

Telephone: 020 7066 9346
Email: enquiries@fs-cp.org.uk

Consumer Credit Policy Team
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

22 June 2020

By email: FCAconsumercredit@fca.org.uk

Dear Sir / Madam

Financial Services Consumer Panel response to FCA proposals to further support consumer credit consumers

The Financial Services Consumer Panel welcomes the FCA proposals which will extend support to consumers who are struggling to make payments on their consumer credit products due to coronavirus (Covid-19). We support the FCA taking decisive and proactive action to provide assistance so that consumers are better able to cope in these extraordinary circumstances.

We would like to take this opportunity to reiterate the points we made in our [response to 'mortgages and coronavirus: updated draft guidance for firms'](#) dated 26 May 2020. We consider all of these points equally applicable to the FCA's proposals to extend the consumer credit forbearance measures.

In particular, we wish to restate how important it is that a consistent approach to forbearance is adopted across all areas where consumers may be facing affordability difficulties (e.g. rent, council tax, benefit overpayments, utility bills etc.). Without this consistency, efforts to assist consumers in the financial services sector will be severely undermined. We therefore welcome the proposed extension of the consumer credit forbearance measures to bring it in line with the FCA's guidance on mortgage holidays, and hope to see a similar approach taken to other consumer credit products (e.g. rent to own, buy now pay later etc.) in due course. For areas outside the FCA's remit, we urge the FCA to encourage consistency in its discussions with Government and other regulators¹.

In addition to the points raised in our letter of 26 May, we have the following observations:

- Many consumers will have multiple products covered by the FCA's proposed guidance, which they may hold with different lenders. Whilst a payment deferral on one of these products may be in the consumer's best interests, that may not be the case for all of the products. The FCA should encourage firms and consumers to consider all relevant products when discussing forbearance options.
- We note and welcome the FCA's commitment to continue monitoring overdraft pricing, especially in light of the concerns it raised in February 2020 about the rates being charged under the new rules. If this monitoring raises concerns, we expect

¹ We note, for example, that Ofgem have said energy suppliers can now resume debt collection activities. Source: <https://www.telegraph.co.uk/business/2020/06/21/ofgem-energy-suppliers-start-chasing-unpaid-bills/>

the FCA to take swift and robust action, including by revising its rules and guidance if necessary.

Yours faithfully,

Wanda Goldwag
Chair, Financial Services Consumer Panel