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31 October 2012

Dear Celia and Philippe

## **CP12/20\*\* Review of the client money rules for insurance intermediaries**

This is the Financial Services Consumer Panel's response to CP12/20\*\* Review of the client money rules for insurance intermediaries.

We are not in a position to comment on the detail of the proposals. Nevertheless we support the extensive work that has gone into reviewing Chapter 5 of the Client Assets Sourcebook and drawing up the greatly improved rulebook set out in the Paper. The new requirements should provide far greater protection for consumers and much needed clarity for firms.

We note that Annex 1 to the Paper identifies some potentially high costs for firms in meeting the proposed new arrangements. The picture portrayed in the Paper of the current rules – and firms' lack of compliance with them – is a chaotic one where consumer assets are at risk from shambolic client money procedures, some of which beggar belief. On the basis of the information that has been provided we hope that the cost of the changes will be more than justified by significant improvements in levels of consumer protection, and more appropriate and professional operational arrangements within firms.

Yours sincerely

Adam Phillips  
Chair  
Financial Services Consumer Panel