Financial Services Consumer Panel
AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Submitted online: consumercreditact@hmtreasury.gov.uk

Dear Sir / Madam,

Financial Services Consumer Panel response to HM Treasury consultation for Reform of the Consumer Credit Act.

The Financial Services Consumer Panel (the Panel) is an independent statutory body. We represent the interests of individual and small business consumers in the development of policy and regulation of financial services in the UK. Our focus is predominately on the work of the FCA, but we are responding to this consultation because the Consumer Credit Act is critical to the standards and protections afforded to consumers in a crucial sector of financial services and because the outcome of the Government's review will have significant implications for the FCA's future regulatory regime.

The Panel's answers to specific consultation questions are attached (we have not answered every question in your paper). This covering letter summarises our main themes.

Credit is crucial to consumers. It is viewed by many as inevitable, but also positive and empowering. By providing capital and liquidity it offers households and small businesses flexibility and control over their finances and is a powerful agent of economic growth. Equally, where credit products are poor quality, provider conduct sub-standard or credit use poorly informed, it is a driver of significant harm. The Panel's recent research shows the positive aspects of credit and the risks of harm even among people who are just starting to use credit. The Panel's recommendations based on the research inform and evidence some of the points we make in this response.

The Panel's overarching points on the Government's proposals are:

- The proposed guiding principles must start with maintaining consumer protection and raising standards. Simplification, proportionality and so forth are worthy aims but their pursuit must be subordinate to this primary goal.

- Simplifying and future-proofing the regime should start with a modern, encompassing definition of consumer credit based on the purpose of relevant products and services. The Panel proposes a very simple definition based on that used recently by the Finance and Leasing Association: consumer credit is "products that enable consumers to buy goods and services with the understanding that the borrower will pay later, or pay back later, usually with interest". This could enable some of the complex exemptions and exceptions that have evolved over decades to be removed and allow new innovations to be accommodated more smoothly and quickly than has been the case with Buy Now Pay Later. For example, the Panel questions the continuation of the s17 "small agreements" exemption.

- Another key simplification relates to small businesses. What's actually needed is a root and branch review of all legislative and regulatory protections pertaining to SMEs, so that their scope is consistent, clear, and aligned with the profile of modern business sizes and structures. Absent that, the opportunity should be taken here to align the application of the Act to small business lending with limits and thresholds used elsewhere in financial services.

- The Panel seeks assurance that the Review will focus on legislation as the foundation of consumer protection. Where Parliament decides, jurisdiction should move to the FCA, existing provisions should be retained in law until FCA has assessed options for implementation and reform according to its objectives and statutory processes and made suitable rules and policies. This Review should not seek to determine, constrain, or steer the eventual regulatory arrangements that apply to firms.

- The regulatory toolkit under FSMA ought to offer more proportionate, differentiated, and adaptable regulation than primary legislation. But, as the Government's consultation acknowledges, in re-casting CCA provisions in the ways proposed, it cannot always replicate consumer rights, remedies and sanctions that are written in statute. Even the consumer duty, which the Panel supports, raises challenges in this regard (not least the absence of a private right of action under FCA principles, which the Panel argued for but which the FCA did not adopt. The Panel's view is that the Government should avoid presumptions about moving legislative provisions into FCA's rules and adapting FCA powers to make that possible. Instead, the case-by-case question should be "how can legislation and regulation combine to deliver the right results, whilst maintaining consumer protection and raising standards?" The Panel's initial view is that in credit markets, where many consumers are particularly vulnerable and harms can be particularly severe, it is likely that certain protections should be secured in legislation and not left entirely to the regulatory judgement of what is an "appropriate" degree of protection.

- The Government should develop and publish a legal analysis on the issue of whether and how CCA rights, sanctions and protections can be replicated under FCA, FOS and attendant regulatory powers. The question of whether protections are equivalent is fundamental to the Government's overall objectives and guiding approach to CCA reform and must be answered with comprehensive rigour.

