

# **FS20/3: Temporary financial relief for consumers impacted by coronavirus: feedback on draft guidance and rules**

9 April 2020

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# 1 Summary

- 1.1 This document summarises the feedback we received to our proposals issued on 2 April and our subsequent response. We proposed a range of measures to provide consumers with temporary support in the light of the current exceptional circumstances arising out of coronavirus (COVID-19). We published draft rules and guidance affecting firms providing products across the consumer credit sector.
- 1.2 We wanted to act quickly to protect consumers in these difficult times and, therefore, did not formally consult on the proposals or produce a cost benefit analysis. We consider that the delay in doing so would be prejudicial to the interests of consumers. However, we invited comments on our proposals which we have taken into account in finalising the rules and guidance, as set out below.
- 1.3 These rules and guidance support our consumer protection objective and are designed to protect consumers by providing them with temporary support in the light of the current exceptional circumstances arising out of coronavirus. We do not consider that they will adversely affect consumers with protected characteristics under the Equality Act 2010.
- 1.4 We are now publishing our finalised rules and guidance, subject to a small number of changes. These clarify the scope of application of the guidance in a number of areas, including in relation to product types and the circumstances of the customer. This document also provides clarifications on other key points raised.
- 1.5 The rules and guidance affect a range of firms including providers of:
  - Credit cards and retail revolving credit (including store cards and catalogue credit)
  - Overdrafts
  - Personal loans
  - Guarantor loans
  - Logbook loans
  - Home-collected credit
  - Community Development Finance
- 1.6 The guidance comes into effect on 14 April. However, we welcome firms adopting this guidance in advance of that date. To assist firms, relevant rule changes come into effect on 9 April.
- 1.7 We received 142 responses from firms, trade bodies, consumer groups and individuals.
- 1.8 The majority of these responses expressed strong support for the proposals. Many respondents acknowledged that some firms have already offered consumers various options to defer or reduce payments in the light of the coronavirus situation, and recognised the benefit of adopting a more consistent approach across sectors. Respondents were also concerned with whether, and how, the guidance would apply to various credit products not explicitly mentioned.
- 1.9 This document sets out the key issues raised and our response.

## Next steps

- 1.10 We will keep these rules and guidance under review in light of the evolving coronavirus situation and bring forward further measures if necessary.

## 2 Key issues raised and our response

### Scope

#### Issues raised

- 2.1 Respondents questioned the extent to which various credit products which were not explicitly mentioned would be subject to the guidance. Specific products referred to included premium finance, guarantor loans, logbook loans, home-collected credit, pawnbroking and consumer loans facilitated through a peer-to-peer (P2P) platform. Respondents also queried whether credit unions and social lenders, including community development finance institutions (CDFIs), would be subject to the proposals. Many responses from firms and trade bodies argued that these products should not be included within the scope of the proposals given their unusual or unique features.

#### Our response

- 2.2 We set out in the draft guidance that our proposals do not apply to high-cost short-term credit, buy-now pay-later or hire purchase (including motor finance) products. We are considering what further measures are needed in relation to these products and expect to bring forward measures shortly.
- 2.3 This guidance also does not apply to premium finance, pawnbroking, and consumer loans facilitated through a P2P platform. We recognise that applying payment deferrals to these products raises distinct and complex issues. While we do not intend to bring forward specific proposals for P2P loans, we would expect firms in this sector to offer appropriate forbearance at an early stage where the customer indicates they are experiencing payment difficulties as a result of coronavirus. In relation to pawnbroking and premium finance, we will consider what, if any, further measures to bring forward.
- 2.4 Guarantor loans, logbook loans and home-collected credit are subject to this guidance given the significant impact that payments made under these agreements can have on consumers' financial circumstances. We think it is important that these consumers are afforded the opportunity to obtain payment deferrals alongside those of mainstream credit products given the potentially significant implications for their financial circumstances.
- 2.5 The guidance also applies to credit unions and CDFIs but only in relation to lending activities which are not exempt. These firms often have vulnerable consumers who we consider should also be afforded the opportunity to obtain a payment deferral in relation to regulated credit agreements.

### General issues

#### Issues raised

- 2.6 Responses from consumer groups raised concerns about the potential for interest to accrue during any payment deferral period and that this could cause consumers to become over-indebted. They questioned whether it is appropriate for interest to be

accrued by firms in this way and argued that there could be significant individual and macro-economic consequences.

