Financial Services Consumer Panel

Annual Report 2022/2023

An independent voice for consumers of financial services

Who we are
The Financial Services Consumer Panel (the Panel) is a statutory body set up under the Financial Services and Markets Act 2000 to represent the interests of financial services consumers (we do not represent individual consumers). When we refer to 'consumers', this includes private individuals as well as small businesses. We are independent of the Financial Conduct Authority (FCA).

Our members are recruited through open competition. Members come from a diverse range of professional backgrounds, bringing expertise in consumer advocacy, law, economics, regulation, market research, financial services, public policy, communications, competition, risk management and retirement planning.

What we do
Our main job is to provide advice and challenge to the FCA in relation to its statutory duties, in particular its consumer protection objective. Under our Terms of Reference agreed with the FCA, we also consider wider issues of financial services policy and legislation when they are directly or indirectly related to the FCA's general duties. We perform our role by responding to consultations, meeting with relevant teams from the FCA, and engaging with a wide range of other stakeholders to inform our views and advocate for consumers. These activities are set out in sections 6 and 7 of this report.

We also commission research to support our own independent projects. We aim to stimulate debate and influence policy in areas where there are risks to consumers that are not being addressed, or gaps in understanding of how financial services affect consumers. Section 5 of this report sets out our research activities in 2022/23.

How we do it
We meet twice a month – once in full Panel meetings and once in our two Working Groups (except for the month of August). FCA staff regularly present to Panel and Working Group meetings and we report our primary concerns monthly to the FCA Board. We also have many more informal meetings with teams from across the FCA. This allows us to more easily inform the FCA's work at the earliest stage of project development.

Outside the FCA, we work with a wide range of stakeholders and consumer groups and our members sit on various other bodies (set out in Appendix 6). We are also a member of the FCA's Consumer Network which provides a gateway for certain consumer organisations and the FCA to share insights and discuss policy issues. This helps us surface insights from a wide range of sources which we then strengthen throughout the year by engaging with different consumer organisations on various topics.

How we measure our impact
We measure our impact by reference to our duty to represent the interests of consumers, and our responsibilities under our Terms of Reference. This means we make sure we do what we were set up to. More detail on our impact over 2022/23 is included in Section 2 below.

Our commitment to diversity
We are committed to maintaining a diverse Panel as we know that this will enable us to be most effective in our role as a critical friend. When we talk about diversity, we talk about it in the broadest sense: different perspectives, characteristics and lived experience, as well as being broadly representative of the consumers and SMEs whose interests we represent. Our annual diversity statement is included at Appendix 2 of this report.

This annual report
This report covers the Panel's activity between 1 April 2022 and 31 March 2023. Where there have been important subsequent developments, we make reference to these, but by and large these will be covered in the next Annual Report.

Find out more about us on our website: http://www.fs-cp.org.uk

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Consumer Panel Members 2022-23

From L-R: Helen Charlton, Jonathan Hewitt, Francis McGee, Julia Mundy, Keith Richards, Natasha de Terán, Johnny Timpson, Julie Hunter, Rebecca Driver, Erik Porter, James Plunkett, Larna Bernard, Wanda Goldwag*

*term ended May 2022

Foreword by the Chair

This has been my first year as Chair of the Financial Services Consumer Panel and what a fascinating time to have taken up the post. There has been much scrutiny and debate about the role of the Panel and the FCA, in Parliament and elsewhere. Our statutory role remains unchanged, but- as this Report shows- we now operate in very different times.

Firstly, the pace and amount of change in financial services regulation has increased drastically. Ambitious timelines set for the FCA to deliver the Edinburgh Reforms and implement the Future Regulatory Framework – whilst it also prepares for the Consumer Duty – have required us to reconsider how we prioritise our own work. We have adopted a new approach to prioritisation for the Panel (set out in Section 1) so it is clearer where we will intervene. Essentially, we will act where we see a risk of significant harm to, or significant implications for, consumers.

Secondly, the greater scrutiny of the role we and the other Independent Panels play in the overall regulatory system has brought an important focus on transparency about what we do; our Annual Report is key to demonstrating this. Our annual report, which the Financial Services and Markets Act 2023 allows HM Treasury to lay in Parliament, shines a light on how we fulfil our statutory functions across a wide range of financial services policy areas. We have also refreshed our vision for financial services (see Section 1) and more clearly explained our impact (see Section 2).

And finally, these are very different times for the consumers whose interests we represent. The cost-of-living crisis continues to present challenges for almost everyone, to varying degrees; some consumers are still reeling from the impact of the pandemic. The long era of low interest rates has come to an end, bringing difficulty for borrowers that large numbers of consumers will not have experienced before. We also know that some consumers are needing to seek formal debt advice for the first time.

To protect consumers during these challenging times, regulators must do more to actively bring the consumer voice into everything they do. This is why I and my Panel colleagues have pushed for consumers and the groups that represent them to be able to input into all levels of the regulatory system. We have also emphasised the need for consumer testing, research and other evidence of the consumer voice to be brought to the fore. These have been key themes of our engagement with all our stakeholders throughout the year. It really is as simple as this: if consumers can't input into the design of regulation, then regulation simply won't work for them.

Last but by no means least, I would like to say a heartfelt thank you to all my colleagues on the Panel for their hard work and steady commitment throughout the year, especially in view of heavy workloads, compressed timelines and considerable resourcing challenges.

Looking forward, I know the fast pace of regulatory change will continue as the Consumer Duty and the various elements of the Future Regulatory Framework and Edinburgh reforms 'go live'. It is difficult to overstate the impact of these changes for consumers and therefore for us as a Panel. We will continue to represent the interests of consumers and call out where regulators need to do more, be bolder and act faster for consumers.

Helen Charlton
July 2023

Report overview

The 8 sections of this report set out how we have fulfilled our role in 2022/23

1 We set out our vision, aims and priorities. These underpin everything we do and inform decisions about how we use our expertise.

2 We summarise the impact we have had throughout this year and provide case studies of some of our key achievements.

3 4 We explain how we've operated in and responded to the unique circumstances of this year – through the intense regulatory change driven by the Future Regulatory Framework and introduction of the Consumer Duty; and through the cost-of-living crisis that continues to pose challenges for millions of consumers.

5 We summarise the research projects we have completed this year.

6 7 We explain in detail the advice and challenge we have provided to the FCA and others on a wide range of policy subjects – from everyday financial services, such as how we pay, to highly complex investment products and cross-cutting issues like inclusion and digital innovation. We summarise the key concerns we've raised in our 48 consultation responses and list the recommendations we've made to improve outcomes for consumers.

8 We set out our priorities for 2023/24 will be the Consumer Duty, the implementation of the Future Regulatory Framework, the continued response to the cost-of-living crisis and the ethical use of data and AI.

1. Our vision, aims and priorities

Our vision for financial services

Our vision is that financial markets work well for consumers – by which we mean individuals and small businesses[1] – and consumer harm does not occur.

This means that:

- Consumers are well-informed and empowered to take decisions
- Firms act in consumers' best interests – those that do not are robustly sanctioned or barred; those that are unlikely to act in consumers' best interests are not admitted to market
- Consumers are protected from harm, know when they are protected, understand what "protected" means – and when they have no protection
- Regulators act swiftly and effectively to protect consumers against harm, including new and emerging harms, and regulation keeps up with technological change
- Regulation takes account of the wider socio-economic and demographic context, including diversity of consumers' lives, and relative skill and knowledge compared to firms
- Consumers receive prompt and commensurate redress when things go wrong
- Innovation which benefits and protects consumers is encouraged and supported

Our aim as a Panel

We represent the consumer interest. Our aim is to ensure the voice of the consumer is heard, and duly considered, by the FCA and by policymakers and industry.

