

Financial Services Consumer Panel



**Annual
Report
2014/2015**



An independent voice for
consumers of financial services

Who we are

The Financial Services Consumer Panel (the Panel) is an independent statutory body, set up under the Financial Services and Markets Act.

The Panel advises the FCA on how its strategy and policies affect UK consumers of financial services. It helps the FCA to improve its effectiveness in meeting its consumer protection and competition objectives. The Panel also has a broader remit in 'horizon scanning' the regulatory landscape and its impact on consumers, including at EU level.

Panel members are recruited through open competition and serve a maximum of two terms of three years. Their areas of expertise include: consumer advocacy, law, economics, market research, financial services, public policy, communications and retirement planning.

The full Panel meets 11 times a year, as do the two working groups that specialise in particular areas of the Panel's work. Separate EU and Communications working groups meet 5-6 times a year. The Panel maintains a regular dialogue with the FCA, and FCA staff often attend Panel meetings and working groups. The Panel submits monthly reports to the FCA Board and the Panel Chair regularly meets the FCA's Chairman and Chief Executive.

The Panel also meets with diverse stakeholders, including other consumer organisations such as Which?; Government departments and other parts of the regulatory 'family' (the Prudential Regulation Authority, Financial Ombudsman Service, Financial Services Compensation Scheme and Money Advice Service); firms and financial services trade bodies. It is also represented on ad hoc industry consumer bodies such as the BBA Consumer Panel and the Personal Finance Society Consumer Insight Panel.

Beyond the UK, the Panel works closely with the European Consumers' Organisation, the Bureau Européen des Unions de Consommateurs (BEUC), and is a Supporter of Consumers International. Individual members of the Panel sit on EIOPA's Occupational Pensions Stakeholder Group, the EBA's Stakeholder Group, the Consultative Working Group of ESMA's Standing Committee on Financial Innovation and the European Commission's Financial Services User Group. The Panel also from time to time meets European Commission officials and MEPs.

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



Foreword by the Chair

The FCA had a heavy workload last year, as it took over regulation of the consumer credit industry, and prepared for the April 2015 pensions freedoms. The regulator also established a new Senior Persons Regime, following a recommendation from the Parliamentary Commission on Banking Standards, and made internal changes in the wake of the Davis Review.

Likewise, the Panel had a busy year supporting the FCA. On consumer credit, we agreed with the crackdown on **'payday' lending** (though we remain concerned about the consequences for the most vulnerable). But payday lending was an easy target, and not, by a long way, the main cause of detriment in the consumer credit market. Unauthorised overdrafts can be as expensive and damaging as payday loans, and we have argued consistently that they should be subject to the FCA's rules on high-cost short-term credit. Unless the FCA is prepared to take on the banks - and the market study on credit cards will be a good test of its resolve - it will be difficult to tackle unsustainable consumer debt.

The FCA's analysis of the impact of the **Retail Distribution Review (RDR)** was encouraging. It showed that the RDR is on course to generate positive long-term changes in the market for financial advice, including increased competition and more understanding of the value and take up of advice. This is a good example of the regulator tackling market problems in the face of strong opposition from the industry.

As well as advising the FCA as it developed policies on these and other issues, the Panel responded to 44 internal and external consultations, met 80 different stakeholders, and attended 39 external events. This was in addition to the regular panels and stakeholder groups on which members sit. The Panel also pursued a number of projects, aimed at gathering evidence to persuade the FCA and others to take action to get better outcomes for consumers where the market or existing regulations fail them.

We highlighted persistent problems with **fund governance and cost disclosures** in the asset management sector. Nobody seems to know what it costs to run an investment fund, but we can be sure that consumers are paying the price. As people take on more of the risk of providing for their own retirement, this matters a lot. Annual costs and charges can make a large difference to pension pot size, or eat

into drawdown income. Moreover, lack of transparency and hidden charges blunt competition. Since we published our research last year, the FCA has said that it will undertake a market study of the sector. However, as funds are highly mobile and could be 'passport'ed in from other EU member states with no obligation to comply with tougher UK regulation, action is ultimately needed at EU level too.

The Panel also looked at **cross-subsidisation in the market for personal current accounts**. It commissioned research that confirmed it is difficult to say who gains or loses from 'free' banking. It is clear, however, that this market cannot work well for consumers while prices are not transparent. Record retail bank profits for 2014 suggest the only real winners are the banks. The Competition & Markets Authority is now investigating the current account market, including the impact of cross-subsidisation.

Finally, the Panel examined ways of **empowering consumers** to act as 'co-regulators', by making information about individual firms' conduct available in a way that would help people use it in their buying decisions. Initial research indicated this could work for consumers, and the project will continue into 2015.

We said goodbye to Fiona Fry as well as Debbie Harrison, whose persistence and expertise on investment costs were invaluable. Mark Chidley and Kitty Ussher joined us, bringing their broad skills and particular consumer perspectives. We were sad to hear of the death of David Harker, a former much-respected Consumer Panel colleague who more recently served on the FCA Board.

Looking forward, we will watch carefully the impact of **pensions liberalisation**. While choice is usually a good thing, the reforms sit uneasily with pensions auto-enrolment. People are unlikely to have the capability to make the most complex financial decisions of their lives decades later, especially as most will not have made any active decision about their pension savings. The behavioural biases that made auto-enrolment a good idea will not magically disappear as people approach retirement.

This means people must have access to high quality advice and guidance. Pension Wise can help, but it needs to give a consistently high level of service across the country, and people need to know about it and use it. The early signs are not encouraging. Pension Wise also needs to adopt a more 'holistic' view, including guidance on tax, benefits and housing and other non-pension assets. The FCA will need to be constantly alert for poor products and outright scams. As Panel research has shown, there are a lot of problems in the annuities market, particularly in the 'non-advised' sector, but a guaranteed lifetime income may still be the first choice for many people.

The Panel will also lobby for a statutory **duty of care** on firms undertaking activities regulated under the Financial Services and Markets Act. Treating Customers Fairly has not worked: it is time to put a sharper incentive on providers to put their customers at the heart of what they do. A duty of care would give greater clarity by requiring firms to act in their customers' interests, rather than the weaker FSMA duty, enshrined as the TCF principle that firms should 'pay due regard' to the interests of their customers. A statutory duty would catalyse culture change within firms, which many claim they want.

The Panel will also argue for consumer protection legislation to be extended to cover **smaller businesses** as consumers of financial services. Microbusinesses in particular often have the same low levels of financial sophistication as do retail consumers, but do not enjoy the same protection or access to redress.