- 2.7 Firms and consumer groups suggested there should be more clarity around the circumstances determining eligibility for a payment deferral, including how this interacts with existing requirements to offer appropriate forbearance. Some firms also suggested that the guidance should more clearly set out that payment deferrals will only be made available to those experiencing temporary payment difficulties, and that the measures should be explicitly time-limited.
- 2.8 Both firms and consumer groups questioned the basis on which accrued interest and charges should be waived at the end of a deferral period, and over what period accrued interest and charges should relate to. Firms and trade bodies also queried the extent to which 'frontloaded' interest and charges should be included in any amounts to be waived and whether those customers already subject to a forbearance measure should also have interest and charges waived. These groups also raised concerns around the prudential implications for non-bank lenders of large-scale forbearance measures involving the deferral or waiving of interest and charges.
- 2.9 Firms and trade bodies raised concerns around the ability of firms to offer payment deferrals while remaining compliant with Consumer Credit Act 1974 (CCA) requirements, particularly in relation to the issuance of notices-of-sums-in-arrears (NOSIAs) and the provisions affecting credit agreement variations and modifications. They also raised additional concerns about how the Financial Ombudsman Service (FOS) may interpret decisions that firms make as a result of the guidance, in the future.
- 2.10 Many respondents raised issues surrounding the potential impact on individual credit files of payment deferrals and other related forbearance measures. These included the potential impact of such measures on credit scores and future risk-based decision-making, the impact on credit files of other coronavirus related forbearance measures, and the need for a consistent and co-ordinated 'exit strategy' from current exceptional reporting processes. Respondents generally recognised the need to preserve the integrity of the wider credit information reporting landscape.
- 2.11 Many respondents questioned how the measures would be implemented, and over what period consumers would be able to request payment deferrals and interest-free overdraft periods.
- 2.12 Some respondents highlighted the short period for comment and noted that this provided insufficient time to fully consider the proposals. Many trade bodies and some firms argued that implementing the proposals would require significant resource and that in some instances it would be necessary to institute manual workaround processes in order to override key systems. They suggested that it would be preferable to provide for a longer implementation period.

### **Our response**

- 2.13 We recognise that payment deferrals may not be in the interests of all consumers, and that there may be an increased risk of over-indebtedness where interest continues to accrue during a payment deferral period. However, our primary goal is to provide consumers experiencing temporary payment difficulties resulting from coronavirus with immediate relief from payments to help manage their wider financial situation during these difficult circumstances.

- 2.14 We recognise that this may result in increased costs for consumers over the longer term, but that, on balance, this may be a useful option for many who are encountering temporary difficulties with finances as a result of the current crisis. Where consumers cannot afford to resume payments at the end of the payment deferral period, or subsequently experience financial difficulties for other reasons, then we would expect firms to provide appropriate forbearance. This should mitigate against the likelihood of consumers becoming over-indebted. Such forbearance should include the waiver of interest and charges accrued during any payment deferral period.
- 2.15 Payment deferrals are intended for those who might otherwise have been in good financial standing but have suffered a temporary income shock as a result of coronavirus. As such, they are unlikely to be appropriate for customers unable to rectify their financial position at the end of the three-month period.
- 2.16 To help address this, our final guidance clarifies that firms should not grant a three-month payment deferral where it is obviously not in the customer's interests to do so. To ensure customers are offered quick support, firms can consider whether the offering of a payment deferral period is in customers' best interests at a book/cohort level, rather than having individual conversations with customers about their circumstances. Where a three-month payment deferral is clearly not in customers' interests, firms should without unreasonable delay offer other ways to help those customers, for example by offering shorter payment deferral periods or reduced payments and interest.
- 2.17 While payment deferrals are intended to be used by those consumers experiencing temporary payment difficulties due to coronavirus, this should not prevent firms from offering other forms of forbearance where it is appropriate to do so. Where a firm does not reasonably expect a consumer to be in a position to resume payments at the end of any payment deferral period, we would expect them to consider and offer forbearance in accordance with our existing requirements rather than offer a payment deferral period. This could include, for example, the suspension or waiving of interest and charges.
- 2.18 Given that these proposals are intended to provide short-term and immediate relief to consumers experiencing temporary difficulties, we do not at this stage anticipate extending the period over which this guidance applies. However, we will keep this under review in light of the evolving situation. In particular, consumers will be able to request a payment deferral under our credit card and personal loans guidance at any time during a three-month period, providing them with considerable flexibility.
- 2.19 In respect of accrued interest during the payment deferral period, given the exceptional circumstances, we consider that where consumers are unable to resume payments at the end of a deferral period it is appropriate for any interest (and charges) incurred during the deferral period to be waived as a part of any subsequent forbearance measures provided to the consumer. Conversely, where consumers are able to afford to resume payments then they should be liable to pay accrued interest (and charges) in recognition of the benefit they have received by having the payment deferral.
- 2.20 Firms will need to consider whether it is appropriate to waive any additional interest and charges, such as those incurred before the commencement of the payment deferral period, as a part of their wider forbearance approach. We do not expect