Our priorities

We seek to focus on areas with risk of significant harm to consumers, or with the most significant implications for consumers. This year this has included the cost-of-living crisis, the implementation of the new Consumer Duty and the future development of the regulatory framework as well as a wide range of sector-specific issues (covered in Section 7 of this report). For 2023/24, we will focus in particular on the Consumer Duty and the future regulatory framework.

1 Our remit in regard to small businesses as consumers of financial services mirrors the FCA's perimeter which includes businesses that have an annual turnover of below £6.5m, an annual balance sheet total smaller than £5m and fewer than 50 employees.

2. Our impact in 2022/23

To perform our role and meet our duties in 2022/23, we have:

Had **117 discussions with the FCA**, including 12 with the Chair, Chief Executive, and other Senior Executives

Discussed **82 different financial services policy subjects** affecting consumers across the range of stakeholders we engage with

Responded to **48 consultations** issued by the FCA, other regulators and government (published on our website here)

Met with **40 different external organisations** including consumer organisations and advocates, industry bodies and charities

Submitted **11 reports to the FCA Board** bringing to their attention our view of the most significant issues impacting consumers

Completed **3 research projects** on equity release, early-stage credit journeys and fair use of data by financial services firms

Participated in 17 **third party events**

Whilst much of our impact arises through advocating on behalf of consumers in relation to the FCA's early thinking or proposed policy approach prior to publication, we provide below examples tracking our work to specific regulatory outcomes in 2022/23:

Influencing the Consumer Duty guidance

We have welcomed extensive engagement with the FCA throughout the development of the Consumer Duty. During these discussions we highlighted the importance of individual accountability in driving the necessary operational and cultural change in firms. We suggested the FCA require firms to appoint a 'Board Champion': a non-executive director with specific responsibility and accountability for overseeing firms' compliance with the Consumer Duty. We were pleased to see the FCA include this requirement in its final guidance on the Consumer Duty published in July 2022.

Strengthening the bank branch closures guidance

This year the FCA updated its guidance for banks when they considered closing branches. We identified that since the Covid-19 pandemic banks had restricted the opening times of some branches and the availability of core services. For consumers this could have the same material impact as fully closing a branch. When the FCA updated its guidance, it included provisions specifically focussed on these 'partial closures'.

Ensuring consumer testing

We have encouraged the FCA to conduct consumer testing in several specific policy areas in order to inform their final rules. We were pleased when we saw the FCA follow this approach; for example, they have extensively tested different options for risk warnings to prevent consumers purchasing high-risk investments from suffering harm.

3. Delivering our role during significant change

Significant changes have been made to the overall regulatory landscape this year as firms and regulators prepared to implement the Future Regulatory Framework, the provisions now in the Financial Services and Markets Act and, crucially, the Consumer Duty. We have provided consumer-focussed input throughout this period of intense change and consistently encouraged policy makers to do more to bring the consumer voice into the debate.

The regulatory framework for financial services in the UK is undergoing the most significant change since the creation of the FCA in 2012. Much of this change has been made following the UK's exit from the European Union which required policy makers to think about what an optimal Future Regulatory Framework would look like in the UK. This thinking has been broader than individual policy areas: it included fundamental questions about the structure, role, accountability and scrutiny of regulators. At the same time, the FCA finalised the Consumer Duty, with most firms needing to make significant cultural and operational changes by the end of July 2023. All of this change has had, and will continue to have, far-reaching consequences for financial services consumers.

We have consistently called for the consumer voice to be 'hard-wired' into the design and implementation of the Future Regulatory Framework – whether it be to answer big-picture strategic discussions about the role of regulators or inform line-by-line analysis of specific policy initiatives and legislative proposals. This is because consumer protection is an ultimate aim of regulation: without the input of the consumer dimension in regulation's design, this aim will simply not be met. There remains an imbalance between the consumer voice and that of industry, which has the resources (on an individual and collective basis) to engage fully in the many policy debates. We have called for regulators and HM Treasury to take further steps to address this structural imbalance as a matter of urgency[2].

We also raised concerns about the cumulative impact of changes on regulatory independence, stability and effectiveness. The Financial Services and Markets Act 2023 (the Act) has given significant new powers to HM Treasury. We expressed concern about these powers when they were proposed as, in our view, they impinge on the

2 For our most recent comments on this, see our letter to the FCA in December 2022. See also our comments to the Commons Public Bill Committee in October 2022.

independence of the FCA. We said this potentially undermined the stability of regulation as it created the risk of changing political priorities influencing regulation, leading to uncertainty and additional complexity. For these reasons we also expressed strong opposition to the proposed 'call in power' and were pleased to see this proposal dropped as the Act progressed through Parliament[3].

We have also raised concerns about the Act's secondary international competitiveness and growth objective. Whilst we welcomed the secondary nature of this objective, we were concerned that it would be 'traded off' against the primary consumer protection objective which would essentially dilute consumer protections[4]. We were clear that there can be no such trade-off and will remain vigilant about this over the next year as the new secondary objective is operationalised by regulators.

Against the overall changes to the regulatory framework and busy legislative backdrop, the effective implementation of the Consumer Duty is critical. With this in mind, we stressed throughout our regular engagement with the FCA and HM Treasury the need for the implementation deadline of 31 July 2023 to be maintained and had frequent discussions with the FCA throughout the year on firms' readiness for this date. We welcomed the FCA's publication of its review of implementation plans which provided helpful examples of good and bad practice for all firms to learn from. We will continue to monitor the implementation of the Consumer Duty throughout 2023/24 and do our utmost to ensure that its full benefits are realised.

3 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_pbc_fsm_bill_call_for_evidence_20221024.pdf p1-3
4 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_pbc_fsm_bill_call_for_evidence_20221024.pdf p4

4. The cost-of-living crisis

The cost-of-living crisis has continued to bite on the budgets of individuals and small businesses. We have remained focussed on what this means for financial services consumers and called out areas where the FCA could step in to ensure firms provide adequate support.

Throughout 2022/23 the post-pandemic cost of many essential goods and services continued to rise for consumers, many of whom were already managing tight budgets. The war in Ukraine exacerbated the situation, with increasing energy costs adding to household fuel bills and increasing the cost of essential goods and services. Rising inflation, and the absence of a corresponding growth in incomes, squeezed consumer finances further. Rising interest rates have increased the cost of borrowing and made it more expensive for consumers to plug budget gaps. This situation is likely to endure for some time, meaning that consumers – especially vulnerable consumers and including small businesses – will continue to face significant challenges.

We monitored what this means for consumers in financial services and shared our concerns with the FCA on a regular basis. We suggested actions the FCA could take to ensure firms were delivering good outcomes for consumers at this difficult time. For example, we said the FCA should:

- Enhance monitoring and supervision of how firms provided support to consumers in financial difficulty and take swift action where necessary.
- Use the vast amount of data it holds to provide insights to regulatory partners with a consumer education mandate to strengthen messaging to consumers on how they can access help and support.
- Review the Tailored Support Guidance issued during the pandemic around how credit and mortgage firms support consumers in financial difficulty with a view to establishing a permanent set of expectations on how firms should treat customers who are in financial difficulty. We welcomed the FCA's consultation on this published in May 2023.

