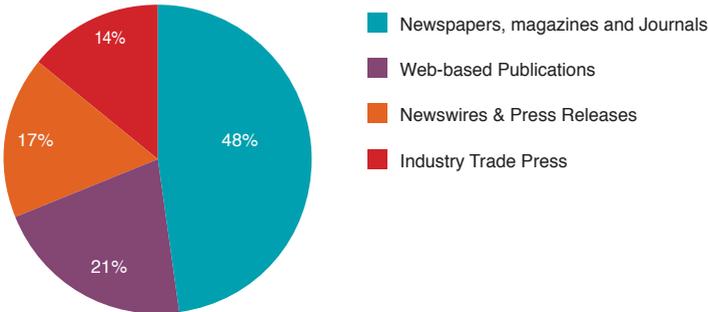
Given its position as the only consumer group in the UK with a sole focus on financial services, the Consumer Panel featured frequently in the media over the course of the year. Between April 2015 and March 2016, the Panel was mentioned in over 73 articles across the major daily and Sunday newspapers, as well as the trade press for the financial services sector.

Coverage over the past year was centred on Banking & Finance reflecting the high profile of the Panel’s interventions in this area in its engagement with the FCA, the Government and Parliament.

Topics of Consumer Panel media coverage (April 2015 – March 2016)



Coverage of the Consumer Panel across different types of media (April 2015 – March 2016)





HELP!

Appendix I:

Panel members



Sue Lewis – Chair (Appointed as Panel Chair 1st July 2013)

Attendance at full Panel meetings: 10/11
Attendance at working group meetings¹ – 18/22



Liz Barclay

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



Caroline Barr

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



Mark Chidley

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

¹ Note: the current Panel Chair is not a member of the Working Groups, other than the EU Working Group, but attends on an ad hoc basis as required.



Sharon Collard
(Joined the Panel on 1st November 2015)

Attendance at full Panel meetings: 5/5
Attendance at Working Group meetings: 3/5



Mike Dailly
(Retired from the Panel 1st October 2015)

Attendance at full Panel meetings: 4/5
Attendance at Working Group meetings: 5/5



Teresa Fritz

Attendance at full Panel meetings: 10/11²
Attendance at Working Group meetings: 11/11



Jennifer Genevieve
(Joined the Panel on 1st October 2015)

Attendance at full Panel meetings: 6/6
Attendance at Working Group meetings: 6/6



Bill Martin
(Retired from the Panel 1st October 2015)

Attendance at full Panel meetings: 3/5
Attendance at Working Group meetings: 5/5

² Absent due to attendance at external meeting on behalf of the Consumer Panel



Dominic Lindley (Joined the Panel on 1st October 2015)

Attendance at full Panel meetings: 6/6

Attendance at Working Group meetings: 6/6



Jonathan May

Attendance at full Panel meetings: 5/11

Attendance at Working Group meetings: 4/11



Pamela Meadows

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11



Faith Reynolds

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 9/11³



Jeff Salway

Attendance at full Panel meetings: 11/11

Attendance at Working Group meetings: 11/11

³ Absent due to attendance at external meetings on behalf of the Consumer Panel



Doug Taylor

Attendance at full Panel meetings: 10/11

Attendance at Working Group meetings: 10/11



Kitty Ussher

Attendance at full Panel meetings: 10/11

Attendance at Working Group meetings: 10/11



Claire Whyley (Retired from the Panel 1st October 2015)

Attendance at full Panel meetings: 3/5

Attendance at Working Group meetings: 5/5

Appendix 2:

Budget and 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 2015-2016 was £[X].