firms to calculate interest apportionment for payment deferral periods, where interest has been 'frontloaded' onto a product.

- 2.21 We recognise the concerns that have been raised by some firms and trade bodies around the prudential implications of large-scale forbearance measures, particularly in relation to the non-bank sector. However, we consider that these measures are an important means of delivering appropriate protection to consumers at this difficult time, and that while there may be financial implications for firms, where consumers require forbearance under our rules or guidance this should be provided. We consider that the position we have reached strikes a fair balance between the interests of firms and consumers. Firms should engage with us at the earliest opportunity in the event that the measures are likely to cause significant prudential or other issues.
- 2.22 We acknowledge that there are some complex issues surrounding how payment deferrals and other forbearance measures are reported to Credit Reference Agencies and how these may impact credit files. While we do not expect firms to report any worsening arrears status on a consumer's credit file during an agreed payment deferral period, we recognise that there may be a wide range of factors which influence a credit score. Our intention is purely to provide temporary relief for consumers during the deferral period during which their credit file is protected from any new arrears being reported. We would expect any other forbearance, for example in the form of waived interest and charges, to be reported in the usual manner. We have, therefore, amended our guidance to provide more clarity to firms.
- 2.23 We also recognise that concerns have been raised about the position of consumers who may not be able to reach a timely agreement with their lender on the need for a payment deferral despite initiating contact, for example because lenders have been unable to deal with an unprecedented volume of requests. This may result in payments being missed by consumers in the intervening period and reported to Credit Reference Agencies as arrears. There may also be some consumers who have entered into a similar temporary payment deferral arrangement with their lender as a direct result of the coronavirus situation shortly before the publication of our proposals.
- 2.24 In such circumstances, in order to treat customers fairly we would expect lenders to work with customers and Credit Reference Agencies to ensure that credit files do not record a worsening status during the payment deferral period. Firms should also ensure that no default or arrears charges are levied in relation to payments missed in these circumstances. We have clarified these issues in our guidance.
- 2.25 We acknowledge the wider points made by respondents about the need for a consistent 'exit strategy' to these emergency credit reporting measures. We also agree that there is a wider public interest in preserving the integrity of credit reporting processes to facilitate effective risk-based decisioning which benefits firms and consumers. We will work with Credit Reference Agencies and industry over the coming months to determine how best to achieve this.
- 2.26 We recognise that many firms have raised concerns about the proposed implementation timescale. While we acknowledge that firms may have to implement new processes and workarounds in a very short period, we have sought to design the proposals to align as far as possible with existing operational processes. We also note that many firms are already offering a variety of options to their customers which reflect the expectations set out in this guidance. We are, therefore, bringing the rules



into force from 9 April and the guidance into force from 14 April, given the urgent need to provide consumers with the widest range of possible options.

- 2.27 To help firms streamline their processing of customers' requests for a payment deferral we are disapplying certain CONC rules on refinancing (CONC 6.7.18R and 6.7.19R). The disapplication will only apply where a firm follows our coronavirus guidance.
- 2.28 We expect firms to offer payment deferrals to customers over a three-month period in respect of credit products which are covered by our guidance on credit cards (including retail revolving credit) and personal loans. In practice, this means that consumers should be able to request a payment deferral at any point after the guidance comes into force for a period of three months. Consumers should then be offered a three-month payment deferral period, which could go beyond the point where the three-month window for requesting a payment deferral expires. It is open to firms to offer longer payment deferral periods if they wish.
- 2.29 In relation to overdrafts, there should be a period of three months, commencing no later than 14 April, at any point during which eligible customers can request this assistance. The assistance should last three months from the time the customer requests it. Where a firm instead chooses to extend the interest-free amount to all customers with an arranged overdraft on their primary account without the need for a request, this may be for a fixed calendar period that is the same for all customers and must last at least three months, commencing no later than 14 April.
- 2.30 Many firms have raised concerns about how the FOS may interpret decisions that firms make as a result of the guidance, in the future. The FOS is independent but we have made them aware of the guidance, and the need for swift action by firms to support consumers who are impacted as a result of coronavirus. The FOS has confirmed that it will continue to keep its website updated with details of its approach to complaints.
- 2.31 We also acknowledge the concerns that have been raised by some firms and trade bodies around compliance with the CCA. We address these issues in more detail at the end of this document.