This year also brings political change. We have a new Government, and the Panel will lobby for policy change where we believe it will benefit consumers. We also hope to continue to support Parliamentary debate through giving evidence to select committees and inquiries. There is also a new European Commission. The Panel will continue to bring a consumer perspective to decision-making in Brussels, and encourage European institutions to balance the significant industry lobby with the voice of the consumer.

Finally, I would like to thank the 70 stakeholders who responded to the Panel's request for feedback. As a Panel we will reflect on what you told us, in particular how we can best balance in-depth research and insight with the need to respond to the wide range of consumer issues covered by the FCA.



Sue Lewis
4 June 2015

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The Panel in March 2015.

For a list of the 2014-2015 Panel members see Appendix 1.



Introduction to the Panel's principles and approach

The Panel aims to help bring about a financial services market which meets the needs of consumers. Consumers should be able to trust product providers, advisers and those who buy products on their behalf to have their best interests at heart. They should be able to access the products and services they need at a fair price in a market where competition works in the consumer interest. These principles of trust, accessibility and competition are at the heart of its work.

Its work is guided by three broad principles:

Trust

Consumers should be able to trust that:

- Firms treat customers and potential customers fairly;
- Firms operate in the best interests of the consumer;
- Products and services do what service providers say they will do, throughout the lifetime of the product;
- Risks, and any changes in risk, are communicated clearly to consumers at the time they arise;
- Complaints handling is accessible, quick, fair and free to the consumer; and
- Redress is set appropriately and provided promptly.

Accessibility

Consumers should have access to products and services at a fair price, and be given information which helps them make choices:

- Terms and conditions should be set out succinctly, clearly and in a way which can be easily understood and which facilitates simple and effective comparison of products and services;
- Consumers are able to access vital products and services they need in order to participate fully in society and should protect themselves in the short, medium and long-term; and
- Fees for products and services should not discriminate against vulnerable people.

Competition

Competition should work in the interests of consumers:

- Innovation should genuinely meet the needs of consumers;
- Effective and sustainable competition should improve the quality and pricing of products;
- Prices should represent good value, be transparent and comparable across similar products; and
- Market surveillance should be proactive and transparent, and policing effective.

Much of the Panel's work is focused on the FCA's activities, and it responds to requests as they emerge; members also identify a few projects each year in which the Panel takes a deeper look at issues affecting consumers. There are also many public consultations by other bodies, from Select Committees to Government departments, other regulators and EU institutions. Much as it would like to respond to everything relevant, its resources are limited, and the Panel needs to prioritise. In doing so, we ask ourselves the following questions:

- Is this a consumer issue?
- Is there actual or potential serious widespread consumer detriment?
- Does the Panel have the capacity/resource to get involved?
- Are other bodies involved on the same side?
- Will Panel intervention make a difference?
- Does the consultation deal with issues that relate directly to the Panel's agreed priority areas?

The following chapters set out the Panel's activities and achievements in 2014-2015, and its priorities for the remainder of 2015. The latter cannot be set in stone, as it needs to respond to the FCA's agenda, and to external circumstances.





The Panel's work in 2014-2015

The main task of the Panel is to respond to the FCA's agenda: advising and challenging on policy as it is developed, and responding formally to consultations. The Panel also seeks to influence Government departments, Parliament and the EU institutions on policy initiatives that fall within the remit of the FCA. The aim is to ensure that the FCA operates within a legal framework that enables it to put consumers at the heart of its work. These are our 'business as usual' activities, described on pages 6 to 11.

The Panel did three projects in 2014-15. These touched on important aspects of most consumers' dealings with the financial services industry: investment management (including pension funds), cross-subsidisation in the personal current account market and information that would help consumers make more informed decisions about the firms they do business with.

Investment costs

In November 2014, the Panel published a [discussion paper](#) on the costs and charges consumers bear when investing in retail funds, whether directly or through pensions, stocks and shares ISAs, or insurance 'wrappers'.

While it is well known that costs and charges have a significant impact on returns, [new research](#) commissioned by the Panel suggested that retail customers 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.

The Panel recommended that the FCA should consider mandating a comprehensive single annual charge billed directly to the customer, with all other costs borne by the firm itself. This would make the costs of investing clear and easily comprehensible to investors, intermediaries and those responsible for looking after the interests of investors, notably Independent Governance Committees. It would also introduce incentives for funds to be more efficient and compete on price. We recommended the change should happen in parallel with the implementation of the EU's second Markets in Financial Instruments Directive, which will improve disclosure but fall short of fixing all the problems identified by the research.

The Panel also concluded that a duty of care should be imposed on investment managers to strengthen accountability and stewardship. This would go beyond the

current FCA principle of treating customers fairly, instead requiring managers to put their client's interests first and to avoid conflicts of interest.

At a roundtable with industry representatives and other stakeholders in January 2015, participants agreed that transparency at every level of the value chain was desirable, but there was debate about the best way of doing this.

Personal current accounts

The Panel has had long-standing concerns about the lack of transparency in the market for personal current accounts, in particular, that 'free if in credit' (FIIC) personal current accounts (PCAs) mask the true cost to consumers, and have different impacts on different groups of people. By obscuring some prices, FIIC is also likely to mute competition.

The Panel commissioned independent desk research, which found cross-subsidisation occurring both vertically (between different customer groups) and horizontally (between different products). The effect was to obscure the price that consumers pay for their PCA. The literature suggested a number of groups that were potentially disadvantaged by cross-subsidies: as might be expected these included people who paid excessive overdraft charges, did not shop around or held high balances without interest payments, and others that might benefit, such as those with active free accounts but low balances, but the picture was complicated by product cross-subsidies and good data were lacking.

After the Competition & Markets Authority (CMA) had announced its intention to conduct an in-depth investigation into this market, the Panel called for a greater focus on cross-subsidisation between different retail banking products and its impact on price transparency.

Consumers as 'co-regulators'

The Panel set out to determine how information about enforcement action against regulated firms and individuals, and other public information about firms' behaviour, can empower consumers to make more informed decisions. If consumers were able to choose firms that behave well and avoid dealing with firms that have repeatedly been censured by the FCA, this could become a catalyst for change in firms' behaviour.

The Panel commissioned quantitative research in June 2014, to get a consumer perspective on the types of information they used when making a financial decision and the additional information they might find useful. Broadly, this research found that

a significant group of consumers would value regulatory information when making decisions.

Through qualitative research we commissioned in January 2015, the Panel explored how important firms' reputation is in consumer decision-making. People in the research found the market large and complex.

