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Dear Peter,

Introducing the Directory

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

While the proposals on the Directory are fine as far as they go, they do not help overcome the long-standing problem that the Register is not fit for purpose. The FCA should give priority to a consumer-friendly and clearly signposted version of the Register (e.g. "if you are looking for information on a financial services provider, click here"). We agree there should be a single 'front end' for both the Register and the Directory, but why then maintain two separate registers? What are the FCA's plans for communicating the Directory and its distinction from the Register to consumers, and to the media, who often urge people to use the Register?

Transparency is important; other regulators such as the Bar Standards Board and the General Dental Council offer effective registers that include easy to find background information about conduct. They connect the search area of their websites (where consumers are most likely to search for a firm or individual) with all the disciplinary history of individuals or firms.¹ This should be easy enough for the FCA to implement. It has the information, why make consumers search for it?

We have only answered the questions where we have substantive comments to make.

Question 1: Do you agree with the proposed scope of the Directory? If not, which individuals should be additionally included or taken out?

We are pleased the Directory contains mortgage advisers, who aren't currently on the Register, as well as some new individuals certified by the PRA. However, it still assumes that consumers know what service they want, and that they only want a single service. We would also like to see financial planners on the Directory, and perhaps options that link to permissions i.e. equity release, long term care planning, investments, pension transfers, etc.

Question 2: Do you agree that the proposed information should be published on the Directory?

Yes, but terms like '*Restrictions to a firm's regulated activities*' and '*Relevant roles held*' must be written in simple language that consumers can understand. We note that the FCA intend to undertake user testing of the Directory interface. Could we suggest that the content and layout of the Directory is tested, e.g. by the Plain English Campaign or a similar organisation such as Which? or the Money Advice Service. These organisations communicate complicated information to consumers as part of their daily activities.

¹ The General Chiropractic Council - <https://www.gcc-uk.org/> offers a simple search facility, with an option to view more details, which will display full membership details including disciplinary history, with links to full disciplinary decisions where applicable. The Bar Standards Board - <https://www.barstandardsboard.org.uk/regulatory-requirements/the-barristers'-register> - any search for a barrister provides a link to any 'disciplinary findings'. The General Dental Council - <https://olr.gdc-uk.org/SearchRegister> offers a search facility which displays full details, including explanations of what the entries mean.

We would prefer to see more information on what qualifications individuals hold, rather than just expecting firms' own websites to specify these.

On workplace locations, many advisers work remotely, will this location be shown or the main office? Does the range of information published increase the scope for providers being impersonated (i.e. is an unintended consequence of the Directory to increase the scope for scams?). Links to websites should help mitigate risk, but the FCA should still be alert to scams.

On regulatory sanctions and prohibitions, this is an improvement on the current Register. The CP acknowledges the need for continuous updating, but the FCA should be more specific on what timescale is reasonable for updating information on final notices.

Also, if the status of an adviser changes from 'active' to 'inactive' we would like to see the reason for the change of status displayed. In most cases it will be because the adviser is changing jobs or retiring, but if the status change is because of disciplinary action this information should be displayed and should remain as a permanent record so that returning customers searching for that adviser are aware.

Question 3: Do you agree that the Directory user interface should display information stored on the FS Register and the New Connect database? If not, how should these datasets interact?

Yes, it is essential that the consumer facing interface displays relevant information about both the firm and its individual advisers and employees. However, given that information from both datasets will be displayed we would raise again the question of why it is necessary to have a separate Register and Directory.

Question 4: Do you agree that the search parameters should return a broader range of results than the current FS Register?

Yes, in principle. The prototype seems to indicate that individuals will be able to search on adviser or firm name, firm reference number or location but that only covers two types of searches i.e. you know the name of the firm or adviser you want to find – or you want to find a firm or adviser near to you. If the main purpose of both the FS Register and the new Directory is to enable individuals and firms to check the identity of a firm or adviser they want to use, then these search terms would seem adequate. However, if the purpose is also to be the 'go to' place for individuals to search for a regulated adviser, then they will need to be offered a wider range of filters than location.

We would welcome some further clarification on this aspect of the project.

Question 5: Do you agree with the proposed number of business days for reporting when an individual begins undertaking a relevant role, when their circumstances change or when they cease to perform a relevant role? If not, what timeframe do you think would be more suitable?

Yes. However, we would also like the FCA to be clear what sanctions it will impose on firms that fail to comply.

Yours sincerely

Sue Lewis
Chair, Financial Services Consumer Panel