## Credit cards and retail revolving credit (including store cards and catalogue credit)

### **Issues raised - persistent debt**

- 2.32 We proposed to suspend application of the 'persistent debt' (PD) provisions in CONC 6.7.27R to 6.7.40G to customers whose firms have permitted a payment deferral under this guidance, for the period of the deferment. After this period, the provisions will recommence their application in respect of these customers.
- 2.33 Many respondents supported this proposal, though a number of respondents suggested suspending persistent debt requirements for all customers during the period of the guidance. They viewed this as necessary to ensure customers are treated consistently and reduce the potentially significant operational burden for firms. Others suggested a flexible approach should be applied so that firms could amend the content of the PD communication to fit particular circumstances.

2.34 Several respondents sought clarification on how the PD rules would apply once the payment deferral period ended. In particular, they asked whether the period of the payment deferral should be taken into account when assessing whether a customer meets the definition of being in persistent debt at 18, 27 and 36 months.

**Our response**

2.35 We have not made any changes to our proposals.

2.36 For those customers outside the scope of the guidance, the PD rules will continue to apply. As we stated in PS18/4 and CP18/43 there will be many customers who will benefit from the PD remedies. Customers who cannot afford to increase payments in accordance with any of the options offered by the firm will be offered sufficient forbearance to pay off their PD balance in a way that does not affect their financial situation. We consider that completely suspending the PD rules across the board would effectively allow PD customers not in receipt of a payment deferral to carry on repaying their debt more slowly over a longer period and in doing so incur significant costs.

2.37 The period of the deferral is not ignored for the purpose of application of the PD rules when they start to apply again. However, during the period which a customer is receiving a payment deferral, to reduce the risk of confusion, we do not consider it necessary for firms to issue persistent debt communications to those customers.

2.38 Although the PD rules allow firms to tailor the language and tone of the communications to the circumstances of the individual customer, the overall format of these communications is prescribed.

2.39 We nevertheless recognise the concerns expressed by some firms about the operational burden that may result from undertaking a filtering exercise to ensure only those customers who the firm has allowed to defer payments are excluded from the persistent debt rules. Such firms should contact us to discuss these difficulties.

**Issues raised - 0% balance transfer deals**

2.40 Some stakeholders requested clarity on how the guidance applies to 0% balance transfer deals. Issues could arise around 0% deals for credit cards as usually if a payment is missed during a 0% period, the 0% period ends.

**Our response**

2.41 The purpose of the guidance is to provide support to consumers facing temporary payment difficulties due to circumstances arising out of coronavirus, we therefore, would expect a firm to treat those customers receiving a payment deferral fairly.

2.42 The loss of a 0% balance transfer should not occur where a firm varies the credit agreement in order to provide a payment deferral under this guidance. In circumstances where firms use indulgences or waivers to give customers a payment deferral rather than varying their contracts with customers, we expect such firms also to give these customers indulgences or waivers to relieve the customers from any potentially adverse consequences arising under the contract from non-payment during the payment deferral period.

2.43 Consequently, where a customer would otherwise lose the benefit of a 0% interest deal for non-payment during the payment deferral period we expect the firm, through the use of indulgences or waivers, to ensure that the non-payment does not have this effect. Similarly, where a customer would otherwise incur charges or fees

for non-payment during the payment deferral period, we expect the firm, through the use of indulgences or waivers, to ensure that the non-payment does not result in the customer paying these fees or charges.

2.44 We have amended the guidance to make clear our expectations

#### **Issues raised - credit facility suspension**

2.45 In the guidance, we set out our expectation that customers whose payments have been deferred should not have the use of their cards or credit facility suspended.

2.46 Some stakeholders expressed concern about the practicalities of operationalising this given that some systems automatically suspend further use of the credit facility in forbearance cases, which would be very difficult to change at this stage.