They wanted to deal with reputable firms that 'treat me fairly' but acknowledged that it was hard to know anything about the firms they dealt with until they were customers, by which point it was too late. People struggled to connect with stories in the media about firm's misbehaviour, but strongly believed firms are all 'as bad as each other'. Instead, people focussed on product features and pricing and used short cuts, like the 'top three on a comparison table'. They were enthusiastic about, and could see themselves using, aggregated, easy-to-understand, at-a-glance information about firm conduct to help them judge which firms were likely to treat them fairly after the point-of-sale.

'Business as usual' activities

In addition to the main priorities outlined above, the Panel has a number of 'business as usual' activities in different areas on which it engages with the FCA as and when appropriate. Its work is set out below by theme, including accessibility, financial advice and duty of care.

Accessibility and vulnerability

Access to financial services is vital for participation in modern society. With 1.4 million people in the UK still 'unbanked' over a decade after the introduction of 'universal' banking, action is needed. The Panel gave evidence to the Financial Inclusion Commission enquiry about consumers' difficulty in accessing some services, including insurance and affordable credit. The Commission's final report served as a timely reminder that financial exclusion is persistent and that the problems have become more deeply entrenched.

The Panel also supported the FCA's work on vulnerability and the resulting paper, which confirmed that there is still significant room for improvement in the way that firms deal with vulnerable consumers. The Panel welcomed the FCA's recognition that "vulnerability" does not just apply to consumers on low incomes, or with particular disabilities, but can result from a range of factors. This chimes with the Panel's 2012 paper on vulnerability, which called for firms to make a vulnerability assessment that goes beyond a customer's personal characteristics or income, taking a wider view of their circumstances.

The Panel noted the December 2014 voluntary agreement between the Government and the high street banks on providing greater access to basic bank accounts. The

promise of an account with no 'nasty surprises' was particularly welcome. High and unexpected charges have been the main reason some consumers have abandoned 'mainstream' banking. However, these free accounts have to be paid for somehow, and we believe that it should be transparent who is paying, and how.

The EU Payment Accounts Directive will give all citizens a specific legal right to a basic bank account. This will effectively enshrine the banks' voluntary arrangements in law. It will be vital that this right gives vulnerable consumers a bank account that genuinely meets their needs.

The Panel remains concerned about anecdotal evidence of forced closure of bank accounts. Consumers who have their accounts closed are generally not informed of the reasons for the withdrawal of service, and do not know or understand that they can appeal through CIFAS, the UK's fraud prevention office. While accounts may be closed for legitimate reasons, the consequences of closure can be immediate and severe, and those affected may find it difficult to open a new account with a different provider. We have pressed the BBA to find a solution to this problem for innocent consumers.

Banking: culture and standards in the banking industry

The Panel continued to monitor the implementation of the recommendations of the Parliamentary Commission on Banking Standards, and responded to the FCA's proposed plans for a new Senior Managers Regime and new rules governing remuneration structures for senior bank staff.

We remain concerned that the 'grandfathering' of existing senior managers into the new authorisation system will mean that the new rules will take many years to be effective. The Panel has also argued that the efficacy of the new certification regime seems uncertain because its implementation is left to individual banks to administer. It will be crucial for the new Banking Standards Review Council (BSRC) to be assertive and ensure standards in the industry rise.

Consumer Credit: high-cost short-term credit and debt management

Regulation of the consumer credit industry passed to the FCA on 1 April 2014. The Panel has supported the FCA's stance on refusing authorisation to firms that are not fit to deal with people applying for consumer credit.

The Panel responded to the FCA consultation on a price cap for high-cost short-term credit (HCSTC), welcoming the combined components of the cap, which are expected to deliver greater fairness and transparency for users of this type of credit.

Although the FCA's swift and decisive action on HCSTC was welcome, there will be consequences for those excluded from the market as HCSTC providers change their business models and 'cherry pick' the less risky consumers. We believe the vital work done by the Illegal Money Lending Teams operating from Birmingham and Cardiff City Councils needs to be funded on a more sustainable basis, in a similar way to other perimeter issues dealt with at the FCA, such as investment scams.

Although the FCA estimated that few people forced out of the market would resort to illegal lenders, the reality may turn out to be different, and these are amongst the most vulnerable consumers.

The price cap on HCSTC only tackled a small part of the credit market. Most over-indebtedness in the UK still arises from the use of overdrafts and credit cards, and the Panel has consistently argued that there should be more of a level playing field in the regulatory approach to different forms of credit. The FCA has begun an investigation into the credit card market, which will look at the extent of unaffordable credit card debt and what remedies might be needed to ensure fair treatment of consumers.

A large number of debt management firms are expected to exit the market due to the strict regulatory standards required for authorisation. The Panel would like to reiterate our support for a zero tolerance approach to misconduct. If turning down such applications results in the paid-for sector going out of business, consumers would be better off without being subjected to the criminality and lack of integrity which appears to be rife among those firms who charge for debt advice.

In addition, it has become apparent that many consumers have lost significant sums of money due to unscrupulous or even fraudulent practices by debt management firms that have subsequently gone out of business. As the FCA did not regulate these firms at the time of the loss, those affected cannot get redress or compensation from the Financial Services Compensation Scheme.

Duty of care

The Panel has argued for some time that providers of any type of regulated financial service or product should be subject to a statutory duty of care that would oblige them to act only in the best interest of their customers. This would go beyond existing regulatory protections afforded to consumers and counterbalance more effectively the general principle in law that consumers should take responsibility for their decisions.

The Panel believes that a statutory duty of care would send a clear message that it is no longer acceptable for the industry to profit unfairly at the expense of its customers. Appropriate enforcement of such a duty by the FCA would also help rebuild consumer trust.

Through EU legislation, notably the second Markets in Financial Instruments Directive, a duty of care will apply to certain parts of the financial services industry from 2017. The Panel proposed an amendment to the 2014 Consumer Rights Bill, which would have applied the principle of a duty of care more broadly.

Financial advice: Retail Distribution Review

The Panel considers that the Retail Distribution Review (RDR) has made significant improvements to the investment advice market. Consumers now know how much they pay for financial advice, and what they are paying for. They can also be confident that their adviser is a professional, qualified to a minimum standard. In time, this should lead to increased competition and more take up of advice.

There is still a question mark over whether people can get the advice they need. The Government's April 2015 pension reforms will increase the demand for professional advice. Some advisers may be reluctant to serve those with relatively small pension pots; others will not want to advise on DB to DC transfers.

A lack of advice, or personal preference, means that a lot of consumers will buy products 'non-advised'. To ensure that consumers understand when a sale is 'non-advised', and the consequences for consumer protection, the Panel called for a code of conduct, enshrined in FCA rules, for firms that sell financial products on a non-advised basis.

