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By email: cp20-03@fca.org.uk

Dear Federico

Financial Services Consumer Panel response to CP 20/3 – Proposals to enhance climate-related disclosures by listed issuers and clarification of existing disclosure obligations

The Financial Services Consumer Panel welcomes the FCA's proposals to introduce a new rule requiring commercial companies with a UK premium listing to state whether they comply with the recommendations of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) and to explain any non-compliance. We also welcome the proposed guidance on existing obligations that may already require issuers to disclose information on climate-related and wider environmental, social and governance (ESG) matters under certain circumstances.

With the increasing popularity of investments that support efforts to tackle climate change, it is important that the FCA puts measures in place to ensure consumers have simple and trustworthy information to allow them to make informed investment decisions. The Panel has previously called for more clarity in the market when it comes to the definition of ESG and how ESG factors are integrated into investment decision making¹. Without this, there is a risk of mis-selling and consumers end up with products which did not match their preferences. There is also a risk of widespread 'greenwashing' which would undermine the purpose of ESG as well as efforts to tackle climate change and other social issues. We believe the FCA's latest proposals will improve transparency and lead to better quality disclosures.

We hope that the FCA maintains good relations with EU and other international regulators to ensure that insight and knowledge on this issue is shared effectively once the UK's transition period comes to an end.

Yours sincerely,

Wanda Goldwag
Chair, Financial Services Consumer Panel

¹ https://fs-cp.org.uk/sites/default/files/fscpr_response_to_fca_frc_stewardship_consultation_final_20190430.pdf