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Dear Paul,

Competition and Markets Authority Annual Plan consultation 2015/16

This is the Financial Services Consumer Panel's response to the Competition and Markets Authority (CMA) Annual Plan 2015/16.

The Panel supports the work undertaken by the CMA to improve competition and deliver benefits to consumers. In particular, we support the focus on improving the CMA's understanding of consumer issues and concerns as well as the recognition that a significant risk is created by factors which inhibit consumers' access to markets.

We agree with the CMA that markets must work well for all consumers, including vulnerable ones. However, we would like to add that vulnerable customers are not only those on low incomes; many people are likely to be vulnerable at some point in their lives, for example, through job loss, illness or bereavement. We will be happy to advise on the problems that most affect consumers.

The Panel is pleased to see that, as part of its work on personal current accounts, the CMA will look at cross-subsidisation. The Panel believes that a competitive market for current accounts requires people to switch in response to price and quality signals. However, the complexity and opacity of cross-subsidisation means that consumers do not know what they are paying for PCAs. Indeed, even some banks themselves apparently do not know the cost of providing a PCA. We look forward to engaging with the CMA on its work in this area.

Yours faithfully



Sue Lewis
Chair
Financial Services Consumer Panel