The Panel also raised the issue that the 'independent' and 'restricted' labels for advisers do not benefit consumers, who simply find them confusing. MiFID II does not recognise this distinction, and we hope the introduction of the Directive is an opportunity to resolve this issue.

General insurance: Damages for late payment in insurance claims

The Panel was disappointed that a right to damages for unfairly delayed or refused payments for valid insurance claims was not included in the 2015 Insurance Act. Currently, in England and Wales, holders of indemnity insurance policies are not entitled to damages for an insurer's unreasonable failure to pay an insurance claim or for an unreasonable delay in the processing of the claim.

The Panel challenged the omission of an amendment to remedy this situation in its written evidence to the Special Public Bill Committee in the House of Lords in November 2014, arguing that statutory intervention is required.

We have also raised this issue with the industry, which appears largely supportive of the changes sought. The Panel will continue to push for an amendment to an appropriate future Bill to bring levels of protection for consumers of general insurance products in England & Wales in line with those enjoyed by those in Scotland and most of the rest of Europe.

Money Advice Service: Retirement Adviser Directory and MAS review

The Panel has a statutory role in helping the Money Advice Service shape its annual business plan, and takes a close interest in its work given the impact on consumers of its activities.

The Panel made a detailed submission to the Farnish review of the Money Advice Service (MAS). Given the continuing low levels of financial capability in the UK, we emphasised the fact that the work MAS was set up to do still needs to be done. Financial services markets can be complex; making them work better for consumers should be a balance between conduct regulation and increasing consumers' ability to use what is on offer and avoid the pitfalls.

The Farnish review recommendations should align MAS better with the need to inform and empower consumers. The Panel welcomed the recommendation for closer co-ordination between MAS, the FCA and the rest of the regulatory 'family', including the Panel itself.

Following the Panel's 2013 report on the UK annuities market, the Money Advice Service created a Retirement Adviser Directory in early 2015. In response to MAS's proposals, the Panel said that MAS should ensure that the information provided by their site, and by the individual firms of advisers, is objective, transparent and builds in the necessary quality controls.

Mortgages

The UK mortgage market is undergoing a great deal of change as a result of the Mortgage Market Review (MMR). The Panel broadly welcomed the proposals to implement the European Mortgage Credit Directive by building on existing regulations wherever possible. We were pleased that, as part of implementation, the Government said it would move second charge mortgage regulation into the first charge regime. However, we were concerned about the 'regulatory gap' until March 2016 when the directive will be implemented.

FCA data have shown a big post-MMR shift to intermediated mortgage sales, which generally means the consumer pays the provider one or more fees. As mortgage

interest rates have declined, the level of fees has increased, as has the type of 'non-product' services which attract a charge. It is often not clear to consumers what proportion of fees is paid back to the intermediary as commission. The Panel believes it would be more helpful to consumers if lenders included all fees in a total costs figure that was presented in the advertised costs, and ensured non-product fees reflected their actual costs.

The Panel responded to HM Treasury's consultation on the Financial Policy Committee's housing market tools. We were unconvinced by the decision to introduce debt to income ratios into creditworthiness assessments, which have exacerbated the problem of 'mortgage prisoners' (responsible, solvent borrowers denied access to mortgage finance) and have made it more difficult for existing mortgagors to extricate themselves from their current provider. There is also a real risk of creditworthy consumers opting for alternative, sometimes more expensive forms of credit if they are refused further advances or re-mortgages with an increase in principal, for example.

Retirement products: the pensions landscape after April 2015

The Panel repeatedly raised concerns about the possibility of unsuitable products entering the market when the pensions reforms came into force in April 2015. We think there are parallels with the liberalising 1986 Social Security Act, which triggered a mis-selling of inappropriate personal pension products that eventually lead to compensation in excess of £12 billion being paid out in the early 2000s.

Panel members raised these issues with MPs in the course of giving evidence to parliamentary committee hearings on the Pension Schemes Bill and Taxation of Pensions Bill.

The Panel also responded to the FCA consultation on the guidance guarantee. We welcomed the plans laid out for the new guidance service. While we were broadly supportive of the proposals we were concerned at the decision to let delivery partners interpret the principle based standards. This means the guidance has the potential to look very different depending on the delivery partner.

Small- and medium-sized enterprises

In many instances, the smallest SMEs are effectively retail consumers of financial services, for example using a personal current account for business purposes. The regulatory system treats SMEs as 'sophisticated' consumers, which generally means that fewer consumer protections apply (although this varies by product). The Panel believes that the current definition is unsatisfactory as it automatically classifies

smaller businesses as 'sophisticated' even when they act like retail consumers, and have similar low levels of financial capability.

The Panel also urged the European Supervisory Authorities to extend the scope of new guidelines on product oversight and governance in the insurance and retail banking sectors to include SMEs within the definition of a consumer.

Engagement with the UK Parliament

Members of the Panel gave evidence to four Committees and Parliamentary inquiries over the course of the year.

In September 2014, the Panel Chair gave evidence to the House of Commons' Treasury Select Committee (TSC) on the treatment of financial services consumers. The panel followed this up with a written submission setting out our position on issues such as banking standards, debt management and financial advice.

Both the Chair and Panel member Teresa Fritz appeared before parliamentary committees in October and November 2014 to discuss the pension reforms announced in the 2014 Budget. They warned of the danger of toxic products entering the market, and emphasised the need for a high-quality guidance service to ensure consumers approaching retirement age understood the choices they faced.

The House of Lords EU Sub-Committee heard from the Chair during an inquiry into the EU financial regulatory framework in November. A number of concerns raised by the Panel, in particular the lack of consumer representation in Brussels and the need for improvement to the EU's policy-making processes, were subsequently referred to in the inquiry's final report.

Engagement with the EU institutions

Given the significant impact that European legislation now has on the UK's legislative and regulatory framework for financial services, the Panel takes a close interest in policy development by the European Union. We submitted observations directly to the European institutions on key initiatives, including MiFID II, the new Insurance Distribution Directive and the Payment Accounts Directive, and also responded to various public consultations, for example, a detailed submission about the technical rules needed to implement MiFID II.

On investment costs, ESMA's advice to the European Commission was largely aligned with the Panel's position, including on the need to include transaction costs in the disclosure requirement for MiFID II. However, as UCITS funds will not be required

to report transaction costs to their intermediaries until at least 2019, this disclosure requirement may not work in practice. The Panel brought this to the Commission's attention, and we also told the European Commission of a loophole in the proposed limitations on firms' ability to use client's money to pay for investment research. We will continue to influence the implementation of the Directive over the course of 2015.

