

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Karen Wilshere
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The Financial Services Authority
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Dear Karen,

Re: Guidance Consultation GC 11/10

We appreciate the opportunity to provide feedback on the guidance. The Panel has been involved in preliminary discussions about the guidance in March and are extremely supportive of the work and its intent. We are pleased to see the consultation document takes on board our comments in relation to an emphasis on the consumer benefits in forbearance. Our initial concerns were that without this emphasis the application of forbearance may become more restricted or assessments would become harsher. The consultation document now strikes a better balance between the very important conduct issues associated with forbearance and the prudential risk issues. The use of examples is helpful in clarifying this point in particular and we thank you for the work you have put into these.

Yours sincerely,

Adam Phillips
Chairman