

## Regulator Assessment: Qualifying Regulatory Provisions

**Title of proposal:** Handbook Notice 28 - Supervision Manual (Amendment No 21)  
Instrument 2015: Changes to Consumer Credit, Retail Mediation Activity, Mortgage Second Charge Lending and Recovery and Resolution Reporting

**Lead regulator:** FCA

**Date of assessment:** 14 October 2016

**Commencement date:** 31 December 2016

**Origin:** Domestic

**Does this include implementation of a Cutting Red Tape review?** No

**Which areas of the UK will be affected?** Whole of UK

### Brief outline of proposed new or amended regulatory activity

The FCA made minor amendments to several parts of Chapter 16 of the Supervision manual (SUP). The changes were consulted on in the FCA Consultation Paper 15/28 (<https://www.fca.org.uk/publication/consultation/cp15-28.pdf>). The changes can be summarised as follows (note that the changes to the firm return RMA-C as part of the same Handbook Notice has been evaluated in a separate BIT impact assessment.):

- Changes to Consumer Credit Reporting (CCR) guidance notes
- CCR007 – amending question to capture information on activity by turnover
- Formatting changes to mortgage second charge lending reporting forms
- Changes to Product Sales Data (PSD) items guidance notes (PSD001 & PSD007)
- Clarification of requirement to report Mortgage Lending Activity (MLA-L and MLA-M)
- Changes in Recovery and Resolution plans submission method
- Addition of GABRIEL user and email to standing data requirements

**Which type of business will be affected? How many are estimated to be affected?**

The changes affected firms who are required to:

- complete consumer credit reporting data items (30,000 firms)
- report their mortgage second charge lending data (150 firms)
- submit their recovery and information for resolution plan data (40 firms)
- submit Product Sales Data (PSD) items PSD001 and PSD007 (280 firms)
- be registered on the GABRIEL system (46,000 firms)
- complete the Mortgage Lending & Administration (MLA) data items MLA-L and MLA-M (140 firms)

Price base year	Implementation date	Duration of policy (years)	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	31 March 2016	10	0	0	0

**Please set out the impact to business clearly with a breakdown of costs and benefits**

A cost-benefit analysis for the proposed changes was made in Consultation Paper 15/28 using data from previous consultations. Some of the changes could have resulted in familiarisation or implementation costs to firms, though in all cases we expect these to be minimal and below £100k on aggregate.

***Changes to consumer credit reporting guidance notes***

The changes to the consumer credit guidance notes are intended to clarify what information should be submitted by firms in the various reporting fields of the consumer credit returns. We expect that any increase in costs as a result of these changes will be of minimal significance as there is no change to the reporting population or any increase in the number of questions.

***Change to CCR007***

We expect the amendment to question 5 of CCR007 to result in no increase in costs or an increase in costs of minimal significance. We expect that the information requested by this change in the question will be readily available to firms, and will not increase their reporting burden.

***Changes to mortgage second charge lending reporting forms***

The minor formatting amendments to the second charge lending reporting forms are not expected to result in any significant costs for firms. The information requested by the forms has not been amended and so there will be no additional reporting burden on firms. We expect that any further implementation costs as a result of the tweaks will be of minimal significance.

***Changes to Product Sales Data items guidance notes (PSD001 & PSD007)***

We expect that amending the guidance notes for PSD001 and PSD007 will result in no increase, or an increase in costs of minimal significance. The information which firms are required to report in these data items has not been changed, so there will be no additional reporting burden. The formatting change in PSD007 is already in place in the system and the change will align the guidance notes with the reporting form.

***Change to MLA-L and MLA-M notes in SUP 16.12.18B***

The change to note 3 of SUP 16.12.18B will not result in any increase of costs for firms. This amendment is intended to clarify which firms are required to complete the MLA-L and MLAM returns. Firms that are required to complete the returns are already being scheduled in the data item correctly. The only impact would be to clarify for some firms that they are not in scope to complete MLA-L and MLA-M.

***Changes in recovery and resolution plans submission method***

The change of submission method of the recovery and resolution plans information will make the collection of this data more efficient for both firms and the FCA. This change will require firms to submit this information through the GABRIEL system, a system firms required to complete the returns are familiar with.

***Change to standing data items***

We expect that the incremental costs to firms as a result of the change to the standing data items will be of minimal significance. Firms are already required to check standing data annually for accuracy and the addition of checking a firm's principal user on the GABRIEL system will not be overly burdensome.

**Please provide any additional information (if required) that may assist the RPC to validate the BIT Score.**

N/A