	Budget April 2015– March 2016 (£000)	Actual April 2015– March 2016 (£000)	Actual April 2014– March 2015 (£000)								
Panel Members' fees¹ and expenses	307	298	338								
Professional fees²	105	91	93								
Sundries³	230	103	108								
Total	642	492	540								
<p>1. The fees exclude employers' National Insurance Contributions paid by the FCA. The fees payable to Panel Members during the year from 1 April 2015 to 31 March 2016 were as follows:</p> <table> <tbody> <tr> <td>Panel Chair</td> <td>£60,000</td> </tr> <tr> <td>Working Group Chairs (55 days)</td> <td>£26,000</td> </tr> <tr> <td>Members whose minimum commitment is 45 days a year</td> <td>£18,000</td> </tr> <tr> <td>Members whose minimum commitment is 32.5 days a year</td> <td>£13,000</td> </tr> </tbody> </table> <p>2. Professional fees include research expenditure.</p> <p>3. Includes the cost of recruitment.</p>				Panel Chair	£60,000	Working Group Chairs (55 days)	£26,000	Members whose minimum commitment is 45 days a year	£18,000	Members whose minimum commitment is 32.5 days a year	£13,000
Panel Chair	£60,000										
Working Group Chairs (55 days)	£26,000										
Members whose minimum commitment is 45 days a year	£18,000										
Members whose minimum commitment is 32.5 days a year	£13,000										

Appendix 3:

Meetings with external stakeholders

Between 1 April 2015 and 31 March 2016, members of the Financial Services Consumer Panel met with the following external bodies:

Age UK

Association of Investment Companies (AIC)

All-Party Parliamentary Group on Credit Unions

All-Party Parliamentary Group on Wholesale Financial Markets

Association of Professional Financial Advisers (APFA)

Association of British Insurers

B&CE

Banking Standards Board

Barclays

Better Finance

Bureau Européen des Unions de Consommateurs (BEUC)

British Insurance Brokers' Association (BIBA)

Birmingham University

British Bankers Association

Bristol University

Building Societies Association

Cambridge University

Centre for Social and Financial Innovation (CSFI)

Chartered Banker

The Chartered Insurance Institute (CII)

Citizens Advice

City UK

Collaborate Research

Competition & Markets Authority

Consumers International

Council of Mortgage Lenders

Department for Work and Pensions (DWP)

Dutch Pensions (APEP)

Essential Services Access Network

European Banking Authority (EBA)

European Commission

European Insurance and Occupational Pensions Authority (EIOPA)

European Securities and Markets Authority (ESMA)

Fairbanking

Financial Conduct Authority (FCA)

Finance Reporting Council

Financial Services Compensation Scheme (FSCS)

FiNexus

Finance Watch

FISC Working Group

Financial Services Users Group (FSUG)

Gleneagles Advisory Board

HM Treasury

HM Treasury Insurance Fraud Taskforce

ICI Global

IGCs: Standard Life, Black Rock, Friends Life, AEGON, Royal London, Phoenix, Prudential, Zurich, Scottish Widows, AVIVA, Old Mutual, Legal & General, Hargreaves Lansdown, Fidelity, B&CE

ILC UK Centre for Later Life Funding

Information Complaints Commissioner

Institut für Finanzdienstleistungen (IFF)

Investment Association

Jaitly LLP

Joseph Rowntree Foundation

J P Morgan (Gleneagles)

Just Retirement

Legal Services Consumer Panel

Lending Standards Board

Lloyds Banking Group

London Business School (LBS)

London School of Economics (LSE)

APPENDIX 3: MEETINGS WITH EXTERNAL STAKEHOLDERS

Money Advice Service

Money Advice Trust

National Audit Office

National Employment Savings Trust (NEST)

New City Agenda

Organisation for Economic Co-operation and Development (OECD)

Ombudsman Service

Open University Business School

Payments Council

Payments Systems Regulator Panel

Pay Plan

Peer to Peer Conference Finance Association

Pensions and Lifetime Savings Association

Pensions Policy Institute

Pension Wise

Personal Finance Society

Prudential Regulation Authority

Resolution Foundation

Royal Institution of Chartered Surveyors (RICS)

Saga

SCM Private

Scottish Financial Enterprise

Scottish Widows

Share Action

Smart Money

Social Market Foundation

Stepchange

Taiwanese Financial Ombudsman Institution

Tesco Bank

The Pensions Regulator

The Thinking Partnership

Tax Incentivised Savings Association (TISA)

True & Fair Campaign

UK Permanent Representation, Brussels

Young Enterprise Board

Warwick Business School

Which?