We also discussed the impact of the cost-of-living crisis with other regulators of financial services and consumer groups. For example:

- We highlighted to the Financial Ombudsman Service areas where they might expect to see an increase in complaints as a result of the cost-of-living crisis – such as debt advice and lending – and therefore might need to intervene.
- We met with the charity Surviving Economic Abuse to hear about the impacts of the cost-of-living crisis on victims of economic abuse

- We discussed cost-of-living during our regular meetings with many consumer groups including Citizens Advice, Which?, Fair4All Finance and consumer panels in other sectors (including telecommunications, legal services and aviation).

These discussions with a range of stakeholders helped us build a holistic picture of the impact of the crisis on consumers, which we fed back to the FCA through our regular engagement channels, and dedicated cost of living engagement, with the FCA.

5. Our research

The Panel has a small annual budget to carry out research. We aim to stimulate debate and influence policy in areas where there are risks for consumers that are not being addressed, or gaps in understanding of how financial services affect consumers.

This year we published final findings from our 2020/21 research on equity release, completed our 2021/22 research looking at consumer behaviour in the early stages of engagement in credit markets, and published the results. We also conducted a project looking at potential bias in firms' use of data and algorithms leading to unfair outcomes for consumers with protected characteristics.

Equity release

In May 2022, we published the findings of our research into the equity release market[5]. We had commissioned in-depth qualitative research in 2021 to explore the equity release market from the perspective of consumers who purchased from a position of vulnerability. A secondary objective was to explore the role of regulated advice in securing a good outcome for these particular borrowers. Our in-depth look at this market became especially timely in light of the increase in equity release borrowing during the cost-of-living crisis (an increase of 31% in 2022 compared to the year before[6]).

Our research showed that without comprehensive tools and guidance, there was a risk that consumers would not make a fully informed decision that was right for their circumstances. The findings suggested that consumers who purchased from a position of vulnerability may fail to consider the long-term implications of their decisions. We have welcomed discussions with the FCA about the findings of our research and will continue to draw their attention to the potential harms whenever we discuss outcomes for consumers of later-life lending products.

Alongside discussions with the FCA about the findings of our research, we have also worked closely with interested stakeholders such as Money Alive, Just Group and the Equity Release Council to share our findings and recommendations.

5 For the research paper see here, and for our accompanying position paper see here.

6 https://www.thisismoney.co.uk/money/equityrelease/article-11666203/Equity-release-borrowing-soared-2022-amid-cost-living-crisis.html

Consumer credit

We commissioned 40 in-depth interviews with consumers to understand consumer behaviour in credit markets. The main objective of the research was to help us understand the debt portfolios that consumers had and how these portfolios came about. We focussed on the earliest parts of the consumer journey when consumers were taking up debt for the first time or starting to habituate borrowing but were not (yet) in financial difficulty. We wanted to understand where there might be actual or potential consumer harm in the early part of the debt journey and what drives this harm.

In November 2022 we published the summary report of the key findings and our accompanying position paper which set out the potential harms. These included:

- Borrowers who tried to do some research online to find suitable products were in many cases steered by search engine algorithms and online marketing – which may present search results in a way that is not in the consumers' best interests.
- Some borrowers mentioned taking out a credit product to re-pay another which risked over indebtedness.
- Many borrowers did not recognise outstanding credit balances as debt. This could prevent consumers reaching out for help when they got into difficulty meeting repayments as many advisory services use the label 'debt'.
- Borrowers in this study showed a range of emotions when it came to credit choice and debt management. Behaviours such as making an emotional decision to buy a product, seeking products with the lowest amount of friction irrespective of cost, the normalisation of credit, optimism bias and not seeing debt as debt could lead to consumer harm.

As a result, we made 5 recommendations:

1. The FCA and the Money and Pensions Service should develop ideas in the Occasional Paper on whether so-called Roboadvice can help people make better repayment decisions.
2. The FCA should review the credit card persistent debt rules and conclude previous work on the presentation of minimum payments in view of our new evidence of early users' sense that minimum payments equate to control over credit.
3. The FCA should research and enforce a better disclosure framework under the Consumer Duty. The FCA should not wait for the Consumer Credit Act Review to conclude before pushing through changes under the new Consumer Duty.
4. The FCA should research and propose what the key features are of a good consumer journey in terms of balance between easy access and protective friction.
5. The FCA should review consumer understanding of the way credit score improvement products work.

We also suggested further research using real borrowing and repayment data to see whether regular re-financing is a forward indicator of financial distress. If supported by evidence, regulators could consider further interventions.

We continue to draw attention to the findings of our research when engaging with specific policy initiatives – for example in our responses to consultation on the regulation of buy-now pay-later[7] and reform of the Consumer Credit Act[8]. We were pleased to see the Finance and Leasing Association also reference our research in their report on the 'Future of Credit' published in February 2023[9].

Potential bias in firms' use of data

We commissioned research to look for evidence on whether use of personal data and algorithms by financial services providers was leading to unfair, biased or discriminatory outcomes for consumers with protected characteristics[10]. This followed on from research by Citizens Advice in March 2022 which found that people of colour may be paying £250 more a year for their car insurance than white people[11]. We wanted to explore whether there was evidence of similar discrimination in other financial services markets. Our research partner conducted a review of existing literature in this area and interviewed 8 experts.

It was widely assumed by those experts, and noted in published literature, that some groups of consumers experienced bias and detriment relating to their protected characteristics due to the way firms used personal data and algorithms. However, definitive evidence that algorithmic decision making caused that bias and detriment was challenging to find because firms' data systems and algorithms were too opaque.

Therefore, we recommended that the FCA:

1. Conducts analysis to assess whether consumer harm is occurring as a result of (intentional or unintentional) bias in firms' collection and use of data and, if so, to identify the nature and scale of that harm. The FCA is the only organisation in a position to carry out this work, as it has the unique ability to request access to relevant data and information from firms.
2. Provides, based on the findings of this analysis, guidance for firms on the ethical use of data including examples of good and poor practice.

7 https://www.fs-cp.org.uk/sites/default/files/20230414_final_fscp_response_-_hmt_bnpl_consultation.pdf

8 https://www.fs-cp.org.uk/sites/default/files/fscp_response_to_treasurys_consultation_-_reform_of_the_consumer_credit_act_.pdf

9 https://www.fla.org.uk/media/news/the-future-of-credit--finding-out-what-consumers-want/

10 https://www.fs-cp.org.uk/sites/default/files/202307_for_publication_data_use_research_report.pdf

11 https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/discriminatory-pricing-exploring-the-ethnicity-penalty-in-the-insurance-market1/

3. Insists that firms understand and are able to demonstrate, what personal information is collected and why, how consumers' personal data is used in their algorithms and AI and how this drives decisions and outputs that affect consumer outcomes.
4. Requires firms to disclose to the FCA, and make available to consumers, which data fields are used when making decisions that impact consumers. This will increase transparency and accountability around firms' use of data and empower consumers, and organisations that represent them, to challenge it.
5. Ensures that firms have a named individual accountable for their use of algorithms, decision engines and AI, either through expansion of the roles detailed under the SM&CR or some other mechanism.
6. Embeds the consideration of algorithms and AI – and their potential to affect consumer outcomes and cause harm - as a cross-cutting theme, relevant to all workstreams.

6. Cross-cutting issues

This section sets out the Panel's activities on cross-cutting issues. These issues span most financial services products and services and therefore affect large numbers of consumers.

Each of the areas covered below was a priority for the Panel in 2022/23 and many will remain so for 2023/24. We selected these as priorities because they were the areas with risk of significant harm to consumers, or with the most significant implications for consumers.

