

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Financial Conduct Authority
25 The North Colonnade
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Dear Sir/Madam,

**GC16/6 – The fair treatment of mortgage customers in payment shortfall:
impact of automatic capitalisations**

The Financial Services Consumer Panel welcomes the opportunity to respond to this guidance consultation.

We recognise that those lenders whose customers have been affected by automatic capitalisations have not deliberately exploited consumers or profited from the practice. We also recognise that the financial impact for most affected consumers will have been quite small and detriment will have been limited.

However, there is a chance that a small number of consumers will have suffered consequential detriment out of all proportion to the sums involved. Consumers may have had to pay more at a time of financial stress than they should have done, which could have led to them taking out other forms of debt or forgoing other important expenditure. We expect that where there has been detriment, particularly where there has been repossession that might not otherwise have taken place, consumers will be compensated in full.

Yours sincerely

Sue Lewis
Chair, Financial Services Consumer Panel