Following the European elections in May 2014, Panel members have visited Brussels on several occasions to meet with key stakeholders, including MEPs, officials of the European Commission and the UK Permanent Representation to the EU. Panel members are also represented on stakeholder groups within the European Supervisory Authorities (ESAs), which have become increasingly important in setting EU-wide regulatory standards.

In addition, the Panel continued to engage actively with consumer groups who are active at European level, notably BEUC, FinanceWatch and Better Finance.

Publications, meetings & events

Between 1 April 2014 and 31 March 2015, Panel members:

- Submitted **44 consultation responses** to bodies including the FCA, HM Treasury and the European Commission;
- Published **two discussion papers**, on investment costs and cross-subsidies in the market for personal current accounts;
- Issued **two position papers**, on the revision of the EU's Insurance Mediation Directive and the implementation of the second Markets in Financial Instruments Directive (MiFID 2);
- Met with **80 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 **29 seminars and other third-party events**;
- Hosted **two roundtables** to discuss investment costs and "consumers as co-regulators".

Where is

my money



The Panel's priorities for 2015-16

The Panel agreed on its work programme for 2015-16 in December 2014. We decided not to embark on any major projects, but to follow through on those we undertook in 2014. We also wanted to leave some flexibility to respond to the agendas of the new UK Government and European Commission.

Pensions liberalisation

The pension reforms are both an opportunity and a risk for consumers. The Panel will focus on developments in the market for retirement products, and on the quality and availability of guidance and regulated advice.

Consumers as co-regulators

The Panel will report on what kind of regulatory and other information might be of use to consumers; how this might be packaged; and who might publish the information.

Investment costs and governance

The FCA's 2015-2016 Business Plan included a commitment to launching a full market study into the asset management industry. This could open the way for regulatory measures to remedy many of the problems the Panel identified in its 2014-15 research, and we will continue to press for further FCA action, including a single charge. We will hold a follow-up roundtable in autumn 2015 to assess progress.

We will monitor the new Independent Governance Committees (IGCs) for occupational pension schemes, and consider what new research might be needed to test their effectiveness.

Banking

The Panel will look at bank culture, aiming to measure how successful cultural change has been from the consumer perspective. We will develop indicators of success, following an initial assessment of the culture change programmes in banks, and the measures of success they have identified.

The Panel will also continue to call for better treatment of consumers who have their bank account forcibly closed, and will respond to HM Treasury's consultation on implementing the Payment Accounts Directive.

Duty of care

In 2015/16, the Panel will continue to press the case for a general duty of care for financial services firms through the Financial Services & Markets Act 2000. We will build on our previous work in this area, and focus on an amendment to the Act that would require the FCA to make detailed rules about the duty of care for different types of providers.

Our proposals would spur on culture change within firms, assist the Financial Services Ombudsman in determining whether a customer's complaint is valid, and as a last resort give consumers the right to take their financial services provider to court for breach of the duty of care.

Small businesses

The Panel has concerns that the UK's smallest businesses, in particular micro-enterprises and sole traders, are not adequately protected as users of financial services. These businesses often effectively act like retail consumers, but are not covered by the full scope of consumer protection law because they are considered to be 'sophisticated' customers. The Panel will engage with the FCA, the Government and organisations that represent the interests of small businesses to work towards legislative change in this area.

EU initiatives

At EU level, the Panel will lobby for Capital Markets Union to enhance investor protection. We will also make an input to the review of the Prospectus Directive and possible changes to UCITS V, which could provide an opportunity for strengthened governance of collective funds.

We will also liaise pro-actively with the FCA, ESMA and the European Commission to ensure that the new "appropriateness test" for execution-only sales of complex products, as foreseen by MiFID II, works effectively.

The Panel will also continue to argue for better resourcing of the European Supervisory Authorities, to enable them to carry out their consumer protection

mandate effectively, and for more effective representation of the consumer view in EU policy making.

Other activities

In addition to the above, as part of its 'business as usual' approach the Panel will continue to argue for better transparency of charges, in particular due to the effect of cross-subsidies, monitor closely the implementation of the new Senior Manager's regime, and contribute to the discussion on the new consumer credit regime, as it continues to evolve and provide greater consumer protection.

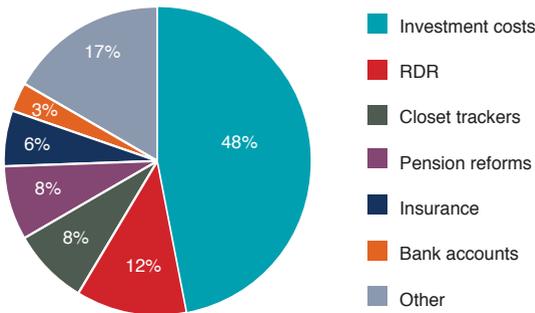


Coverage of the Panel in the media

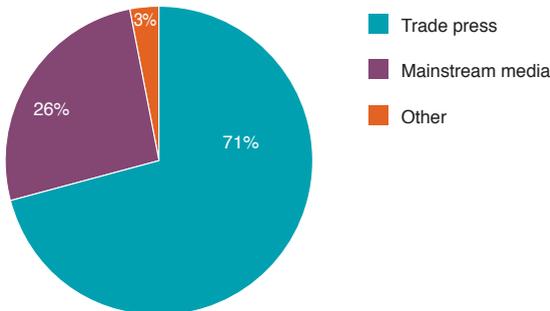
The work of the Panel in 2014-2015 was covered frequently in the media, reflecting its position as the only consumer group in the UK with a sole focus on financial services. Between August 2014 and March 2015, the Panel was mentioned in over 140 articles across the major daily and Sunday newspapers, as well as the trade press for the financial services sector.

Coverage over the past year was centred on the investment costs discussion paper, which was published in November 2014. The position of the Panel on the Chancellor’s pension reforms, which entered into force in April 2015, and on the impact of the FCA’s Retail Distribution Review also generated significant media interest.

Topics of Consumer Panel media coverage (August 2014 – March 2015)



Coverage of the Consumer Panel across different types of media (August 2014 – March 2015)



HELP



Consumer Panel Stakeholder Survey

In spring 2015, the Panel conducted its biannual survey of stakeholders, which included the FCA and wider regulatory family, external organisations, trade associations and consumer groups.

Results from the survey show that FCA staff and external stakeholders regard the Panel's work as relevant and topical. Its research is seen as rigorous, and there was broad acceptance among all groups of stakeholders that the Panel understands the needs and experiences of consumers.