- This analysis should include, among other considerations:
    - The substantive position of consumers where a breach is found
    - The speed, certainty and completeness with which breaches result in consumers being restored to the position where there was no breach
    - Legal certainty and the reliability of precedent
    - Enforcement resource and appetite

The Panel is disappointed that the review does not cover redress, particularly where a company against whom consumers have a claim no longer exists. We strongly recommend it should. In other areas the FSMA regulatory model provides access to the FSCS, but not in credit. The Panel has heard an argument that in credit markets, information asymmetries and the movement of money favour consumers not firms. This argument is clearly invalidated by the widespread incidence and evidence of the misselling of payday loans, guarantor loans, doorstep loans, rent to own and other products. The lack of access to FSCS or a similar safety net damages consumers and undermines regulation. Firms' repeated recourse to schemes of arrangement constrains the FOS and can cap consumer redress to pence in the pound. It also impairs regulation

because the alternative to Schemes is often seen as insolvency, which leaves consumers with nothing. The recent Amigo case shows that FCA can feel unable to sanction a firm for poor conduct for fear that doing so would directly result in less redress to consumers. This is a hole in the FSMA model which must be closed. The Panel would like to see proposals to improve redress in the next stage of the review.

The Panel is pleased to note there has been "significant engagement with consumer groups and industry" and suggests that, in the interests of transparency, those with whom the Government engages (not just recipients to this consultation) be shown in publications relating to this important topic.

Helen Charlton

Chair of the Financial Services Consumer Panel

Question 1: Do you agree with these proposed principles, and do you have views about tensions between them or relative prioritisations?

There should be an overriding primary principle of maintaining protection for consumers and raising standards. Any other principles should be secondary to that.

The proportionality principle is concerning. FCA already has a regulatory principle of proportionality which it must have regard to. We think the Government should make proposals based on the objective of maintaining consumer protection, while considering how to deliver that in the most effective way. Parliament will then decide on both the objective and its delivery; FCA, where so empowered, will deliver an appropriate degree of protection within the framework set by Parliament. In making its judgement, Parliament will take account of other duties and discretion afforded to Government and FCA, e.g., the objectives and regulatory principles in FSMA 2000 and the provisions in the current FSM Bill relating to Governmental directions to regulators.

The deliverability principle should be amended to recognise its importance to consumers and those who represent them. Changes must be implemented in a logical sequence (on which further consultation is desirable) with certainty on the switchover from old to new regimes, the management of pipeline cases where changes are made to law and/or jurisdiction, and with an eye on the time and resources required for advisers and consumer advocates to update their information and practices.

There is a wider point here: Government has a responsibility to ensure that information about citizens' rights in relation to consumer credit is available, easily accessible to consumers, including those with different vulnerabilities and characteristics. The ease of doing so, suggests a further principle of "explainability" or "public understanding" that should guide the review.

Question 2: Noting the governments' Net-Zero targets, how can CCA reform remove barriers that may otherwise prevent lenders from being able to offer financing for renewable energy solutions, such as electric vehicles and green home improvements?

The proposed "forward-looking" principle is relevant here, but it goes wider than net zero. The boundary of CCA coverage and the FCA perimeter have proved insufficiently adaptable over time. (As seen, for example, with the delay bringing even the most harmful forms of Buy Now Pay Later into FCA's jurisdiction.)

The Government should explore a simpler overarching definition of consumer credit based on the core purpose and function of products and services. The Panel proposes a definition, based on that recently used by the FLA: consumer credit is ""products that enable consumers to buy goods and services with the understanding that the borrower will pay later, or pay back later, usually with interest"". This approach will make it harder to design products which are substitutes for regulated offerings, but which exist outside detailed technical definitions. Products designed for any particular purpose, even the achievement of net zero, should not be made special cases, not least because doing so would undermine the simplification principle. However, whether or not it can accommodate products made for social and environmental purposes, like net zero, on a par with other products posing equivalent risks, is a good test of any specific options of reform.

Question 3: Are there any existing definitions or concepts in the CCA which should be updated and clarified when moved to FCA rules?

Question 4: Are there concepts in the CCA which are not currently defined but which should be?

The Government should take this opportunity to re-base the consumer credit regime on a purposive, and future-proof definition as suggested above. The aim should be a single overarching definition of credit, used in any successor to the CCA and in any updating of FCA's perimeter through the Regulated Activities Order. Any sub-category definitions that are needed should be kept to a minimum.

The Panel is concerned that "clarification" does not lead to reduced consumer protections, or gaps in the regime. The Government should provide a legal opinion/attestation that intended clarifications deliver only their stated purpose.

Question 5: Do you believe the business lending scope of the CCA should be changed?

