



Email: [enquiries@fs-cp.org.uk](mailto:enquiries@fs-cp.org.uk)

4 November 2025

By email: [cp25-27@fca.org.uk](mailto:cp25-27@fca.org.uk)

Dear Sir/Madam,

**Financial Services Consumer Panel response to FCA CP25/27  
Motor Finance Consumer Redress Scheme - Changes to handling  
rules for motor finance complaints**

The Financial Services Consumer Panel (the Panel) welcomes the opportunity to respond to the FCA's consultation paper on the proposed Motor Finance Consumer Redress Scheme. We are an independent panel that represents the interests of consumers of financial services including both individuals and small businesses. Our focus is on the outcomes and impacts to these stakeholders.

This response is focused on the questions set out in Chapter 11 of CP25/27 given the earlier response date. This response should be read in conjunction with the Panel's response to the remainder of the questions in CP25/27, which will be submitted to the FCA by the specified response date.

The Panel considers that an extension to the pause on complaint handling for some motor finance related consumer complaints appears to be a sensible way forward. While the Panel does not in principle wish for there to be any further delay in the handling of such consumer complaints, it agrees that it would be unhelpful if firms are required to start processing such complaints before the FCA has been able to finalise its proposed Motor Finance Consumer Redress Scheme (the Scheme).

For the reasons set out in CP25/27, we agree that the current pause should not be extended in relation to consumer complaints relating to leasing agreements. Following the Supreme Court's judgment in Johnson,

we consider firms should be seeking to process all complaints relating to leasing agreements as soon as possible.

The FCA proposes to extend the pause until 31 July 2026, and we consider this should represent the fullest extent of any extension. We welcome the FCA's intention to end the pause sooner should it consider this appropriate, and we urge the FCA to keep this under close review.

However, the Panel disagrees with the FCA's proposals not to align the time period for consumers to refer complaints to the Financial Ombudsman Service (the FOS) following the receipt of a final response letter to the 15 months previously offered.

We believe consumers should retain the right to refer any complaints subject to a new extension within 15 months of when they were sent their final response. Otherwise, we see a significant risk that some consumers will be time-barred from taking their complaint to the FOS before they are able to properly understand how any Scheme or alternative redress process is being implemented and, critically, whether they have grounds to take their complaint to the FOS. The proposed Scheme requires firms to make a range of subjective assessments, and given the novelty of the proposed approach, there may well be a lag before any difficulties in implementing the scheme are identified. It is essential the FCA provides adequate time for any teething problems to be identified and resolved before consumers are time-barred from taking their complaints to the FOS where this is appropriate.

We therefore urge the FCA to reconsider this aspect of the proposals. Otherwise, we see scope for significant (and avoidable) consumer detriment.

Yours sincerely,

Chris Pond

Chair, Financial Services Consumer Panel

## **Annex – Specific responses to Questions asked in Chapter 11 of the Consultation Paper**

**Question 83: Do you agree that we should further extend the time firms have to send a final response to motor-finance DCA and non-DCA complaints that are not leasing complaints? If not, please explain why**

Yes, we agree for the reasons set out in the CP.

**Question 84: Do you agree that leasing complaints should be carved out of the extension? If not, please explain why**

Yes, we agree for the reasons set out in the CP.

**Question 85: Do you agree with our proposal to extend the deadline for firms sending a final response for motor-finance DCA and non-DCA complaints that are not leasing complaints to 31 July 2026? If not, please explain why. Please include any views on the possibility of consulting to end the extension early**

Yes, we agree although we consider this should be the maximum extension, and the FCA should look to bring the extension to an end sooner if at all appropriate.

**Question 86: Do you agree that it is not necessary for the time to refer a complaint to the Financial Ombudsman to be aligned with the 15 months previously offered? If not, please explain why**

No, we strongly disagree and believe the current timeframes should be retained (allowing consumers up to 15 months from the receipt of the final response letter to refer a complaint to the FOS) for the reasons set out in the main body of this response.

**Question 87: For consistency of approach, do you agree with our proposal that the period of the extension should not contribute to the 3-year period that firms are required to keep records of complaints for? If not, please explain why**

Yes, we agree this would seem to be a sensible approach.

**Question 88: Do you agree with our proposal that lenders and credit brokers must maintain and preserve any records that are or could be relevant to the handling of existing or future complaints or civil claims until 11 April 2031? If not, please explain why**

We welcome this proposed extension but would suggest the FCA consider whether it actually needs to be longer. It seems sensible to the Panel that firms should be required to maintain and preserve any relevant records at least until a point at which consumers will be time-barred from bringing any legal proceedings in relation to how the Scheme (or any other redress mechanism) has been implemented.