Overall, the Panel's output was valued positively, with its independent research receiving particular praise for contributing to the consumer protection debate and adding to the available evidence base on the consumer experience of financial services. Among the specific examples of effective work delivered by the Panel were its discussion papers on investment costs and annuities, and its research into cross-subsidisation of personal current accounts.

However, some external respondents in particular recommended that the Panel concentrate its efforts on a more narrow selection of consumer issues in more detail. There was a perception among stakeholders that the Panel's current approach of focusing on a very broad range of consumer protection issues created a barrier to the development of more in-depth technical expertise within the Panel.

The Panel's role in scrutinising, advising and challenging the FCA is not always properly understood, even within the FCA, although respondents to the survey showed widespread acceptance that the Panel is impartial and operates independently from the regulator.

Appendix I:

Biographies of Panel members



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

Sue is a Board member and independent consultant. She is a consumer advocate member of the Chartered Insurance Institute's (CII) Professional Standards Board (PSB); an independent member of the Chartered Banker PSB; and also sits on the Fairbanking Mark assessment panel. Sue is a Trustee of Young Enterprise and of StepChange debt charity. As a consultant, Sue advises on consumers and financial services, with a focus on consumer protection regulation, financial inclusion and financial education. She is a regular speaker at international conferences. Sue is also a member of the Financial Services User Group, which advises the European Commission on the impact on consumers of policies and proposed legislation.

A career civil servant, Sue held a variety of senior policy roles in the Civil Service, most recently as Head of Savings and Investments at the Treasury, with responsibility for advising Ministers across a broad range of retail financial services issues. Sue also led the team supporting Don Cruickshank in his independent review of competition in UK banking markets, which reported in 2000.

Attendance at full Panel meetings: 11/11 eligible to attend

Attendance at working group meetings¹ – 12/19

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.



Liz Barclay

Liz is a broadcaster and writer specialising in consumer and small business issues and personal finance. She is also a communications trainer and coach and works with a variety of businesses in finance, health and public sector as well as charities. She is a non-executive director on the board of the Financial Services Compensation Scheme, a member of the Equity Release Council Standards Board and Chair of Camden Citizens Advice Bureau.

Liz is also a consultant to several small businesses, speaks and facilitates at a range of money advice, advice charity and small business conferences, and is a special adviser to the Customer Contact Association (the trade body for public and private organisations running call and online customer service centres) and to the WOW! Awards (customer service scheme).

Attendance at full Panel meetings: 10/11 eligible to attend

Attendance at Working Group meetings: 13/13



Caroline Barr

Caroline has worked in the financial services industry, in both retail and corporate sectors. She joined the Treasury in 2001 as a member of the secretariat to Ron Sandler's independent review into the medium and long term savings market. As a senior policy adviser, she implemented the Stakeholder Products range recommended by the Sandler Review, and worked closely with the Financial Services Authority on the development of the basic advice regime. In addition, she led the review on the stakeholder products price cap, and was the Treasury's lead official in the development of the 2004 Pensions Act, which resulted in the setting up of the Pensions Protection Fund and the Pensions Regulator.

As Deputy Director of the Science and Industry Team at the Treasury, Caroline was responsible for spending control at the Department for Trade and Industry (DTI), and for the Science Research budget in both the DTI and Department for Education and Schools. In this role, she led her team through the development of the Science White Paper 2006 and the Spending Review 2007. She co-chaired the UK Science Forum, and oversaw the independent review of health research funding by Sir David Cooksey.

Attendance at full Panel meetings: 11/11 eligible to attend

Attendance at Working Group meetings: 11/13



Mark Chidley
(Joined the Panel on 1st February 2015)

Mark is a solicitor, specialising in the law of banking and finance. After training with Slaughter and May in London he moved to Leeds and spent many years as a partner with the law firm which is now Addleshaw Goddard, becoming both a member of its board and head of its national banking and financial services practice.

From 2002 to 2005 he was the Director of Group Legal Services with the Royal Bank of Scotland Group in Edinburgh, where he was responsible for a large team of in-house lawyers dealing with RBS's business as usual banking activities globally. Since 2005 he has been a partner (and latterly a consultant) with DLA Piper.

Mark has a deep understanding of corporate and retail banking and a particular interest in access to finance in the SME sector. Since 2009, he has been a non-executive director of North East Access to Finance Limited, a company closely involved in access to finance issues for small and medium-sized businesses in the north east of England. His contributions on the Panel focus in particular on the issues facing SMEs as consumers of financial services products.

Attendance at full Panel meetings: 2/2 eligible to attend

Attendance at Working Group meetings: 2/2



Mike Dailly

Mike is Principal Solicitor and CEO of Govan Law Centre, Glasgow, one of the largest community-based charitable law centres in the UK. He is a member of the Boards of both the Money Advice Service and the Scottish Housing Regulator and is a member of Glasgow University's Law School Advisory Panel and the Child Poverty Action Group in Scotland's Advisory Panel.

Mike is also a member of the European Banking Authority's Banking Stakeholder Group, and chairs the UK Residential Cross-Sector Industry Group for the Royal Institution of Chartered Surveyors.

He has over 18 years post-qualified experience as a practising civil court solicitor in Scotland with experience in using the law to protect consumers' rights and tackle social disadvantage. Mike has European and international law experience, and has several academic publications to his credit. He also acted, from 2005-2008, as the solicitor to the UK unfair bank charges campaign. Mike is a former Member of the Secretary of State for Scotland's Poverty Advisory Group, and Legal Advisor to the UK Sustainable Home Ownership Partnership.

Attendance at full Panel meetings: 9/11 eligible to attend

Attendance at Working Group meetings: 15/18



Teresa Fritz

Teresa is an independent consumer finance consultant specialising in the promotion of financial information, guidance and advice to consumers. For the past year she has been working with the Money Advice Service helping to develop its retirement adviser directory. She is also a Non-Executive Director of the British Insurance Brokers' Association and a member of the Income Protection Task Force Executive Committee.

Previously Teresa was Head of Content and Proposition at MoneyVista.com (now Royal London's Money Manager) and before that worked for 15 years at the consumer organisation Which? as a Principal Researcher and latterly as Head of the Which? Money Helpline – a money guidance service offered to Which? members. In all she has over 35 years' experience in the financial services industry.

Attendance at full Panel meetings: 11/11 eligible to attend

Attendance at Working Group meetings: 18/18



Debbie Harrison
(Retired from the Panel 31st December 2014)

Dr Debbie Harrison is a Visiting Professor of the Pensions Institute at Cass Business School, where she is an academic, author and spokesperson, specialising in pensions (DB, DC, hybrids, private sector, public sector, state and overseas pension systems), investment, risk, longevity, mortality, morbidity, demography, regulation, policy, and behavioural economics in relation to individuals and markets. She specialises in behavioural economics and the impact on society of increasing longevity. Debbie publishes regularly in leading economics journals and speaks at UK and international pensions conferences.