Unum

Appendix 4: Panel Members' participation in events

April 2015

Workshop on Responsible Lending and Borrowing (Pam Meadows)

May 2015

Collective Consumer Protection (Pam Meadows)

International Conference on Financial Services (Pam Meadows)

Pensionage – Unchaining Pensions from Politics (Sue Lewis)

June 2015

Joint ESAs Consumer Protection Day (Teresa Fritz)

Reform of the UK's financial sector: Addressing Financial Exclusion (Caroline Barr)

BBA Retail Banking Conference (Sue Lewis)

CMA Retail Banking Investigation Consumer Stakeholder Roundtable (Caroline Barr)

Lloyds Banking Group Pension Retirement Event (Sue Lewis)

ABI Engaging Customers (Doug Taylor)

City UK Conference Delivering for Society (Sue Lewis)

July 2015

CMA Roundtable on SMEs (Sue Lewis)

Credit 2.0: A New Analysis to Borrowing (Sue Lewis)

Pensions Policy Institute Age UK Roundtable (Teresa Fritz)

August 2015

Money Advice Service roundtable on retirement (Teresa Fritz)

September 2015

Pension Advice and guidance Inquiry (Teresa Fritz)

October 2015

Project Innovate Robo Advice Conference (Faith Reynolds)

Treasury Select Committee Evidence Session (Sue Lewis)

OECD and FCA event on Discovering what works: Building research into practical regulation for consumer financial protection

November 2015

Banking Reform Event: Culture, Competition and Financial Stability (Caroline Barr)
DWP roundtable: commission in occupation schemes used (Dominic Lindley)
NAPF Pensions The New Risk Landscape for DB & DC (Sue Lewis)
Finance Watch: Confidence, ethics and incentives in the financial sector (Sue Lewis)
UNUM roundtable How Insurance can Support MAS Fin Cap Strategy and FCA/HMT
FAMR (Liz Barclay)
BBA's Better Banking: Upholding culture, ethics and standards in a good banking system (Caroline Barr)

December 2015

Barclays Roundtable and Interactive Showcase on the Future of Consumer Banking (Sue Lewis, Dominic Lindley)
CMA Retail Banking Market Investigation (Dominic Lindley, Caroline Barr)
CMA SME Roundtable (Mark Chidley)

January 2016

The Future of Fin Tech in the UK (Jeff Salway)
Prudential Regulation Authority Practitioner Panel Meeting (Sue Lewis)
B&CE Event: Pensions Dashboard (Sue Lewis)

February 2016

Age UK World Economic Forum on changing technologies (Faith Reynolds)
Fin Tech Network Conference: The Retail Banking Innovation Conference (Faith Reynolds)

March 2016

European Commission Public Hearing on Green Paper on Retail Financial Services (Faith Reynolds)
FCA Credit Card Market Study Roundtable (Sharon Collard)

Appendix 5:

Publications, research and responses to consultations

Position Papers

April 2015	Guide to Consumer Panel Engagement with the EU
August 2015	Consumers as Co-Regulators
August 2015	Duty of Care
March 2016	Banking Culture

Discussion Papers

March 2016	Investment Costs & Charges, where are we now?
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Legislative Briefings

January 2015	Recast of the Insurance Mediation Directive
March 2015	MIFID II Implementing Measures

Responses to Consultations

April 2014	Rules on pension transfers from DB to DC schemes
April 2014	Non-Executive Directors in Banking
May 2015	Transaction Costs Disclosure: Improving Transparency in Workplace Pensions
May 2015	Consumer Credit – Proposed Changes to Rules and Guidance
May 2015	Review of the Prospective Directive
May 2015	Capital Markets Union
May 2015	Insurance Fraud Task Force Interim Report
May 2015	Risks to Customers from Performance management at Firms
May 2015	Accountability Regime for UK Branches of Foreign Banks
May 2015	Whistleblowing
May 2015	Implementation of MIFID II
June 2015	Strengthening Accountability in Banking – Additional Guidance
June 2015	Guidelines on Complex Debt Instruments and Structured Deposits
June 2015	Creating a Market for Secondary Annuities
June 2015	General Insurance Add Ons Market Study – Proposed Remedies
July 2015	Terms and Definitions for Services which are Linked to Payment Accounts and Subject to Fees
July 2015	Technical Discussion Paper on Key Information Documents under PRIIPS
July 2015	Implementation of EU Payment Accounts Directive
September 2015	Pensions Freedom Guidance & Advice
September 2015	Regulatory Barrier to Innovation in Digital and Mobile Solutions

