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By email: [biinsurancetestcase@fca.org.uk](mailto:biinsurancetestcase@fca.org.uk)

Dear Sir/Madam

**Financial Services Consumer Panel (the Panel's) Response - Business Interruption Insurance (BII) test case: draft guidance for firms**

The Panel welcomes the FCA's rapid and proactive response in giving much needed certainty to firms and consumers in the complex area of BII during the pandemic crisis. The Panel is in favour of transparency in this area with the aim of driving up standards across the industry but is mindful of the potential for a decline of consumer trust in the industry. The FCA should give consideration to how the results of the firms' product line reviews are communicated to the public in the future.

The way in which firms communicate the various options and next steps to policyholders depending on the scenario e.g. whether they have had an offer from the firm, whether they have taken their case to the FOS, whether their claim/complaint is to be affected by the test case, will be crucial. Firms should ensure their websites and any communications are consumer-friendly and use simple jargon free language to ensure they understand what is happening with their claim/complaint.

Firms must consider the vulnerable status of many policyholders at this time and should be encouraged to consider their particular needs with regards to offers. Acting in the consumers' best interests should also mean considering whether an offer to a consumer in *full and final settlement* of a claim, prior to the outcome of the FCA's test case, with no recourse to the FOS thereafter, is fair. Firms must also ensure that claims/complaints unaffected by the test case are not delayed unnecessarily and consumers receive clear communications in timely manner.

Both the FOS and firms should ensure they are adequately resourced to handle any increase in enquiries following the test case updates and communications.

The FCA must maintain sound relations with the FOS so it is updated about complaint numbers and complaint handling of BII cases as well as BII enquiries. Channels of communication for data/intelligence sharing between the FCA and the FSCS must be open and accessible to effectively manage this project and to ultimately keep policyholders informed as the test case progresses through court.

Yours faithfully

Wanda Goldwag

Chair, Financial Services Consumer Panel