Yes. Regulatory protections for small and medium enterprises are too complex, inconsistent, and often hard for businesses to understand. This problem spans legislation and regulation within and beyond financial services. It needs to be addressed in the round as a matter of urgency and the Government should ask for advice from the UKRN and the Small Business Commissioner on how greater harmonisation can be achieved.

Meanwhile, every opportunity should be taken to simplify the conditions under which businesses qualify for financial regulatory protection. In general terms, small businesses with turnover less than £6.5 million a year are protected by FCA regulation and alignment of the CCA with this would be a good start. Further evidence and consultation will be needed on this, but in principle the Panel sees no need for additional criteria in terms of businesses' legal structure or for a loan size limit for businesses that meet the definition. Provision should be made to alter any new definition easily in future.

Question 6: Do you support the conclusion of the Retained Provisions Report that most Information Requirements could be replaced by FCA rules without adversely affecting the appropriate degree of consumer protection, and that it is desirable to do so? Are there any additional factors the government should consider given the context changes since the report's publication in 2019?

Question 7: In what circumstances is it important that the form, content, and timing of pre-contractual and post-contractual information provided to consumers is mandated and prescribed? What are the risks to providing lenders more flexibility in this area?

Question 8: The Consumer Understanding outcome in the Consumer Duty posits that consumers should be given the information they need, at the right time, and presented in a way they can understand it. Does the implementation of this section, and the Consumer Duty more broadly, go some way to substitute the need for prescription in CCA information requirements?

The Panel agrees that many of the information requirements in the CCA are outdated and some have been shown to have negative impacts on consumers[1]. We agree with the Government that the FCA regime is capable of delivering more differentiated and agile rules for the provision of information. We agree that the NCD will put a welcome focus

[1] E.g., "Stop the Debt Threats" Money and Mental Health Policy institute (2018-2020)

on communication that customers understand, and expect FCA to hold firms accountable for this, as well as for the support they offer customers around formal disclosures and notices. The examples in the CP illustrate the sorts of benefits that might follow and we were struck by the opportunity for improvement illustrated in the recent "*Mixed Messages*" work by StepChange and Amplified Global.

However, the information requirements in the CCA do not exist in isolation. Many are accompanied by statutory rights and protections and/or sanctions, which the Government acknowledges cannot be replicated in FCA rules. The Government should not make blanket presumptions in favour of moving information requirements to FCA rules, but instead apply our suggested principle of maintaining consumer protection and raising standards to the design of the future regime and consider ways that legislation and regulation can work together to deliver this.

Employing this approach and applying this principle, on a case-by-case basis, the Government should consider whether to:

- Retain the requirement for a communication, and its form and timing, in legislation
- Retain the requirement, the form and the timing in legislation and require FCA to stipulate additional explanatory materials or use regulatory tools at its disposal, to ensure consumer understanding.
- Retain the requirement but leave the form and timing for FCA to stipulate
- Amend the requirement, form, and timing of the communication in legislation
- Amend the requirement and leave the form and timing for FCA to stipulate
- Leave all aspects for FCA to determine

The Panel's initial view, subject to case-by-case evidence and legal analysis in later rounds of consultation, is that the first three approaches are most likely to deliver on our principle where failure to deliver a prescribed communication is accompanied by a right or a sanction under the Act, ensuring the continuation of existing protections at least cost to firms and least uncertainty for consumers and their representatives. The Panel does not believe this review should reduce the legal rights that consumers have in relation to consumer credit or weaken the incentives and deterrence of sanctions against firms for non-compliance.

Factors for Government to consider in each case include:

- FCA information requirements in other areas do not fully describe the agreement between firms and consumers. Typically, these are written in very detailed Ts & Cs which firms rely on, but consumers seldom read. The benefit of retaining self-policing sanctions relating to information provision is that they act like terms and conditions that consumers can rely on without needing detailed knowledge and understanding to exercise them.
- There is no right of private legal action against firms for the breach of FCA's principles. Breaches of most rules *are* subject to such a right, but to the extent that FCA and firms will rely on principle 12 to incentivise firms to comply with information requirements, the FCA handbook will provide less recourse for

consumers than legislative rights and sanctions, and less incentive on firms to comply.

- The degree of prescription required in relation to timing and content is likely to vary significantly in different circumstances. For example, a minimum degree of prescription is likely to be necessary to make sure the rights, protections and sanctions afforded to consumer credit consumers are actionable. And comparability of information between firms and products is more likely to be beneficial to consumers in pre-contractual information.

