

Log of live Wider Implications issues as at November 2023

1. British Steel Pension Scheme (BSPS)				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
Ensuring that consumers who were given unsuitable advice to transfer out of the British Steel Pension Scheme (BSPS) and suffered harm get redress	<ul style="list-style-type: none"> • In-person and virtual events with steelworkers and MPs in Scunthorpe and in South Wales; • Publication of case studies and information for BSPS members; • Targeted communications to encourage complaints; • Intelligence and information sharing between members. • Consumer redress scheme implemented at the end of February 2023 	<ul style="list-style-type: none"> • Support the outcomes targeted by the FCA's proposed consumer redress scheme as set out in CP 22/6; • Ensure that steelworkers who received unsuitable advice receive consistent outcomes regardless of who their case is dealt with (firms, Financial Ombudsman Service or FSCS); • Ensure communications to stakeholders are effective and joined up • Share insight and intelligence to help prevent future harm in the pension transfer market; and • Co-ordinate on the joint actions arising from the Public Accounts Committee Report on BSPS published on 21 July 2022. 	Consumer redress scheme under section 404 of the Financial Services and Markets Act 2000 implemented in February 2023. Most consumers expected to receive redress by Q1 2024.	FCA, Financial Ombudsman Service, FSCS, TPR, MaPS.

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2. Mortgage Standard Variable Rates (SVRs)				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
Allegations of unfair variations in Standard Variable Rates (SVRs) on residential mortgages.	<ul style="list-style-type: none"> Working level meetings. FOS has started to issue decisions 	<ul style="list-style-type: none"> Ensure that redress is paid where appropriate; Ensure any prudential and legal implications are appropriately considered. 	Ongoing.	FCA, Financial Ombudsman Service.

Log of live Wider Implications issues as at November 2023

3. Self-Invested Personal Pensions (SIPPs)				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Significant delays to consumers receiving redress due to firms failing to promptly settle complaints or being unable to meet redress liabilities and claims falling to the FSCS. SIPP-related FSCS compensation has been a significant factor in increasing levies in recent years (~54% of all FSCS compensation since January 2019).</p>	<ul style="list-style-type: none"> Working level fortnightly meetings. Since cooperation has begun, there has been a decrease in complaint volumes from around 7,000 to 1,500. Continued dialogue over remaining cases to ensure orderly conclusion. Implementation of learnings from FOS decisions to ongoing supervision work to help prevent consumer harm. 	<ul style="list-style-type: none"> Share insight and intelligence to help prevent future harm in the SIPPs sector, particularly in light of the economic climate and continued levels of fraud and scams seen across the UK. Effective and efficient cooperation and coordination to ensure consumers receive appropriate redress as quickly as possible Reduction in FOS complaints (to be in the low hundreds). Continuation of working relationship until cases of the largest stock numbers (cases at FOS) is down to smaller numbers. For reference, the top six largest firms make up the majority of outstanding cases. 	<p>Ongoing.</p>	<p>FCA, Financial Ombudsman Service, FSCS.</p>

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4. Consumer Duty ¹				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Through the introduction of the Consumer Duty (CD) the FCA is setting higher expectations for the standard of care that firms give consumers. Some stakeholders are concerned that outcomes-based regulation may lead to inconsistent interpretation of the CD by FCA & Financial Ombudsman Service.</p>	<ul style="list-style-type: none"> Regular working and senior level meetings to keep each other abreast of our comms plans and publications, for example FCA portfolio letters to sectors and findings from reviews. Pre-implementation of the Duty: FCA delivered training to FOS colleagues Regularly appear together at external speaking engagements with a focus on how the Duty will not be applied retrospectively. Following implementation of the Duty on 31 July 2023 for new and existing products: As FOS start to receive cases, we're working together to ensure timely discussions take place at a sector level between FCA and FOS about key issues to support consistency in understanding and interpretation. We continue to look for opportunities for joint external events, for example roundtables with industry, with a focus on how we continue to be aligned with how the Duty applies. 	<ul style="list-style-type: none"> Ensure a consistent and complementary approach to the application of the CD whilst respecting the different independent statutory roles of the members. 	<ul style="list-style-type: none"> FCA published a policy statement summarising responses to its consultations and making new rules and guidance on 27 July 2022. The CD will be subject to a phased implementation period. The duty will apply to new and existing products and services open to sale or renewal from 31 July 2023. The duty will apply to closed products and services from 31 July 2024 	<p>FCA, Financial Ombudsman Service</p>

¹ This issue was originally logged as 'New Consumer Duty' and was revised on 10 March 2023

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5. Authorised Push Payment (APP) Fraud and Scams				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Complaints about authorised push payment (APP) fraud and scams have increased significantly. For example, the Financial Ombudsman Service has seen a 60% increase in fraud and scams complaints in 2020/21 and is upholding 75% of APP fraud and scams complaints.</p>	<ul style="list-style-type: none"> The Financial Ombudsman Service's outcome codes initiative, which started in November 2021 has resulted in redress being awarded to consumers who had complaints about APP fraud and scams; The Payment Systems Regulator (PSR) also launched a consultation late last year proposing to require banks to publish relevant data, to share intelligence to improve prevention and for there to be mandatory reimbursement of scams for those who have done nothing wrong. The Government plans on legislating for mandatory reimbursement for APP fraud through the Financial Services and Markets Bill. 	<ul style="list-style-type: none"> Share insight and information to prevent complaints from arising in the first place, including ensuring that businesses are adhering to the Contingent Reimbursement Model (CRM) Code where it applies and that there are not gaps in the regulatory landscape for fraud and scams victims and firms; Ensure consumers are provided with enough protection and information in order to avoid scams. 	Ongoing.	FCA, Financial Ombudsman Service, MaPS, PSR

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6. Undisclosed commission ²				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
Issues relating to undisclosed commissions, particularly in the motor finance sector.	<ul style="list-style-type: none"> Working level meetings. CEO level meeting between FCA and Financial Ombudsman Service Trilateral meeting with FCA, Financial Ombudsman Service and the Finance and Leasing Association (FLA) 	<ul style="list-style-type: none"> Ensure a consistent and complementary approach to the interpretation of rules, guidance, legislation and relevant law related to commission complaints with respect to the different roles of the framework's members. 	Ongoing.	FCA, Financial Ombudsman Service

² This issue was originally logged as 'Wood and Pengelly' (Wood v Commercial First Business Ltd & ors and Business Mortgage Finance 4 plc v Pengelly [2021] EWCA Civ 471) and was revised appropriately on 10 March 2023.

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7. Cost of Living				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Current economic conditions may lead to a growing number of consumers experiencing financial difficulties and resulting harms, including a potential increase in financially vulnerable customers. Consumer communications have a role to play – identifying audiences that would most benefit from support and signposting them to seek help.</p>	<ul style="list-style-type: none"> • Working level meetings • CEO and Chair level joint meetings • Joint communications work 	<ul style="list-style-type: none"> • Work with each other and charities where compatible with the WIF members' independent statutory roles and functions to ensure the help that is available from e.g. MoneyHelper, charities, / lenders, debt advisers is well signposted. • Share data and insight between members to shape and strengthen strategic responses to cost of living pressures. 	Ongoing.	FCA, Financial Ombudsman Service, TPR, MaPS, FSCS