We set out our position on each issue in the teal outlined boxes at the start of each section.

Access and inclusion

We think that:

- Everyone who uses cash, through necessity or choice, should retain easy access to and the ability to use cash. This also applies to SMEs and microbusinesses, many of whom need to deposit and withdraw cash to run their businesses.
- Outcomes for consumers in vulnerable circumstances should be at least as good as those for other consumers.
- Regulators should encourage the widespread adoption of an inclusive design approach across the entire customer journey, so that products and services are accessible to, and useable by, the greatest number of people with a diverse range of needs, circumstances and capabilities

Access to essential banking services

The Financial Services and Markets Act 2023 has given the FCA new powers to protect access to cash for those that need it. We discussed these with the FCA and the Cash Action Group throughout the passage of the Act to understand how they would work in practice and address the needs of consumers. We welcomed the Act giving the FCA overarching responsibility for access to cash as it allowed a single regulator to be able to identify gaps, implement solutions and take central oversight of the delivery of those solutions in a way it could not when responsibility for cash access was fragmented.

However, we would have liked to have seen the scope of the powers granted to the FCA widened to include access to essential banking services. There are many consumers, often vulnerable consumers and SMEs, who rely on or prefer face-to-face banking services. Solutions to a lack of cash access often focus solely on the provision of cash and overlook the many other services consumers can engage with in bank branches. Solutions have also been too slow; we have been concerned by the time it has taken to open banking Hubs which increases the risks to consumers of further branch closures in the meantime.

With this in mind, we have welcomed the FCA's strengthened guidance on bank branch closures. We were pleased to see the FCA take on board our suggestions to explicitly include in this guidance reduced opening hours and services in their guidance on partial closures and require firms to pause plans for closures until such a time that a suitable alternative is in place[12]. The FCA also required firms to keep branches open until alternative arrangements were put in place. This ensured the needs of consumers who rely on or prefer face to face banking services were sufficiently taken into account when banks made commercial decisions.

We will continue to discuss with the FCA how it will operationalise its new cash access powers and protect access to essential banking services in 2023/24.

Consumers in vulnerable circumstances

Highlighting the needs and experiences of vulnerable consumers has remained a theme running throughout our work this year, especially when discussing the cost-of-living crisis. For example, we have:

- Called out the heightened risk of vulnerable consumers falling victim to fraud and scams as they looked for sources of additional funds – be that credit or investment opportunities – to help weather the economic storm. We have repeatedly raised concerns that the FCA's measurement of its success in tackling scams and frauds relate to a 'slowing down' in the rate of increase in scams, rather than a reduction in the number of scams.
- Reiterated our concerns about the poor outcomes suffered by mortgage prisoners whose finances may be further squeezed by interest rate rises and the tightening of lenders' risk appetites.
- Sought insight into experiences of vulnerable groups of consumers to share with the FCA. For example, we have met with Surviving Economic Abuse and the England Illegal Money Lending Team

12 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_fca_guidance_consultation_bank_branch_closures.pdf

Protection and redress

We think that:
- Consumers should have access to prompt and commensurate redress.
- Consumers should be helped to understand the roles of the regulatory family so that they know who to go to when things go wrong.

The work of the Financial Ombudsman Service

We continued to meet regularly with the Financial Ombudsman Service this year, including quarterly meetings to share insights and discuss complaint trends, with a particular focus on the expected increase in complaints volumes as a result of the cost-of-living crisis.

We responded to the Ombudsman Service's consultations on its funding arrangements[13] and strategic plans[14]. The key theme of both responses was the Ombudsman Service creating the right incentives for firms to get complaints handling right in the first place. On this, we:

- Recommended a differential fee model in line with the 'polluter pays' principle. This would mean firms which attracted a higher proportion of complaints compared to their customer base would pay higher fees.
- Welcomed the Ombudsman Service's focus on prevention of complaints. We felt this would result in good outcomes for consumers being delivered more quickly and aligned well with the FCA's Consumer Duty. We welcome the ongoing engagement between the Ombudsman Service and the FCA under the Wider Implications Framework to ensure a joined-up application of the rules.
- Recommended the removal of free cases for firms as we felt this reduced the incentive for firms to get things right the first time.
- Encouraged the Ombudsman Service to publish to firms and share with regulators the wealth of information it gathered. This 'public censure' would help drive behaviour change at all firms, not just those the Ombudsman Service had direct engagement with.

In March 2023 the Ombudsman Service consulted on proposals to change how it reports business-specific complaints data. We responded reiterating concerns previously raised in 2021 that these changes would not create the right incentives for firms and risked losing important data-based insights into firm behaviour[15].

13 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_fos_consultation_on_funding_model_20220804.pdf
14 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_fos_annual_plan_and_budget.pdf
15 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_fos_temporary_changes_to_outcome_reporting_in_business_specific_complaints_data.pdf

The work of the Financial Services Compensation Scheme

We also continued to meet with the Financial Services Compensation Scheme this year, including quarterly meetings to share insights, discuss trends, to discuss their strategic approach and hear insights into consumers' experience of the Scheme. Key issues we raised with the Scheme this year included:

- How the FSCS was increasing consumers' awareness of the Scheme
- How the FSCS levy could be reduced in the long term.
- How the FSCS and FCA shared data to inform regulatory policy making and/or supervisory action.

The Panel has also engaged with the FCA on matters of redress policy, including the review of FSCS. We are concerned about gaps in the safety net for consumers, notably the lack of protection for those harmed by consumer credit firms. It is not clear that the incentives on firms, or the regulatory tools, are aligned with good consumer outcomes. We have recognised that change in this area would be complex, but we have pressed for options to be developed in the context of the review of the Consumer Credit Act and elsewhere.

Small businesses as users of financial services

> We represent the interests of both individual consumers and SMEs in financial services in the UK. The boundary between what is and isn't protected for SME consumers is complex and even less straightforward than for individual consumers. We are concerned that the SME experience of financial services and regulation is not well understood.

We continued to meet with the FCA's Small Business Unit throughout the year. Our conversations focussed on SMEs' experience of the cost-of-living crisis and the FCA's multi-firm work on collections and recoveries processes for loans issued during the Covid-19 pandemic. We also established regular meetings with the Federation of Small Businesses to discuss issues faced by SMEs and inform our engagement with the FCA.

In our response to the Government's consultation on reform of the Consumer Credit Act we called for a root and branch review of all legislative and regulatory protections pertaining to small businesses[16]. Whilst these comments were initially made in the context of lending to small businesses, a wider review would help to address longstanding issues of confusion and complexity when it comes to the regulatory perimeter for SMEs.

16 https://www.fs-cp.org.uk/sites/default/files/fscp_response_to_treasurys_consultation_-_reform_of_the_consumer_credit_act_.pdf

We also engaged with the FCA on SMEs' experience of financial services in the following areas:

- We discussed with the FCA proposals to widen the remit of the Financial Ombudsman Service to include SMEs.
- We highlighted the importance of access to and acceptance of cash for SMEs in discussions with the FCA and the Cash Action Group.
- We continued to highlight failure in the Professional Indemnity Insurance market which forced some SMEs to withdraw from financial services.
- We called for the Insolvency Service to ensure SMEs had access to appropriate insolvency solutions, recognising that smaller businesses may be less sophisticated and vulnerable in similar ways to individuals[17].

