

Charlotte Matthews and Ruby Adesuyi
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN



3 April 2020

Dear Charlotte and Ruby,

CONSULTATIONS ON TEMPORARY FINANCIAL RELIEF FOR CUSTOMERS IMPACTED BY CORONAVIRUS

The Smaller Business Practitioner Panel has some general observations about the proposals published on 2nd April to provide temporary financial relief for customers impacted by coronavirus. We understand that the FCA is acting at pace to deal with the crisis and we welcome swift action to deal with the actual and potential harms you are identifying.

Our comments relate mostly to what is and is not covered in the proposals, and a request for clarity when the final rules are in place. For example:

- In the credit union sector, there was some confusion when the proposals were published as to whether they are or are not in scope. We believe they are not, but it would be helpful to have clarification;
- Whether the FCA intends to impose fixed term repayment holidays or suspension of interest rules on home collected credit firms or firms operating fixed term, fixed cost products. For such business models, when customers miss payments there is no extra interest charged or any fees or penalties applied;
- It would also be helpful if the FCA could signal whether the motor finance industry will in due course be considered for similar measures.

Chris Woolard is due to attend a Panel teleconference on the morning of Monday 6th April to discuss coronavirus issues and members will be able to use this opportunity to feed back their views to him directly. Please contact the Panel Secretariat if you would like to discuss further.

Yours sincerely,

[Signed]

Marlene Shiels
Chair, FCA Smaller Business Practitioner Panel