Question 9: Given the increasing using of smartphones and other mobile devices to take out credit products how can consumer information be delivered on devices in a way that sufficiently engages consumers whilst ensuring they receive all necessary information?

This question feels out of place in this consultation about the overall shape of a reformed consumer credit regime. In cases where jurisdiction over consumer information is passed to the FCA, this would be a matter for them to decide case-by-case. The Panel supports FCA's strategy of regulating in a technology-neutral way, and we recognise issues relating to digital consumer journeys pose challenges across financial services. The consumer duty helpfully places a new standard of care on firms to make sure that they do not exploit or manipulate people's innate biases and behaviours.

Where provisions are retained in legislation, there are FCA tools that could be adopted into, or referred to by, such legislation, notably the guidance on the treatment of vulnerable consumers.

Question 10: Are there any areas where, in your view, consumer protection legislation, rules and/or guidance, outside of the CCA, makes for appropriate levels of consumer protections and mirrors or replicates the effects of the provisions in the CCA?

Question 11: If other consumer protection legislation, rules and/or guidance, outside of the CCA, falls short of replicating the effect of the provisions in the CCA, where do these gaps exist and how significant are they?

A great deal of consumer legislation and regulation has come into force since the CCA. Some of this has resulted in amendments to the CCA. Examples include the Consumer Rights Act, the Enterprise Act, UK GDPR and Unfair Terms in Consumer Contracts Regulations. The Panel has not carried out a detailed exercise cross referencing these pieces of law against the CCA, but recommend the Government do this work before the next round of consultation.

The Government should develop and publish a legal gap analysis on this question and the issue of whether and how CCA rights, sanctions and protections can be replicated under FCA, FOS and attendant regulatory powers. The question of whether protections are equivalent is fundamental to the Government's overall objectives and guiding approach to CCA reform.

This exercise should enable the Government to attest, before proceeding with any changes, that its detailed proposals for change achieve the same as the CCA in terms of

- The substantive position of the consumer when a breach of law/regulation is found (i.e., the completeness with which rights and sanctions remedy the consumer's position)

- The degree of certainty of the consumer being restored to the position they would have been in without a breach

- The speed with which that position is achieved

  The deterrence effect on firms.

Question 12: The FCA's Consumer Duty mandates a consumer support outcome. How does the Consumer Duty interact with the rights and protections provided to consumers in the specific consumer credit regulatory regime, which currently consists of the CCA and FCA rules?

The consumer duty is a positive package which will raise the level of care firms must give their customers. One of its strengths is that the principle, overarching rules and four outcomes combine to create a better environment for consumers. So, consumers can expect *not only* to receive communications that they understand, but *also* products that are designed to deliver good outcomes *and* support which they can access when and how they need it, that will reinforce understanding and help resolve specific individual issues.

The support outcome should improve the way firms support their customers, including in understanding the documentation, protections, and rights that they have under the CCA. This improvement should be seen and felt as soon as the Duty comes into force this July, well ahead of, and irrespective of, any reforms to the Act. But this depends on a number of factors:

- Firms delivering the substance of the Duty on time (as per the reminder FCA issued in their recent review of firms' preparation plans[2])

- FCA's supervision and enforcement being robust and adequately resourced

On the whole the consumer duty is complementary to and reinforcing of the CCA's objectives. This fit can no doubt be improved through careful reform, especially around prescribed communications. The Government shouldn't regard the duty as a substitute or replication of the requirements of the Act. The aim should be a coherent and complementary toolkit of statutory and regulatory provisions to maintain protections and improve standards.

Question 13: If it is possible to amend the FCA's FSMA rule-making power to enable FCA rules to replicate the effect of rights and protections currently in the CCA, what is your view on the risks and benefits of doing this?

Risks include:

- Lack of legal certainty and reliable precedent for consumers and firms

- Lack of resource or appetite within the FCA to enforce rights given effect through new powers

[2] "We urge firms to carefully consider the substantive requirements of the Duty, as set out in our final rules and guidance. Firms should ensure that, when they are reviewing their products and services, communications and customer journeys, they identify and make the changes needed to meet the new standards." FCA webpage

- Uncertain interaction with other rights (e.g., FOS)

- 'Disenfranchisement' of consumers through loss of legal sanctions, remedies, redress, and compensation available through primary legislation

Benefits might include:

- Lower costs for consumers compared to Court-based processes

- More flexible operation and ability to update for novel types of contracts

- Potentially a lower burden of proof for demonstrating that firms have not met their obligations to consumers, and that remedial action and/or sanctions are required.