Regulating in a digital age

Our vision for firms' use of data and digital solutions (including algorithms, artificial intelligence and machine learning) is that:

- Consumers understand what data is being recorded, the purpose of collecting that data, and how it will be used and shared.
- The underlying source data informing digital solutions is accurate, current, inclusive and representative so that these solutions do not unfairly discriminate against individual or groups of consumers, including those in vulnerable circumstances or with protected characteristics.
- Firms' use of digital solutions promotes inclusion and reduces exclusion. It should not create unreasonable barriers to access, switching or cancellation.
- Ethical treatment of consumer data and use of digital solutions is embedded into firms' governance frameworks. Senior managers within firms should understand – and held accountable for – how consumer data and digital solutions are used.

Regulators keeping pace with change and innovation

There continues to be rapid change and innovation in the use of data, technology and digitally-enabled solutions in financial services. This ranges from the most basic transition of 'analogue' services to the online environment, to the development of digital assets and the use of highly complex technologies such as artificial intelligence systems. We have engaged with the FCA and other regulatory bodies on numerous such changes and an overarching theme of all our interactions is that for regulation to be effective in the digital age, it needs to keep up. Otherwise, there is a risk consumer harm goes unaddressed and poor conduct becomes entrenched market practice that is harder to change later on.

17 https://www.fs-cp.org.uk/sites/default/files/final_-_fscp_response_to_the_insolvency_services_call_for_evidence_on_the_review_of_the_personal_insolvency_framework.pdf p3

Crypto products

We continue to monitor and engage with plans to regulate crypto products. In September 2022 we provided written evidence to the Treasury Select Committee's inquiry into the cryptoasset industry[18] and in December 2022 Panel members attended the inquiry in person to give oral evidence[19]. In this evidence we expressed our concern about the harm caused by crypto products and/or their issuers and distributors and recommended a number of actions to address this. We:

- Urged the Government to act on HM Treasury's intention to legislate to bring certain cryptoasset promotions into the scope of the financial promotions regime. We were pleased to see the introduction of the Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 bring this into effect.
- Supported the FCA's action to disapply the self-certification exemption to crypto products, which prevented consumers from self-certifying as sophisticated investors and therefore potentially being exposed to products well beyond their risk appetite.
- Raised the need for the Government and regulators to address the principal-agent issues that will arise when crypto products such as Non-Fungible Tokens (NFTs) are used as a vehicle to enable consumer investment in assets such as infrastructure or investment funds. The interests of NFT holders who have invested in these asset classes will need to be protected in cases where they clash with the interests of either managers of the assets or shareholders.
- Recommended the Government empower the FCA to regulate crypto lending and borrowing (where firms lend fiat currency against borrowers' crypto holdings) as this was highly risky for consumers. Panel Members gave further evidence on this issue when they attended an oral evidence session.

Use of algorithms and AI

In June 2022 we responded to the Digital Regulation Cooperation Forum's (DRCF) consultations on the use of algorithms in financial services. In both responses[20] we set out the key principles which form our vision for this area as outlined above. We suggested that in developing the regulatory approach, DRCF members should focus on fairness, accountability and ownership as this would ensure firms put consumer outcomes front and centre and allow regulators to effectively supervise their use of algorithms. We reiterated these points to the FCA in response to their discussion paper on the use of Artificial Intelligence in financial services[21].

18 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_tsc_crypto_inquiry_20220909.pdf
19 See here for the transcript of this oral evidence session
20 On the benefits and harms of algorithms, see here. On the governance of algorithms, see here.
21 https://www.fs-cp.org.uk/sites/default/files/20230209_final_fscp_response_-_fca_dp22-4_ai_in_fin_serv.pdf

However, all algorithms used by firms will only be as good as the data that is fed into them. We therefore welcomed the FCA's consideration of how firms could use synthetic data[22] where 'real' data was not of sufficient quality or quantity. In our response to the FCA's Call for Input we were supportive of the potential benefits of synthetic data in levelling the field between incumbent and new firms in terms of data wealth and therefore facilitating the design and delivery of arrange of products that met consumer needs. However, we also warned of risks around bias, discrimination, exclusion, privacy and a potential lack of accountability[23].

BigTech entry and expansion into financial services

In October 2022, the FCA issued a discussion paper on the potential competition impacts of BigTech firms entering financial services. In our response we highlighted the potential consumer harms that could arise from the disruption BigTech entry would cause[24]. These included:

- The sale of unsuitable products and services at a pace which made it difficult for the regulator to intervene before harm occurred.
- Sudden concentration in particular markets and/or mass migration of customer bases from incumbent firms to Big Tech providers that led to the failure or withdrawal of incumbent firms, and eventually to financial loss and/or service disruption for consumers of these firms.
- Increased financial and digital exclusion as certain groups of consumers, especially vulnerable consumers, were unable to engage with the likely digital-based products and services offered by Big Tech.
- Increased prices and restricted choice for consumers as Big Tech firms had the financial resources and capability to offer services at a lower cost to win new customers, but could then could put prices up once they have monopolised the market and use sludge practices that dissuade consumers from switching.

Digital marketing

The Panel has been concerned about the potential consumer harm arising from digital marketing since it conducted its research in this area in 2020[25]. We used insights from this research to respond to the Department for Digital, Culture, Media and Sport's consultation on online advertising in May 2022. In our response we outlined the key harms caused to consumers by online adverts and the challenges posed by the complex regulatory structure in this space[26]. These included:

22 Data created by statistically modelling original data and then using those models to generate new data values that reproduce the original data's statistical properties

23 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_fca_cfi_synthetic_data_20220622.pdf

24 https://www.fs-cp.org.uk/sites/default/files/20230113_final_fscp_response_-_fca_dp22-5_bigtech_entry_into_fs.pdf

25 https://www.fs-cp.org.uk/sites/default/files/fscp_final_digital_advertising_discussion_paper_20200630.pdf

26 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_dcms_online_advertising_programme_20220531.pdf

- Consumers taking on more risk than they were comfortable with or could afford because of inadequate disclosure of risk around investments, especially crypto products.
- Unaffordable or inappropriate lending because adverts for credit focussed on speed and ease-of-access.
- Consumers looking for green or sustainable products ended up with products that do not meet their objectives because of greenwashing in adverts.
- Targeted advertising being used to exploit and manipulate consumers who were already vulnerable to harm.
- Consumers buying fraudulent or high-risk products promoted by influencers.
- Consumers being influenced by adverts which were not easily identifiable as adverts. They might not know who is promoting or issuing the product and to what extent these parties are regulated. This was especially the case for so-called 'finfluencers' and we have been pleased to see the FCA draw attention to this as an area of growing concern[27].

The Financial Services Register

We believe the Financial Services Register, maintained by the FCA, requires a complete overhaul in order to be useful for and usable by consumers, enabling and empowering them to make informed and effective financial decisions. Consumers are repeatedly told to use the Register to avoid being scammed or induced to deal with unregulated businesses. They should be able to use the Register with confidence, to determine when they are and are not protected by regulation when engaging with financial services firms and products.

We have met with the FCA to discuss the Register several times throughout the year. In these discussions, we called on the FCA to take a consumer-centric approach to designing improvements to the Register. This means thinking about it from the consumer perspective and considering what function(s) consumers need the Register to perform in order to be able to make informed decision. Only by thinking about consumer needs first will the FCA be able to deliver the right outcomes for consumers. The FCA is completing a significant project to improve the Register and we look forward to seeing the results in due course.

27 https://www.fca.org.uk/news/press-releases/financial-watchdog-blocks-thousands-misleading-ads

Appointed Representatives

> We believe the appointed representative regime requires urgent review and simplification with consumers better served by a risk-based transition to all firms being regulated by the FCA – particularly those ARs distributing pension, investment, saving, retirement, tax planning and lifetime mortgage solutions.

