

FCA

Financial Services
Consumer Panel

Email: enquiries@fs-cp.org.uk

30 January 2026

By email: cp2531@fca.org.uk

Dear Sir/Madam,

**Financial Services Consumer Panel response to FCA CP25/31
The Framework for a UK Equity Consolidated Tape**

The Financial Services Consumer Panel (the Panel) welcomes the opportunity to respond to the FCA's consultation paper (the CP) titled The Framework for a UK Equity Consolidated Tape (CT). 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.

Whilst there is not a direct link between an equity consolidated tape and the consumers we represent, there is the potential for indirect impacts; therefore, we are submitting this response to the CP.

The CP states that the CT framework is intended to provide equity trade data across various trading venues as well as over-the-counter trades, provided by a single authoritative source for all UK equity trading data. This is expected to lead to trading efficiencies and reduced trading costs.

It is noted that the CT proposals form part of the FCA's strategy to support growth. To this end, we understand that a primary impetus to the development of a UK equity CT is to compete on an equal footing with the United States, which already has similar functionality and the EU which is in the planning stage.

Whilst the Panel can understand the value of a single source of broad trading information, we are not convinced that this in and of itself will

lead to the predicted outcomes in terms of benefits and costs, and the Panel questions whether this is the optimal solution to improve the UK's competitive position. We note there is urgency for a solution (although we are not clear why), but we strongly encourage the FCA to spend more time on truly understanding and defining the problem and assessing other potential solutions prior to going forward with a particular solution.

We highlight the following:

- (1) We note that there is very little explanation of the impacts to consumers, the primary focus of the Panel, and the CP does not have any detail. The consumer outcome description is very high level - lower trading costs, improved portfolio performance and better ability to confirm best execution – and none of these are evidenced or quantified.
- (2) Buy-side firms that serve consumers may incur additional costs to obtain the CT data, and whilst there may be trading efficiencies as a result of the CT, there is no certainty that retail investors will see a net benefit. Indeed, any additional costs may well be passed on to consumers, which could also undermine some of the intended growth benefits.
- (3) Although the transfer of value from data providers to the CT provider is raised, there is little in the way of analysis as to how that might affect markets going forward. We suggest that firms may be less likely to launch innovative solutions if there is a risk that, once they have done so, the FCA steps in with a market-wide solution that is detrimental to their business.
- (4) The proposal advanced by the FCA calls for a single CT provider. We have serious concerns about two potential material risks with this model:
 - a. There is very little mention in the CP of the risks associated with operational failure of this provider. We would have expected to see a detailed discussion on what impacts and alternatives the market would need to address in this situation, as well as a clear discussion as to how this could be prevented from happening in the first place. Whilst it is made clear that the provider will have to meet high standards, the potential cost to achieve this is noted in paragraph 7.6 of Chapter 7, along with an implied suggestion that potential providers will not bid unless the SYSC 15 rules are less onerous.

- b. Given that there are questions as to whether or how many firms will bid on the proposal (and some of which may have detrimental business impacts if they lose), this also raises the spectre of a provider with significant pricing power; a situation which the FCA may not be able to control into the future.
- (5) We note that paragraph 134 in the CBA suggests that the US may be moving away from a single provider model; it would be helpful to understand the reasoning behind this.
- (6) The Panel believes it would be helpful to benefit from lessons learned on the bond CT before finally concluding on a solution for the equity CT. In addition, the FCA should conduct an analysis of any issues associated with the US and EU approaches.
- (7) The CP states that an equity CT is not the only solution to providing information about market liquidity. As noted in paragraph 161 of the Cost Benefit Analysis, the FCA could provide daily volume data on UK equities transactions that may solve what appears to be one of the bigger problems the CP is addressing - a lack of visibility of overall liquidity in UK markets.
- (8) Other alternative solutions are discussed in the CP. We would suggest that the FCA start with the lowest-cost first phase solution and transition over time to an optimal solution following lessons learned and as evidence for good outcomes is established.

It is clear that a cost-effective authoritative source of equity trading information would be of value. However, given that the UK markets have functioned without this thus far, and that market forces haven't driven this solution, the Panel questions whether an equity CT should be a priority for the FCA, given the volume of high-priority topics on its agenda. The Panel's main conclusion, having read the CP, is that this is really a solution looking for a problem. Instead of this, we might suggest exploring other growth-oriented options, such as the FCA serving as a catalyst for a government supported public data base of UK companies that meet certain standards. This could leverage the information gained by the FCA in its various initiatives, such as innovation pathways, the digital sandbox, etc.

However, if there is a genuine need to implement an equity CT solution quickly, we advocate for a phased approach, starting with the most basic low-cost approach and, via lessons learned, transitioning to an eventual

solution that is the most optimal and where unintended consequences are controlled and limited.

Yours sincerely,

Chris Pond
Chair, Financial Services Consumer Panel