She is a consultant to the pensions and consumer education units of the Organisation of Economic Cooperation and Development (OECD), where she is a co-author of global analytical pension systems reports that focus on policy/regulatory reform and on raising standards of consumer education. In addition she is a trustee of the Financial Inclusion Centre, a not-for-profit think tank dedicated to making financial services products accessible and appropriate for the lower paid.

Attendance at full Panel meetings: 8/9 eligible to attend

Attendance at Working Group meetings: 7/8



Bill Martin

Bill is an experienced macroeconomist and is currently a Senior Research Associate of the Centre for Business Research at the University of Cambridge. With an early career with the Government Economic Service, Bill was a special adviser in the Central Policy Review Staff between 1981 and 1983. Between 1983 and 1998, he held various senior roles, including that of Chief UK Economist at the investment-banking arm of the Swiss bank UBS (formerly Phillips & Drew). He was then appointed as Chief Economist of the fund management arm of UBS until 2004. In addition, he has been a Specialist Adviser to the House of Commons Treasury Committee and Visiting Professor of London Guildhall University.

Attendance at full Panel meetings: 11/11 eligible to attend

Attendance at Working Group meetings: 10/11



Jonathan May

Jonathan is a Member of the Competition Appeal Tribunal and a Special Advisor on consumer, competition and regulatory issues for Finsbury International Policy and Regulatory Advisors. He is also a member of OFGEM's enforcement decision panel. He was a board member of Consumer Futures until it was dissolved in March 2014.

Jonathan had a wide-ranging career in the civil service, primarily at the Treasury and the Office of Fair Trading, until 2010. Jonathan was closely involved in the development of competition and regulatory policy, first at the Treasury then the Department of Trade and Industry and, since 2001, the Office of Fair Trading. At the OFT he was responsible for market studies, looking at competition and consumer issues together, and for references to the Competition Commission and, from 2006 as Executive Director and member of the Board, for policy and delivery across most of OFT's consumer and competition interests. At the Treasury, his interests included public spending, privatisation, energy, utilities and competition and he led on the windfall tax on privatised utilities and the energy and utility reviews of the late 1990s. At the DTI he brought the Competition Act into effect and led on the Competition White Paper and regulatory issues.

Attendance at full Panel meetings: 3/3 eligible to attend

Attendance at Working Group meetings: 4/4



Pamela Meadows

Outside the Panel Pamela does research and consultancy related to the labour market (including pensions) and the economics of social policy. She is a Visiting Fellow at the National Institute of Economic and Social Research. She was previously director of the Policy Studies Institute, and before that spent nearly twenty years as a government economist in both the Home Office and the Department of Employment, where she was Chief Economist and Head of Economics, Research and Evaluation.

Attendance at full Panel meetings: 11/11 eligible to attend

Attendance at Working Group meetings: 11/11



Faith Reynolds

Faith Reynolds is a freelance consultant. Alongside the Panel, Faith is a member of the ESMA Financial Innovation Standing Committee Consultative Working Group. She is on the Friends Provident Foundation Advisory Group which funds work promoting resilient economies. And she is a member of the Strategic Risk Committee for the Chartered Institute of Legal Executives.

Previously she spent time at the Institute for Government undertaking research on Big Society earning her the Clore Social Leadership Fellowship. She established Toynbee Hall's financial inclusion services including Transact, the national forum for financial inclusion, developing a range of resources, funding initiatives and forums to build capacity across the voluntary and financial services sectors. Faith was a member of HM Treasury's Financial Inclusion Taskforce.

Attendance at full Panel meetings: 10/11 eligible to attend

Attendance at Working Group meetings: 14/14



Jeff Salway

Jeff Salway is a freelance journalist who for the past seven years has edited the personal finance sections for both The Scotsman and Scotland on Sunday and contributes regularly to a range of other publications. He was Personal Finance Editor for The Scotsman for nearly four years until early 2012 and has been named Headline Money's Regional Journalist of the Year five times.

Jeff previously worked at consumer finance magazine Moneywise and financial advice trade titles Financial Adviser and Money Management. He has also commented on financial issues for both TV and radio. Jeff, who is originally from South Wales and attended university in Cardiff, has been a journalist since 2003, having previously worked in data publishing at Thomson Financial (now Thomson Reuters).

Attendance at full Panel meetings: 10/11 eligible to attend

Attendance at Working Group meetings: 16/18



Doug Taylor

Doug is Leader of Enfield Council where he Chairs the Executive Cabinet. In addition he chairs the Enfield Strategic Partnership which brings together the statutory and non-statutory local partners to create integrated responses to local issues. He is a Governor of Capel Manor College, a Further Education College specialising in land-based courses such as horticulture. In addition he is a member of the London Sports Board which improves facilities for community sports within London, increasing participation in activity. Currently Doug is serving a second term as a member of the occupational pensions stakeholder group at the European Insurance and Occupational Pensions Authority, is a Governor of the Pensions Policy Institute, and is a member of the NEST member Panel.

Doug worked for Which? for a decade as a campaigner in the area of financial services, covering all aspects of consumer detriment and potential detriment. Prior to that he was Deputy CEO of the British Society for Rheumatology, and before that he was the National Director of the National Union of Students. This followed a time in market research for IFF Ltd.

Attendance at full Panel meetings: 11/11 eligible to attend

Attendance at Working Group meetings: 14/17



Kitty Ussher
(Joined the Panel on 1st February 2015)

Kitty is an economist and former Treasury minister, who brings twenty years of public policy experience gained from inside and outside government. She is currently Managing Director of the research consultancy Tooley Street Research as well as Chief Economic Adviser to Portland and a member of the CityUK's Independent Economists' Panel.

From 2005-10, Kitty was MP for Burnley and served variously as Economic Secretary to the Treasury (2007-8), Parliamentary Under Secretary of State at the Department for Work and Pensions (2008-9), PPS at the Department of Trade and Industry (2006-7) and a member of the Public Accounts Committee (2005-6). She was a local government councillor in Lambeth from 1998-02 and a Special Adviser at the DTI from 2001-04.

She also researched and written extensively for London-based think tanks including Demos, Centre for London, Centre for European Reform and the Smith Institute. In her early career she worked as a macroeconomic forecaster at the Economist Intelligence Unit.

