

Telephone: 020 7066 9346

Email: enquiries@fs-cp.org.uk

Susan Cooper
Conduct Policy
Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

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Our ref: CP10/10* Chapter 6

Dear Ms Cooper

CP10/10* Chapter 6: Proposed changes to the Conduct of Business Sourcebook (COBS)

This is the Financial Services Consumer Panel's response to the proposals in Chapter 6 of CP10/10* for changes to COBS 4. The Panel has no specific comments on the proposed changes to COBS 4 other than those relating to rule COBS 4.9.3R (Question 19).

We agree with the suggested requirement for an authorised firm communicating or approving a promotion for an overseas person, to take reasonable steps to satisfy itself that the overseas person will deal with retail clients in the UK in an honest and reliable way. We would however like the FSA to go further and incorporate within the rule the factors that it would expect authorised firms to cover, including enquiring into the overseas firm's business model; researching the overseas firm; checking with the overseas firm's regulator for any past disciplinary history and checking on the availability of alternative dispute resolution mechanisms and levels of compensation in the event of failure.

Yours sincerely

Kay Blair
Vice Chair
Financial Services Consumer Panel