We were pleased to see the FCA commit to improving the oversight of Appointed Representatives as a key part of its three-year strategy[28]. We have had several discussions with the FCA about its work throughout the year. These further explored the concerns we had previously raised in our response to the FCA's consultation on improving the Appointed Representatives Regime[29] and HMT's call for evidence[30] which included re-stating our long-standing concerns around:

- The perceived light touch, low burden and monitoring style of regulation within the regime.
- There being no requirement that an AR in fact represents or acts as agent of its principal.
- The lack of AR regime expertise within the market, HMT and the FCA.
- The lack of consumer knowledge on ARs generally.
- The lack of redress available for customers of Ars.

We also welcomed discussions with the FCA, FOS and Financial Services Complaints Commissioner on this topic.

28 https://www.fca.org.uk/publication/corporate/our-strategy-2022-25.pdf p17

29 https://www.fs-cp.org.uk/sites/default/files/final_draft_fscp_response_fca_ar_consultation_.pdf

30 https://www.fs-cp.org.uk/sites/default/files/final_draft_fscp_response_financial_services_consumer_panel_response_to_hmts_call_for_evidence_on_the_appointed_representatives_regime.pdf

7. Sector-specific issues

This section sets out the Panel's activities by sector within the financial services industry. The Panel's remit is not limited by sector and so in theory we cover every aspect of the industry; however, we focus our limited resources on areas where we see a risk of significant harm to consumers, or where there could be the most significant implications for consumers.

We set out our vision for each sector in the teal boxes at the start of each section.

Lending: consumer credit and mortgagest

Our vision for the consumer credit sector is that:

- harm caused to consumers in credit markets is reduced
- credit information is not biased towards adverse and outdated information
- consumers understand the products available to them and can make informed decisions about suitability, long term implications and costs
- consumers are supported when they face difficulties with repayment
- redress arrangements in consumer credit are equivalent to other financial services sectors

Our vision for the mortgages market is that:

- consumers should understand the mortgage products available to them and be able to make effective decisions about their existing products
- there should be a reduction in barriers to switching
- issues facing mortgage prisoners must be addressed as a priority.

Buy now pay later

We continued discussions with the FCA and HM Treasury to prepare for the regulation of BNPL. Given the significant growth in this market and the high potential for consumer harm, especially during the cost-of-living-crisis, we would like to see these firms brought within the FCA's perimeter as soon as possible.

We responded to HM Treasury's consultation on the scope of the regulation to express our support for all merchant-provided credit to be included within the regulatory perimeter, whether it was issued online or in person, though recognised the practical difficulties of doing so and hence suggested a phased approach[31]. HM Treasury decided to exclude all merchant-provided credit but we will continue to monitor consumer outcomes in the market as well as any signs of new merchant-provided credit business models that appear to circumvent the BNPL regulation. We will also continue input into the design of BNPL regulation more generally and encourage an accelerated pace of implementation.

Credit Information Market Study

In November 2022, the FCA published its interim report and discussion paper as part of the Credit Information Market Study. As a Panel we have had longstanding concerns about the credit information market which the FCA's interim findings report confirmed. We therefore supported many of the FCA's findings and called for significant and urgent improvements to be made to how consumers can dispute their credit information and how lenders and credit reference agencies correct it[32]. To facilitate these improvements, we supported the FCA's proposal to establish an 'official portal' for consumers to access and, if necessary, dispute their credit information. However, we were not convinced by the FCA's proposals for industry-led governance to drive through the required change. We have seen this approach fail to deliver sufficient improvements in other sectors and therefore were not confident it could work here, especially given the nature and scale of the issues identified by the FCA in this market.

We have welcomed discussion with the FCA to explain our concerns in more detail and look forward to continuing this engagement as the market study progresses. That said, we remain concerned that the timelines for market remedies are too long and have encouraged the FCA to bring forward its implementation timelines.

Consumer Credit Act reform

A key aspect of the significant regulatory change discussed in Section 3 of this report is the review of the Consumer Credit Act. The Consumer Credit Act is critical to the standards and protections afforded to consumers in financial services and the outcome of the Government's review will have significant implications for the FCA's future regulatory regime. We have engaged with the FCA and HM Treasury throughout the year to discuss the review.

31 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_-_hmt_bnpl_mini-consultation.pdf
32 https://www.fs-cp.org.uk/sites/default/files/20230224_final_fscp_response_-_cims_interim_report.pdf

Throughout our response to HM Treasury's consultation[33], we highlighted that this regulatory regime may not always be able to replicate the rights, sanctions and protections that primary legislation offers and cautioned the Government to be mindful of this when transferring responsibility to the FCA.

We also said that:

- Consumer protection must be the primary goal of reform to the Consumer Credit Act.
- A useful starting point would be a re-defining what is meant by 'credit' to facilitate a simpler and future-proofed regime. We supported a version of the Finance and Leasing Association's definition: "products that enable consumers to buy goods and services with the understanding that the borrower will pay later, or pay back later, usually with interest".
- There should be a root and branch review of the legislative and regulatory framework relating to SME lending to simplify the regime as it applies to small businesses.
- The review of the Consumer Credit Act should cover redress, particularly where a company against whom consumers have a claim no longer exists. We would like to see this addressed in the next stage of the review.

Mortgages

Mortgage borrowers have of course been impacted by the cost-of-living crisis this year and we viewed policy changes through this lens. For example, we:

- Raised concerns about the withdrawal of the Bank of England's mortgage affordability test given the economic uncertainty, which could exacerbate risks of over-indebtedness[34].
- Supported the FCA's updates to its guidance for mortgage firms in light of the cost-of-living crisis[35].
- Reiterated our long-standing concerns about mortgage prisoners, who were put in a more precarious situation as interest rates rose and lenders' risk appetites tightened[36].

33 https://www.fs-cp.org.uk/sites/default/files/fscp_response_to_treasurys_consultation_-_reform_of_the_consumer_credit_act_.pdf

34 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_boe_consultation_on_mortgage_affordability_test.pdf

35 https://www.fs-cp.org.uk/sites/default/files/fscp_response_to_fcas_guidance_consultation_for_firms_supporting_their_existing_mortgage_borrowers_impacted_by_the_rising_cost_of_living.pdf

36 ibid

Debt advice and insolvency

Our vision for the debt advice sector is that:

- Consumers are treated fairly when they experience financial difficulty and have access to high-quality, free debt advice.

Throughout the year we had good discussions with the FCA, the Insolvency Service, HM Treasury and the Money and Pensions Service (MaPS) on the overall approach to debt advice. The cost-of-living crisis meant that consumers were exposed to financial difficulty on many fronts and so ensuring they were supported by a well-functioning debt advice sector was a key area of interest for the Panel.

With this in mind, we welcomed some important improvements to the regulatory framework in this sector, including the creation of statutory debt repayment plans (SDRPs)[37] and the banning of debt packager referral fees[38], and we have encouraged regulators to make these changes more quickly.

We have also called for high-quality regulated debt advice to be the route into all debt solutions – including the new SDRP, Debt Relief Orders and Individual Voluntary Agreements (IVAs)[39]. We continued to raise our long-held concerns about the marketing of IVAs in responses to all consultations related debt advice and encouraged regulators to urgently address this by bringing the regulation of IVAs in line with other debt solutions.

