

Our Mission: Our Future Approach to Consumers – video transcript

Andrew Bailey, Chief Executive, Financial Conduct Authority:

“Our Future Approach to Consumers is very important because it’s one of a number of publications that we’re going to do which is the next stage of the work on the FCA’s Mission.

“The Mission really set out, at quite a high level, how we interpreted the objectives that the FCA has. This now takes it quite a big step further in terms of putting a lot more substance into the ‘how we think about our work in respect to protecting consumers in financial services’.”

What is our aim with this publication?

AB: “We’re really trying to achieve a fuller definition about how we go about interpreting the consumer objective and our responsibilities. I think about those in a number of ways.

“There’s obviously an objective in terms of the protection of consumers against what we tend to call harm. It can take a number of forms.

“There’s also an equally important objective about the inclusion of consumers – to allow consumers to be included in the sense of have access to financial services. That fits with another of the FCA’s objectives which is competition. Having open competition.”

How does the publication address consumer vulnerability?

AB: “All consumers are different. We have an objective at the FCA which is framed in terms of consumer protection. Also in our overall structure there’s a duty and an objective of consumers to act on their own behalf. We have to balance those two.

“That’s in way where we get to the issue of vulnerability. We do recognise that some consumers are more vulnerable than others. We also recognise that a definition of vulnerability: a) isn’t easy, b) it changes – people’s position changes over time with events that happen around them.

“Vulnerability isn’t a single dimension. It’s not about one thing. It’s about a number of major characteristics of all our lives. So, it’s important in terms of how we put that into practice and how we expect financial services providers to have regard to vulnerability, to have regard to the condition of consumers.”

How will we deliver this approach?

AB: "This will drive our supervision work. It will drive our whole approach towards thinking about competition where we make policy interventions. It will also drive our broader understanding of the issues that we should be looking at so when we scan the horizon."

Does this approach require collaboration with other parties?

AB: "I recognise that public policy is a complex and challenging area. There are many areas where our public policy objectives and responsibilities come up to and come into contact with other public policy objectives held by other bodies, be it government or other bodies.

"It's important that we not only define those boundaries but also make it clear how we work with other bodies when it's appropriate to do so. It will be appropriate because there are times when the only way that we can solve this problem that we're trying to solve is by working with somebody else that's got another piece of the problem."

What are the next steps for this work?

AB: "It's still very much at this stage a consultation document. We want a lot of feedback. We're open to everybody's views on this because there will be many views on it because it's a very broad subject. We welcome those.

"It's going to be a 13 week consultation period. We'll have various opportunities. We've planned various opportunities for further engagement during that period.

"I would encourage everybody who is interested in this subject to please give us your views."