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13 February 2013

Re: Cash savings and Consumer Rights Directive

Thank you for your letter of 7 January regarding the Consumer Rights Directive and the FCA's market study of cash savings products. In particular you ask that the FCA applies similar rules to those set out under the Consumer Rights Directive to ensure firms are no longer able to charge a premium for calling complaint and customer service lines. In addition you express an interest in Which? working more closely with the FCA on our cash savings market study.

We share Which?'s concerns that customers often have to use expensive phone lines when calling firms after the point of sale. We also agree that the principles relating to telephone calls in the Consumer Rights Directive should be applied to financial services firms, as well as in other sectors.

To this end, I understand staff from our Redress Policy Team recently met with colleagues from Which? to discuss some of the details as to what we might expect from firms. I can confirm that we will continue to undertake detailed consideration and we will consult on proposals to address the issue later this year, alongside a number of other proposals to improve the post-contract experiences of consumers.

With regards to the FCA's engagement with Which? on our market study of cash savings products, I very much agree with you that Randomised Controlled Trials (RCTs) have the potential to help trial innovative ways of developing disclosures that better engage consumers, and I am keen that we continue to work together to ensure that such techniques are used as effectively as possible. We are very grateful for the input that your colleagues have already provided, and are keen to continue engaging with Which? in relation to the RCTs and indeed throughout the market study.

However, while we will continue to seek Which?'s input into the RCTs, we consider it important that the FCA carries out this RCT research independently. In particular, it is important that where the potential consequence of a study is regulatory intervention, the FCA carries out relevant research independently and retains autonomy in determining all key aspects of the

approach taken. Further, from a project management perspective, it is important that the team retains control of the delivery of all key work streams.

We look forward to engaging further with Which? as the market study progresses.

Yours sincerely,



Martin Wheatley
Chief Executive

From: [Name]
To: [Name]
Subject: [Subject]



Re: Cash savings and Consumer Rights Directive

Thank you for your letter of 7 January regarding the Consumer Rights Directive and the FCA's market study of cash savings products. In particular you ask that the FCA applies similar rules to those set out under the Consumer Rights Directive to ensure that the same level of protection is provided for selling complex and customer service lines. In addition you request a premium for selling complex and customer service lines. In addition you request an interest in which working more closely with the FCA on our cash savings market study.

We share Which?'s concerns that customers often have to use expensive phone lines when calling from their point of sale. We also agree that the principles relating to telephone calls in the Consumer Rights Directive should be applied to financial services firms, as well as other sectors.

To this end, I understand that your Regulatory Policy Team recently met with colleagues from Which? to discuss some of the details as to what we might expect from them. I am confident that we will continue to undertake detailed consultation and we will consult the public to address the issue later this year, alongside a number of other proposals to improve the real-world experience of consumers.

With regards to the FCA's engagement with Which? on our market study of cash savings products, I very much agree with you that Remedial Consumer Trials (RCTs) have the potential to help that innovative wave of developing solutions that better engage consumers, and I am keen that we continue to work together to ensure that such techniques are used as effectively as possible. We are very grateful for the input that your colleagues have already provided, and we look to continue engaging with Which? in relation to the RCT and indeed throughout the market study.

However, while we will continue to seek Which?'s input into the RCT, we consider it important that the FCA carries out the RCT research independently. In particular it is important that where the potential consequences of a study is regulatory intervention, the FCA carries out relevant research independently and retains autonomy in determining all key aspects of the