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Small Business Unit
Financial Conduct Authority
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17 December 2020

By email: FCASmallBusinessUnit@fca.org.uk

Dear Sir/Madam

The Financial Services Consumer Panel (the Panel's) response to the Bounce Back Loan Scheme (BBLs)– Pay as You Grow (PAYG) options Guidance Consultation

The Panel fully supports the FCA's proactive approach to publishing this guidance to confirm the approach to be taken by lenders when recovering BBLs payments from SMEs. Lenders must pay due regard to the interests of these smaller businesses and treat them fairly, as per Principle 6, and any communications must be clear, fair and not misleading, and presented in a way that is easy to understand and in a timely manner.

We note the pre-empted automation of the PAYG customer journey and further note the FCA has highlighted those customers who may need to use other channels of communication to communicate their particular needs, especially as they are most likely to be vulnerable. Lenders' digital and more traditional customer service channels in this area must be robust and adequately staffed to ensure that customers' needs are met quickly and fairly. Close and effective supervision will be key to ensuring good consumer outcomes and the Panel urges the FCA to also maintain strong collaboration with consumer organisations and the regulatory family to gather timely insight into lender practices so that it has the ability to respond quickly where appropriate.

While we agree with triaging to better identify and assist customers in financial difficulty, we would hope that firms' staff have been adequately trained in identifying and communicating with these business customers well in advance.

The Panel agrees with the guidance around referrals to debt advice services and the guidance around appropriate signposting, however, Business Debtline must be adequately resourced to accommodate the increased volume of enquiries next year as a result of some BBLs payments falling due.

We did have some reservations, as expressed in our response¹ last year, around the LSB Standards of Lending Practice due to the lack of transparency of the monitoring and enforcement of this voluntary code of conduct. The Panel hopes that business customers will still be treated fairly whenever CONC 7 does not apply to debt collection.

Yours faithfully

Wanda Goldwag

Chair, Financial Services Consumer Panel

¹[https://www.fs-cp.org.uk/sites/default/files/fscp_response_gc_no_25 -
lsb_code_recognition_20191009.docx .pdf](https://www.fs-cp.org.uk/sites/default/files/fscp_response_gc_no_25_-_lsb_code_recognition_20191009.docx.pdf)