As will be clear from other answers in this response, the Panel's initial view is that the risks might outweigh the benefits and that detailed legal analysis is required, provision by provision, to understand the correct configuration of legislation and regulation to satisfy our principle of maintaining consumer protection and raising standards.

Question 14: Are there any rights and protections provisions which you feel should not be moved to FCA rules and should remain in legislation? Please provide an explanation of why you hold these views.

See our answer to questions 10 and 11. The Panel isn't able to say at this stage whether regulation can fully replicate what is currently in legislation. We look forward to a detailed, provision by provision review as part of the next phase of this work. This is particularly important where FCA's rule-making powers might be amended. We need analysis of specific amendments.

The Panel's initial view is that protections must be maintained, and standards raised. If the only or simplest way to guarantee that is to retain legislative provisions, that is what the Government should do.

Question 15: Given this, to what extent do time orders provide additional protections to these rules and guidance? What evidence are you aware of that the existence of this right changes firm behaviour and improves consumer outcomes?

Question 16: What is your view on the usefulness of the right to voluntary termination and its role in protecting consumers? Are there improvements that could be made to the functioning of this right?

No specific comment. The Government should gather this kind of evidence for each provision in the Act.

Question 17: To what extent do the FSMA and FOS regimes make the unfair relationship provisions unnecessary? If these provisions are to be kept in legislation, with other rights and protections moving to FCA rules, does this create more complexity and confusion for lenders and borrowers and what will the effect on innovation in the sector be?

The Panel's initial view, subject to legal analysis of specific alternatives, is that the scope of these provisions, and the incentives they create on lenders, could not be easily replicated through the FCA/FOS regime and they should be retained in legislation.

Question 18: Would you be supportive of HM Treasury exploring the option of amending FSMA rule-making powers in such a way to enable unenforceability to apply to breaches of FCA rules in a similar manner to how unenforceability applies under the CCA, noting there would not be a role for court action in this scenario?

The Panel is not against the Government exploring the extension of FCA powers to maintain unenforceability sanctions within the FSMA regime. The Panel's concerns, as in other areas, are:

- The continuity of rights and protections between the current regime and its replacement, including the careful treatment of cases in train at the point of "switch over"

- Whether in practice such powers would result in the same behaviour among firms as the current self-policing system

- Whether the FCA will ever have the resources to enforce a FSMA-based system.

Question 19: Do you agree that the government should consider the proportionality of sanctions and ensure that they are relative to the consumer harm caused/potentially caused?

It is hard to argue against reviewing any long-standing legislative provision. The Panel accepts that the consequences of breaching certain CCA requirements may be regarded as severe, but this should be viewed against their purpose: providing specific and often strict rights and remedies for consumers, civil and criminal sanctions, and strong incentives to compliance. The Panel is cautious about changing from statutory provisions and protections to regulatory principles based on the avoidance of or compensation for harm. This is unlikely to be consistent with our principle of maintaining protection and raising standards.

For example, the Government should ensure that it includes in any review:

- The use made by debt advisers and other consumer advocates of the existing provisions in dealing with lenders on behalf of consumers

- The deterrent effect of the existing sanctions, preventing harm

- The impact the sanctions have in ensuring firms rapidly correct occasional mistakes

- The general advantage of information and resources enjoyed by providers over consumers in financial services which means that models other than the current self-policing arrangements might be less effective in practice

- The vulnerability of consumer credit consumers, especially those using complex and higher cost products

Question 20: What types of breaches of CCA rules do you think that sanctions should attach themselves to and why? For example, should the disentitlement sanction be limited to the small sub-set of cases giving rise to unenforceability, where there is the greatest risk of harm?

The Government should look at each protection individually and assess alternative approaches against the principle of maintaining consumer protection and raising standards.

Question 21: How valuable are the CCA provisions that give rise to a criminal offence?

See our answers to previous questions.

Criminal offences are a legitimate tool in the protection of consumers, and careful assessment should be undertaken before any changes are proposed, including on the issue of deterrence.

Question 22: Are there are any provisions that are outdated because the practices they pertain to are not used anymore, or would removing some CCA provisions lead to the return of these practices?

