

Consumer Finance Data Team
Financial Conduct Authority
12 Endeavour Square
London E20 1JN



By email

24 October 2024

Dear Sir/Madam,

CP24/19: Consumer Credit Regulatory Returns

The Panel supports the proposals to revise the regulatory reporting return for consumer credit firms, recognising that the data collected has been fundamentally the same since introduced in 2014 and there is need to update and tailor the approach, both to make it easier for firms, and to help the FCA better understand the activities of businesses in this sector. Within this context we have highlighted some areas where further consideration may be helpful, with a focus on credit broking.

Firstly, we welcome the proposed 'branching logic' for questions, and it is helpful that firms have been given the opportunity to access and test a prototype model for this approach. We also support the proposals for reporting frequency and see benefits to moving to a calendar year basis – this will help lenders and master brokers to promote awareness and create data reporting that will help credit brokers to complete the return.

Our broad feedback is that it will be important that the FCA takes a proportionate view on the level of data requested relative to the size of firm, as well as risk of harm, recognising that lots of consumer credit firms are very small and as such their data sets quite limited, their resources constrained, and data could sit across disparate systems or not be captured at all. Many firms may not store or be able to easily report data in the way proposed. As one example, settlement data in Motor Finance may not be currently captured in systems in a way that enables easy reporting to meet the current request.

On specifics, we would question how relevant some of the marketing questions are given the primary activity of many consumer credit firms is not always credit brokering. It may be difficult for lots of firms to separate spend on credit activity versus their primary activity; for example, motor retailers who pay Autotrader a set fee per month to advertise cars, where these adverts may or may not include a monthly repayment option in the advert.

Finally, during implementation of the new reporting requirements due consideration should be given to whether all firms will hold all of the data for the 2024-25 financial year noting that the final policy statement confirming details of what data will be requested will not become available until part way through this period.

We would be happy to discuss any of these points further.

Yours faithfully,

[signed]

Andy Mielczarek
Chair, FCA Smaller Business Practitioner Panel