September 2015	Corporate Governance Board Responsibilities
September 2015	ISA Qualifying Investments: Consultation on whether to Include Investment Based Crowdfunding
September 2015	General Insurance Add-ons Market Study: Remedies – Value Measures
September 2015	Smarter Consumer Communications
September 2015	Pensions Tax Relief
October 2015	Pan-European Personal Pensions Product
October 2015	Cash Savings Remedies
October 2015	Sector Review into Anti-Money Laundering
October 2015	Pension Transfers and Early Exit Charges
October 2015	Implementation of UCITS
November 2015	Pensions Reforms – Proposed Changes to our Rules and Guidance –Shape and Scope of Retirement Outcomes Review
November 2015	Quarterly Consultation No 10 Chapter 5 – Consumer Redress Schemes
November 2015	CMA Retail Banking market Investigation: Interim Report
December 2015	Better Workplace Pensions: Banning Member-Borne Commission in Occupational Pension Schemes
December 2015	Strengthening Accountability in Banking and Insurance: Regulatory Reference
December 2015	Law Commission Consultation: Bills of Sale
December 2015	Call for Inputs on Competition in the Mortgage Sector
December 2015	Asset Management Market Study Terms of Reference
December 2015	Public Financial Guidance
December 2015	Financial Advice Market Review
January 2016	Big Data in General Insurance
January 2016	Credit Card market Study: Interim Report
January 2016	CMA Retail Banking Market Investigation: Further Information from the Consumer Panel
January 2016	Joint Consultation Paper on the PRIIPS Key Information Documents
January 2016	Consumer Credit: Proposals in Response to the CMA's Recommendations on High-Cost Short-Term Credit
January 2016	Venture Capital Funds (EuVECA) and Social Entrepreneurship Funds (EuSEF) regulations
February 2016	Consequential Changes to the Senior Managers Regime
February 2016	Consultation on the Money Advice Service's 2016/17 Business Plan
February 2016	Rules and Guidance on Payment Protection Insurance Complaints
March 2016	Pension Reforms – Proposed Changes to Rules and Guidance
March 2016	Increasing Transparency and Engagement at Renewal in GI Markets
March 2016	Call for Input on Regulatory Barriers to Social Investments
March 2016	Proposal to Issue Guidance on the FCA's View of Enforcing Security under The Consumer Credit Act 1074

March 2016	Green Paper on Retail Financial Services
March 2016	Draft Guidelines on Remuneration Policies and Practices Related to the Sale and Provision of Retail Banking Products and Services
March 2016	FCA Approach to SMEs as Users of Financial Services
March 2016	Automation in Financial Advice
March 2016	CMA Retail Banking Market Investigation: Supplemental Notice of Possible Remedies

Research Papers

September 2015	Empowering Consumers as Co-Regulators
March 2016	The Drive Towards Cost Transparency in UK Pension Funds
March 2016	Banking Culture – A Consumer Perspective

Appendix 6:

Panel Members on Other Bodies

EBA Stakeholder Group

Dominic Lindley

ESMA Stakeholder Group

Faith Reynolds

EIOPA Insurance and Re-Insurance Stakeholder Group

Teresa Fritz

Financial Advice Markets Review Expert Group

Sue Lewis

Financial Services User Group

Sue Lewis

Insurance Fraud Taskforce

Liz Barclay

Money Advice Service Stakeholder Groups

Jennifer Genevieve

Kitty Ussher

Payment Strategy Forum

Faith Reynolds

Payment Systems Regulator Panel

Pam Meadows

PFS Consumer Insight Panel

Sue Lewis

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

The Panel will:

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.



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