2.47 A few stakeholders asked that the requirement not to suspend cards should not apply to store cards because it is very unlikely that a store card will be required for purchasing essential living items unlike credit cards. They said that allowing consumers to keep spending on store cards during the payment deferral would worsen their financial position creating the potential for longer term debt and customer harm. A few other stakeholders asked that the guidance refer to the exceptional reasons for cancelling a card as set out in section 98A of the CCA.

#### **Our response**

2.48 We recognise the challenges some firms may face in keeping credit facilities open when a customer has received a payment deferral. We understand that this might require a manual handling of the accounts which could be resource intensive. However, it is important that a customer's credit facility is not suspended during the payment deferral (subject to section 98A of the CCA), although this does not require firms to extend further credit where the credit facility has been fully utilised. We also do not consider it appropriate to exclude store cards or catalogue credit facilities.

2.49 Our expectations on suspension as set out in the guidance do not affect a firm's obligations under section 98A of the CCA and we have amended the guidance to make this clear.

## **Personal loans**

#### **Issues raised**

2.50 Many respondents raised questions around the intended scope of application of the guidance. In particular, this included whether specific products or sectors such as premium finance or credit unions were within scope. Some respondents also questioned whether the guidance would have any application to loans for business purposes.

2.51 Respondents also raised other wider issues which are also relevant to personal loans. These included the appropriateness of interest and charges accruing during payment deferral periods, and issues surrounding potential CCA compliance.

#### **Our response**

2.52 We have clarified the broader scope of application of this guidance as above, and set out our view on issues relating to the accrual of interest and charges during payment deferral periods.

- 2.53 The scope as we initially set out did not make clear whether loans provided and marketed as business loans where the borrower was an individual or a relevant recipient of credit and the sum was less than £25k (and was therefore a regulated credit agreement) were included. We have clarified that the guidance applies to personal loans and does not apply to business loans. This is in line with the scope of the overdraft and credit card guidance.
- 2.54 We provide further details at the end of this document on our view of the implications for CCA compliance and the practical steps that firms can take in these circumstances.

## Overdrafts

### **Issues raised and our response – interest-free facility**

- 2.55 Responses from stakeholders were broadly supportive, with the majority of firms and consumer groups agreeing that the interest-free facility would provide a significant help to consumers that can reasonably expect to face temporary financial difficulties due to coronavirus.
- 2.56 There were questions from both consumer groups and firms on whether the three month period proposed in the draft guidance was a fixed period starting from the implementation date or a rolling-period from whenever a customer requested it within the three month period.
- 2.57 We have revised our guidance to clarify that eligible customers should be able to request this assistance at any point after the guidance comes into force for a period of three months. This means that the interest-free facility could go beyond the point where the three-month window for requesting this assistance expires. Where a firm instead chooses to extend an interest-free amount of at least £500 to all account customers with an overdraft on their primary current account without the need for a request, this may be for a fixed calendar period that is the same for all customers and should begin no later than 14 April.
- 2.58 Some respondents also queried whether the guidance applied to other forms of accounts, such as basic bank accounts, youth accounts or current account mortgages. Our guidance has not changed on this and we are clear that our measures are only applicable for primary current accounts. Customers who would like to apply to have their accounts converted to a primary current account should contact their provider.

### **Issues raised and our response – overdraft pricing**

- 2.59 A number of respondents asked if we were making changes to the policy we had announced in PS19/16. Our policy has not changed. From 6 April firms have to price using a single interest rate and we have banned fixed fees and charges.
- 2.60 We asked firms to review their prices to ensure they are consistent with the obligation to treat customers fairly in the light of the exceptional circumstances arising out of coronavirus. We also asked firms to ensure customers were no worse off when compared to prices charged prior to the publication of PS19/16. For all firms, they will need to demonstrate to the FCA that the rates they charge are consistent with this guidance. A number of firms suggested that this calculation would be difficult. We have not changed the guidance to give detailed guidance on

how to ensure customers are not worse off as we believe firms are best placed to do this.

- 2.61 We had some feedback from firms that suggested our guidance might have particular impacts, negative or positive on certain types of firm. We have fully considered these points and we added a line to the guidance that any firm who has a difficulty complying with the guidance or any other specific concerns relating to it should contact us directly to discuss.