Attendance at full Panel meetings: 2/2 eligible to attend

Attendance at Working Group meetings: 2/2



Claire Whyley

Claire is a professional researcher, policy analyst, and consumer champion. She is currently Director of Sliced Bread Consulting Ltd, a consumer policy and research company which undertakes specialist research and policy development in the fields of consumer vulnerability and disadvantage; consumer credit use and indebtedness; credit regulation and self-regulation; financial exclusion; and consumer behaviour and financial decision-making.

Claire was previously Head of Consumer Futures at the National Consumer Council until the end of 2008. Before that time she has held various policy and research roles at the Personal Finance Research Centre, National Consumer Council, Welsh Consumer Council and Policy Studies Institute.

Attendance at full Panel meetings: 9/11 eligible to attend

Attendance at Working Group meetings: 10/11

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 6 FTE staff, which was reduced to 5 FTE as of 1 February 2015.

Actual expenditure in 2014-2015 was £540,000.

	Budget April 2014– March 2015 (£000)	Actual April 2014– March 2015 (£000)	Actual April 2013– March 2014 (£000)								
Panel Members' fees¹ and expenses	348	338	327								
Professional fees²	120	93	107								
Sundries³	146	108	137								
Total	614	540	571								
<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 2014 to 31 March 2015 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 bodies

Between 1 April 2014 and 31 March 2015, members of the Financial Services Consumer Panel met with the following external bodies:

ACCA	European Commission
Age UK	European Insurance and Occupational Pensions Authority (EIOPA)
AIC	European Securities and Markets Authority (ESMA)
APPG on Credit Unions	Fairbanking
APPG on Wholesale Financial Markets	FCA
Association of Professional Financial Advisers (APFA)	Fidelity Worldwide Investment
Association of British Insurers	Finance & Leasing Association
Autonomous	Finance Reporting Council
Better Finance	Financial Services Compensation Scheme (FSCS)
BEUC	FSUG
Bloomberg	Gleneagles Advisory Board
British Bankers Association	Hargreaves Lansdown
Building Societies Association	HM Treasury
CASS Business School	HM Treasury Insurance Fraud Taskforce
Centre for Social and Financial Innovation (CSFI)	ICI Global Steering Committee
Chartered Financial Analyst Society	Information Complaints Commissioner
CII	Investment Association
Citizens Advice	IPPR
City UK	Jaitly LLP
Collaborate Research	Joseph Rowntree Foundation
Competition & Markets Authority	Keep Me Posted
Consumers International	Lansons
Council or Mortgage Lenders	Legal Services Consumer Panel
Darlington Building Society	Lending Standards Board
Department for Work and Pensions (DWP)	London School of Economics (LSE)
European Banking Authority (EBA)	

Money Advice Service	RICS
National Association of Pension Funds	Scottish Widows
National Audit Office	Social Market Foundation
New City Agenda	Stepchange
OECD	The Pensions Regulator
Ombudsman Service	TISA
OMO Review Group	Trading Standards Institute
Payments Council	True & Fair Campaign
Payments Systems Regulator Panel	UKRN
Personal Finance Society	UK Permanent Representation, Brussels
PFEG (now part of Young Enterprise)	Wealth Management Association
PICA	Which?
Reform UK	
Resolution Foundation	
Respublica	

Appendix 4:

Events in which Consumer Panel Members have participated

29 April 2014 – BBA: Are consumers at the Heart of UK Banking (Mike Dailly)

1 July 2014 – BBA: EFMA Conference on the Future of Retail Banking (Sue Lewis)

9 July 2014 – Council of Mortgage Lenders: Life after MMR (Pamela Meadows)

18 February 2015: CSFI roundtable on the Community Franchising Model of Banking Developed in Australia (Sue Lewis)

26 November 2014 – DC Decumulation products, design cost and distribution (Debbie Harrison)

20 September 2014 – East Midlands Credit Union (Sue Lewis)

4 September 2014 – Employment Forum Seminar (Teresa Fritz)

2 June 2014 – FCA General Insurance Conference (Sue Lewis)

9 March 2015 – Innovate Finance Regulation Roundtable (Sue Lewis)

10 June 2014 – Lansons: Future of Financial Services (Sue Lewis)

3 September 2014 – Treasury Select Committee Evidence Session (Sue Lewis)

18 September 2014 – FCA MiFID 2 Conference (Sue Lewis)

22 September 2014 – Demos roundtable on auto-enrolment (Teresa Fritz)

23 September 2014 – Respublica Banking Roundtable (Teresa Fritz)

25 September 2014 – Nat West Trustee & Depositary Fund Management (Debbie Harrison)

1 October 2014 – CSFI Roundtable on debt management (Liz Barclay)

10 October 2014 – Nottingham University Workshop: Over Indebtedness in the UK (Debbie Harrison)

14 October 2014 – PICA Presentation on retirement planning (Teresa Fritz)

21 October 2014 – Pension Schemes Public Bill Committee Evidence Session (Sue Lewis)

21 October 2014 – House of Lords Committee Session on the EU Regulatory Framework (Sue Lewis)

29 October 2014 – ABI Conference on FCA's Retail Investment Advice Consultation (Teresa Fritz)

11 November 2014 – Taxation of Pension Public Bill Committee Evidence Session (Teresa Fritz)

17 December 2014 – Future of Illegal Lending Seminar (Liz Barclay)

14 January 2015 – Pensions: Give Retirees What They Want (Liz Barclay)

20 January 2015 – HMT Insurance Fraud Task Force (Liz Barclay)

21 January 2015 – Financial Fragility
(Liz Barclay)

11 February 2015 – Resolution
Foundation Seminar on Pensions &
Savings (Liz Barclay)

20 February 2015 – Respublica
roundtable: consumer-focused
competition (Sue Lewis)

23 February 2015 – Friends Life
Pensions Roundtable (Liz Barclay)

24 February 2015 – HMT Insurance
Fraud Task Force (Liz Barclay)

3 March 2015 – HMT Insurance Fraud
Task Force (Liz Barclay)

26 March 2015 – Chartered Banker PSB
Board (Sue Lewis)

25 November 2014 – Financial
Inclusion Commission Evidence Session
(Claire Whyley)

23 February 2015 – Pensions Institute
Roundtable Independent Review of
Retirement Income (Teresa Fritz)

22 January 2015 – Future of UK
insurance sector growth and
competitiveness & regulation
(Caroline Barr)

10 February 2015 – House of Lords
Stakeholder session on Capital Markets
Union (Sue Lewis)

4 March 2015 – Roundtable on Access &
Vulnerability (Claire Whyley)

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.



Financial Services Consumer Panel

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