If an objective of the review is a system that is future-proof and adaptable to innovation and change, then the Government should be cautious about removing elements because certain practices have fallen out of use. The objective should be a system which allows a wide range of sanctions to be available in a wide range of circumstances.

Question 23: What is your view on the merits in increasing the standards of conduct for consumer hire agreements to make them comparable to those for consumer credit?

Activities with equivalent attendant consumer risks should be governed by equivalent protections.

Question 24: Should the section 17 provisions which enable exemptions from specific elements of the CCA and CONC continue to exist? What would be the impact of these provisions not applying?

The BNPL experience suggests the section 17 provisions are outdated and likely to be targeted by those intent on arbitraging the regulatory regime with new business models. The Panel's preliminary view therefore is that there should be no "small agreements" exemption in the revised regime.

The CCA review is an opportunity to rationalise the overall principles of consumer credit law and regulation. Ideally there should be a single set of thresholds and a minimum of exemptions and special cases. This can best be achieved by a carefully drafted purposive definition of consumer credit that would automatically capture novel products and business models under a clear set of principles and rules.

Question 25: How can this reform ensure that firms provide information to consumers which is accessible for a wide range of financial literacy and numeracy levels?

The Panel agrees that there is an important opportunity to improve provisions in the CCA that perpetuate complex language and numerical concepts. There is ample evidence that key CCA concepts (including APRs) are obscure and confusing. In general, the new consumer duty is an important addition to the toolkit for ensuring not only that information is understood, but that products are designed to ensure good outcomes for consumers and that consumers are well-supported.

The Panel expects firms to apply the principles of inclusive design to future product and communications work and abide by the FCA's guidance on how vulnerable customers should be treated. Low capability is a specific driver of vulnerability discussed in the guidance.

As noted under Questions 11 and 12, the existence of the duty is not grounds to remove provisions from legislation. The duty would bite regardless of this review and the challenge is to design a system of legislation and regulation that works positively for consumers.

It is important that such improvements are evidence-led and that the Government, FCA and industry avoid making assumptions about what is understood, what is important and how it can be improved. Research and careful analysis involving a wide range of consumers is key to success.

Question 26: In what ways should this reform ensure that consumers' mental health and wellbeing is supported throughout the consumer credit product lifecycle?

The Panel has supported a statutory duty on the FCA to "have regard to" financial inclusion, which would bring a clear and directive focus to the way it polices how products and services are designed and work for all consumers. Legislation to reform the CCA could be another opportunity to include such a duty or objective for the FCA, but the Panel is clear that it should not be limited to consumer credit.

We also support FCA's various interventions to help vulnerable consumers, and the introduction of the consumer duty, which should raise standards.

The Panel also supports changes made to some CCA communications in response to the Money and Mental Health Policy Institute's campaign to "stop the debt threats" and would welcome a specific workstream in this review looking at inclusive product design, better communications and the experience of vulnerable consumers in using credit.

The Panel believes that improvements can be made and that there is no need to move information requirements or other regulatory tools out of legislation to make them happen. Legislation can include, or refer to, existing and evolving regulatory tools to enshrine standards and expectations for firm conduct and consumer experiences.

Question 27: What are the key considerations that the government need to take into account when reforming the CCA to ensure that Sharia compliant loans can be expressly accommodated? Which areas of the CCA are not currently compatible with Islamic Finance, and how could they be amended to accommodate Sharia compliant loans?

Question 28: If interest rates are prohibited for Islamic Finance products, how does the government ensure that Islamic finance and non-Islamic finance products can be easily compared, given that APR values are used for comparative purposes?

The Panel supports a framework that allows Sharia-compliant products and services to exist, and which appropriately protects their users. However, the creation of specific regimes is prone to complexity, exploitation, and unintended consequences. In the late 2000s a special exemption was created in pensions and life assurance taxation to accommodate the beliefs of the Plymouth Brethren. The exemption was rapidly targeted by providers of mass market products and had to be withdrawn.

The Panel notes in passing that designing an inclusive and coherent regime that accommodates Sharia-compliant products is a further driver to re-examining problematic concepts like APRs which are currently prescribed.

Question 29: Are you aware of any implications of our policy approach on people with protected characteristics?

Question 30: Do you have any views on how the government can mitigate any disproportionate impacts on protected characteristics

The Panel looks forward to assessing the detailed proposals for their impact on people with protected characteristics.