## Consumer Credit Act 1974 (CCA)

### Issues raised

- 2.62 A number of industry respondents and trade bodies raised concerns about the interaction of the three month payment deferral and overdraft measures with the requirements under the CCA. One issue related to the appropriateness of the timing and content of notices of sums in arrears (NOSIA). Firms were concerned that these might confuse consumers. Another related to whether the payment deferral involved an agreement to vary the contract terms and so required a modifying agreement under the CCA. On the overdraft measures, firms queried if they would be required to send a notice of variation in the rate of interest charged under the agreement.

### Our response

- 2.63 These are familiar issues that have been long been raised by stakeholders in connection with forbearance arrangements. We recognised them in our Final Report to HM Treasury in respect of our review of the Retained Provisions of the Consumer Credit Act 1974 published in March 2019<sup>1</sup>. In the Report, we set out our view that these requirements play an important role in ensuring adequate consumer protection but accepted that information in some of the regulatory notices could be modernised and the process for varying agreements could be made simpler and less cumbersome. Any reform in these areas would, however, require changes to primary and/or secondary legislation.
- 2.64 These are not new issues for firms who have always been required under our rules to consider a range of forbearance measures to help customers in financial difficulties, such as offering deferment of payment of arrears. The relevant CCA requirements have been in place for many years and we do not consider that the measures set out in the guidance should result in firms being unable to comply with the statutory requirements. We are also aware that many firms have already started to provide a three-month deferred payment arrangement for loans and credit cards, including the majority of the main banks.
- 2.65 The purpose of the NOSIA is to make customers aware of information on their account where they have fallen behind with payments. It includes information on options of what the customer might do and includes an Information Sheet setting out sources of free debt help with relevant contact details.
- 2.66 Where firms are able to use a unilateral power in the agreement to vary the terms so that they reflect the deferral of payments, then this is unlikely to trigger the requirement to send the NOSIA, as the customer will be up to date with the contractual terms. Such a unilateral right is often contained on credit cards and other running account agreements and might also be included in some fixed sum loan contracts.

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<sup>1</sup> <https://www.fca.org.uk/publication/corporate/review-of-retained-provisions-of-the-consumer-credit-act-final-report.pdf>

- 2.67 Where a NOSIA is required to be sent, although the legislation requires the inclusion of certain prescribed wording, it is open to firms to provide suitable explanations or context with these notices if they consider that they might otherwise lead to confusion. One trade body suggested that if firms had operational difficulties in including the additional wording within the NOSIA itself that they could include it in a separate communication. We do not have any issues in firms doing this provided it is sent in a timely manner and is likely to be clearly understood.
- 2.68 With respect to whether there is a requirement for a modifying agreement, in our view it is likely that the deferral of payments is capable of being put in place without an agreement to vary the contractual terms. This may depend on what the arrangement is, how it is put in place and the existing contractual terms. For example, as stated above, some agreements give the lender the right to unilaterally vary the agreement and which will not involve the need for a modifying agreement.
- 2.69 If a firm entered into a modifying agreement, having failed to comply with the CCA requirements, the risk to the firm is that this could result in the new modifying agreement being improperly executed and only enforceable by order of the court. This could happen because a firm in good faith misunderstood the legislative provisions and inadvertently entered into a modifying agreement. Firms may be aware that under the CCA, the court has discretion to allow enforcement having regard to the prejudice to the consumers and the culpability of the lender. Where the firm has treated the customer fairly in providing the payment deferral, in our view a court could take that into account in deciding whether to allow the agreement to be enforced. In any event it may also be possible for firms to still seek payment (and take other certain steps) under an agreement that is unenforceable.
- 2.70 Where firms consider that a modifying agreement is required then they should seek to streamline the process to ensure that the customer journey is as seamless as possible.
- 2.71 Likewise, we consider that it is likely that the measures we propose for overdrafts are capable of being put in place by non-contractual forbearance without varying the rate of interest charged under the agreement. Where firms give effect to our overdraft measures by varying the rate of interest charged under the agreement, they should ensure that they comply with the relevant legislative requirements.
- 2.72 We recognise that these measures have been introduced quickly and that some firms have told us that they may have operational challenges in complying with the detailed prescriptive and technical CCA requirements. We expect firms to make their best efforts to satisfy these requirements. Provided they have done so, then we will take account of whether these failures have resulted in any consumer detriment in deciding whether to take any regulatory action.
- 2.73 The Financial Ombudsman Service have also confirmed that they will take account of FCA statements and guidance such as the guidance we have today published on unsecured credit when considering what is fair and reasonable in the context of an individual complaint.

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