Other recommendations we made in this sector include:

- For MaPS to fund SDRPs rather than the proposed fee model to ensure the cost of advice and administration would be covered whilst reducing barriers for consumers[40].
- For regulated debt advice to facilitate consumers amending or switching between debt solutions in accordance with their best interests[41].
- For greater emphasis to be put on the help and support debt advice can offer, and for overly punitive measures to be avoided, in order to reduce the stigma many consumers attach to seeking debt advice. Better signposting can help achieve this[42].

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37 For our response to HM Treasury's consultation on this, see here: https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_hm_treasury_consultation_sdrp.pdf We were disappointed that on 2 November 2022 the Government announced that it had decided not to press ahead with the SDRP as planned and instead fold it into the Personal Insolvency Review. SDRP is not an insolvency, and this delays key protections from unfair action by utility and Government creditors, landlords and others.

38 For our response to the FCA's consultation on this, see here: https://www.fs-cp.org.uk/sites/default/files/20230301_final_fscp_response_-_fca_cp23-5_debt_packager_fees.pdf

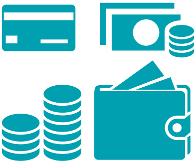
39 https://www.fs-cp.org.uk/sites/default/files/final_-_fscp_response_to_the_insolvency_services_call_for_evidence_on_the_review_of_the_personal_insolvency_framework.pdf

40 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_hm_treasury_consultation_sdrp.pdf p3

41 https://www.fs-cp.org.uk/sites/default/files/final_-_fscp_response_to_the_insolvency_services_call_for_evidence_on_the_review_of_the_personal_insolvency_framework.pdf p1

42 https://www.fs-cp.org.uk/sites/default/files/final_-_fscp_response_to_the_insolvency_services_call_for_evidence_on_the_review_of_the_personal_insolvency_framework.pdf

Payments and e-money



Our vision for the payments sector is that:

- Access to payments should be afforded to all. Payments systems should work smoothly and securely for all transactions for all consumers who use them. Consumer harm should be minimised in the event of firm failures.
- The market should be guided by the following principles:
  - **Accessibility** – All UK consumers must be able to pay and be paid. The system must be accessible to all.
  - **Fairness and affordability** – The cost of making payments should not exclude particular consumers, businesses or transaction types. It should not cost more for the poorest to pay.
  - **Reliability** – Individual payment systems must be robust and reliable with appropriate redundancy measures in place to ensure continuity of service in case of need.
  - **Sustainability** – The Payment System should be operated on an economically sustainable basis. The failure of individual payment systems should not result in consumer losses.
  - **Safety, security and consumer protection** – Individual payment systems must be safe and secure. The Payment System should offer at least a minimum level of protection to consumers, including against fraud and losses as a result of firm failure.
  - **Transparency** – Individual payment systems' costs and protections must be clear and easily understandable. Individual payment systems should offer full transparency about how end users' data is used, by whom and to what end.

The payments sector has been one of our most significant areas of concern over the past year. We have consistently warned the FCA about the risk of consumer harm arising from payments firms' business models and systems and controls, including their approach to safeguarding and fraud prevention, and responded to the Payment Systems Regulator (PSR) consultation concerning Authorised Push Payment Scams and fraud controls. The application of the Consumer Duty will be key in mitigating these risks; however, we are concerned that payments firms – who do not have Part IV FSMA permissions and so are exempt from some areas of current regulation – do not understand their obligations in respect of the Duty and how it will apply to them.

The FCA's 'Dear CEO' letter to firms in this sector[43] echoes many of our concerns and we are keen to see this letter followed up with swift and robust supervisory and enforcement activity.

Below we set out in more detail the key payments policy initiatives we have engaged with this year.

Protections from scams and fraud

We have continued discussions with the FCA and the Payment Systems Regulator (PSR) on key protections that prevent users of payment systems falling victim to fraud and scams. This included comments on:

- Requirements to widen the provision Confirmation of Payee. We expressed our support for CoP as an important tool to mitigate the risk of Authorised Push Payment (APP) fraud, but noted it was just one tool of several and called for better screening of payments and mandatory membership of the Contingent Reimbursement Model Code[44].
- Proposals to make reimbursements mandatory for victims of APP fraud. We strongly supported mandatory reimbursement as it would result in consumers receiving prompt redress and improve trust in payment systems – elements which we see as essential to their operation. We did however raise concerns about the proposed lower limit for reimbursement and the proposed "excess" (minimum payment subject to reimbursement) as these could cause detriment for some consumers, especially those who are vulnerable[45].

Open Banking

We continued to discuss the rollout of Open Banking throughout the year with the FCA and the PSR. In doing so we highlighted the following areas of concern:

- Open Banking involved multiple parties and complex chains of information-sharing which made it difficult to understand who had 'responsibility' for data at particular points and where responsibilities and liabilities lay. It was therefore not clear who is accountable – and who consumers should seek redress from – if things went wrong.
- There was a lack of clarity around data usage in Open Banking which increased the risk of unethical use, or misuse, of consumer data as well as a lack of transparency and consumer control.
- Open Banking added an additional layer of complexity for consumers who sought support when they had fallen victim to fraud.

43 https://www.fca.org.uk/publication/correspondence/priorities-payments-firms-portfolio-letter-2023.pdf
44 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_psr_consultation_on_cop_further_participation.pdf
45 https://www.fs-cp.org.uk/sites/default/files/financial_services_consumer_panel_response_to_cp22-4_authorised_push_payment_app_scams_requiring_reimbursement_consultation_002.pdf

- Open Banking could increase risks faced by vulnerable consumers around loss of control of data, financial exclusion and careless automation.
- There is a major protection gap for users of Open Banking payments. They are not protected against non-delivery of goods and services, or against sub-standard merchandise, as card users are, but this difference is not clear to them when they choose how to pay.

Card-acquiring market remedies

In 2021, the PSR had found that the card-acquiring market (which provides businesses with the services they need to be able to accept card payments) was not working well and the costs of this would ultimately be passed on to consumers. This year it consulted on proposed remedies to the market's issues and we responded to express our support and for the remedies and call for them to be introduced without delay[46]. We also encouraged the PSR to learn from other jurisdictions which had addressed similar issues.

General insurance

Our vision for the general insurance market is that consumers:

- are treated in their best interests
- have a clear understanding of their insurance products
- receive fair value
- are aware of any commission paid to an intermediary
- are able to make claims as simply as they can purchase the product

Poor consumer outcomes

We have brought to the FCA's attention our key concerns regarding the poor conduct of firms – and consequent risk of poor consumer outcomes – in the insurance sector. These have included:

- Loaded premiums being used to generate commissions, contrary to the consumer interest. This does not offer fair value to consumers.
- Consumer confusion about whether or not they have received regulated advice when insurance products are distributed online.
- Increased volume of advertising on social media, especially by Appointed Representatives, some of which did not appear to meet regulatory standards.
- Firms appearing to dispute medical advice resulting in the unfair dismissal of terminal illness claims.
- Concerns about the viability of the Professional Indemnity Insurance (PII) market meaning that small business consumers are unable to access PII either at all or at an acceptable cost. We raised this with the FCA several times and joined

46 See here and here.

up with our colleagues on the Smaller Business Pracitioner Panel who shared our concerns.

The Panel continues to meet regularly with the FCA's General Insurance team to share insights, updates and next steps.

Supporting consumers in financial difficulty

We have been concerned that some consumers may face difficulty paying their insurance premiums, or may cancel important products altogether, in response to the cost-of-living crisis. We therefore welcomed the FCA's consultation on guidance for insurers when supporting consumers in financial difficulty. In our response we said[47]:

- The FCA should make firms aware of the increased risk of economic abuse due to the cost-of-living crisis and encourage them to train their staff on this.
- The FCA should stress to firms that amending a client's cover to fit their budget (which should include going beyond contractual forbearance periods) should be done free of charge.
- The FCA should take a stronger, more directive line on signposting to ensure firms help consumers get the help and support they need.

Solvency II reform

In April 2022 HM Treasury consulted on reforms to Solvency II which is the regime that governs the prudential regulation of insurance firms in the UK. Consumers ultimately stand to benefit from, or be harmed by, prudential regulatory reform and therefore we responded to HM Treasury's consultation to set out key considerations from policyholders' perspective[48]. Our overarching feedback was that consumers depended on and trusted the long-term promise of insurance and so it was vital insurers were able to meet that promise when consumers needed them to. An effective prudential regime grounded in policyholder protection, safety and soundness would help ensure this was the case.

47 https://www.fs-cp.org.uk/sites/default/files/final_fscp_fca_insurance_guidance_consultation_response.pdf
48 https://www.fs-cp.org.uk/sites/default/files/final_response_hmt_solvency_ii_20220721.pdf

Pensions and retirement products

Our vision for pensions and retirement products is that:

- There is a joined-up communications strategy on pension saving, so that government, regulators, and industry speak in a coordinated way on pension issues
- A finalised timetable/delivery plan for the Pensions Dashboard implementation
- Guidance is a normal part of the consumer experience, with appropriate optouts available, and with personalised information used to activate consumers to seek guidance at appropriate points in their lives and to identify trigger points
- Consumers understand the options available to them, and being able to select an option based on their immediate and potential long-term needs
- Consumers who are considering accessing their pensions for the first time receive high-quality, impartial guidance on the options available to them, including any tax implications and the risks of holding cash
- There are clear complaint processes and routes to redress and compensation – and where there are several routes to redress, an understanding of the most appropriate route to use – should things go wrong
- Regulators set clear measurable outcomes when considering appropriate interventions and use of behavioural insights to improve the effectiveness of policy interventions.

Information and advice in the pensions market

We engaged with consultations from the FCA, the Work and Pensions Committee[49] and the Department for Work and Pensions[50] regarding information and advice in the pensions market, including for consumers of the British Steel Pension Scheme[51]. The key points we raised throughout these responses were:

- Consumers should be given information to help them understand how much they needed for retirement, how much they were on track to have and, if there was a gap, how they could close it.

49 https://www.fs-cp.org.uk/sites/default/files/draft_fscp_response_financial_services_consumer_panel_response_to_uk_parliaments_saving_for_later_life_call_for_evidence.pdf

50 See https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_dwp_helping_savers_understand_their_pension_choices_20220722.pdf

51 See our responses to the FCA on the redress scheme for British Steel pensioners: here, here, here, and here.

- This information should be given early enough for consumers to take action. Firms should make use of life events to trigger pension advice, not wait until consumers reached the age of 40.
- Automatic appointments with Pension Wise would help deliver advice to the maximum number of consumers.
- Consumers should be given a 'menu' of adviser costs and fees, presented in pounds and pence, so they understood what they were paying for when engaging an adviser.
- When calculating redress due to consumers who transferred out of the British Steel Pension Scheme, firms should assume the consumer was wrongly advised to do so unless they could prove otherwise. This would maximise consumers' access to redress they were entitled to.
- British Steel Pensioners should be encouraged to take advice on what to do with their redress payment as for many it would be a significant sum, possibly the biggest lump sum they'd ever received. This advice should be suitable, appropriate, accessible, and free.

Consumer journeys in pensions

A key improvement to consumer journeys in pensions is the introduction of the Pensions Dashboard. We were therefore disappointed by the Government's announcement to delay the rollout of the Dashboard[52]. Throughout 2022/23 we have continued to provide consumer-focussed input into the Pensions Dashboard Programme and associated regulatory framework. In doing so we have said that:

- The new Consumer Duty must be at the heart of the Dashboard Programme.
- The FCA should prioritise accessibility and functionality in the design and implementation of the Dashboard[53]. This would ensure it delivered real benefit to the highest number of consumers.
- Commercial dashboards were likely to be used by firms as a gateway to generate business and regulators would need to monitor firms' innovation in this space to ensure consumers did not suffer harm as a result (such as purchasing unsuitable products or being exposed to scammers)[54].
- The Dashboard Available Point should only be announced when the Dashboard is able to be used by and be relevant for most consumers[55].

For many consumers, the journey in decumulating their pension begins when they reach state pension age. This year the Department for Work and Pensions called

52 https://www.ftadviser.com/pensions/2023/03/02/pensions-minister-delays-pension-dashboard-and-resets-plan/

53 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_fca_consultation_on_proposed_rules_for_pension_providers.pdf

54 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_to_fca_consultation_on_proposed_regulatory_framework_for_pensions_dashboard_service_firms_cp_22_25.pdf

55 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_dwp_pension_dashboard_further_consultation_20220719.pdf

for evidence to inform its second review of the state pension age. We responded to highlight key issues that should be considered[56], including:

- The state pension age makes a material difference to consumers' financial lives. It impacts decisions around mortgages, income protection and other insurance as well as the date at which individuals retire.
- Changes in working patterns have made consumers' working lives much less predictable and so there needs to be intra and inter-generational support above the state pension age for those who would otherwise face hardship.
- Consumers fall in and out of vulnerability over the course of their lives and this could affect how they interact with their pension, including when they reach state pension age.

Value for money

In March 2023 we responded to the FCA, The Pensions Regulator and the Department for Work and Pensions' consultation on a framework for metrics, standards and disclosures to drive value for money in pensions[57]. Following the success of auto-enrolment in boosting the proportion of people who save into a pension, it was more important than ever that savers achieved value for money from those savings.

We therefore strongly supported the intent behind the proposed framework and made a number of suggestions for how that intent could be achieved, the key theme of which was comparability. In our view the framework must be designed in such a way to allow consumers to compare:

- The performance of different schemes
- The performance of a scheme over time (i.e. against its own past performance)
- The performance of scheme against its previous forecasts
- The costs and charges associated with different schemes

We also responded to the Department for Work and Pensions consultation on proposals to broaden the investment opportunities of defined contribution pension schemes[58]. We supported the strengthening of disclosure requirements, which would help boost transparency around the underlying assets and funds behind schemes, but were concerned about proposals to exclude performance related fees from the charge chap. This is because historically one of the biggest determinants of investment returns – and therefore value for money – for retail investors had been fees and to exclude performance fees from the charge cap would considerably weaken the incentives for asset managers and investment professionals to reduce fees.

56 https://www.fs-cp.org.uk/sites/default/files/final_fscp_dwp_state_pension_age_review_response.pdf
57 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_fca_tpr_dwp_value_for_money_consultation.pdf
58 https://www.fs-cp.org.uk/sites/default/files/final_dwp_re_broadening_investment_opportunities.pdf

Consumer Investments

Our vision for consumer investments is a market where:

- more of the population with investible assets, and where the decision is right for them, make an active and informed choice to invest, maximising their own returns and supporting the real economy
- the information disclosed to potential investors is designed in a way that will allow them to make effective decisions, and to compare the risks, rewards and sustainability not only of different options for a given product type, but also of different products
- it is not possible to use regulatory arbitrage to circumvent rules designed to protect consumers
- information, education, guidance and advice is readily available and tailored to the consumer to ensure they are supported in taking decisions both pre-investment and on an ongoing basis. This will require the re-engineering of current thinking to better integrate these aspects and blend them throughout the customer's investment life-cycle. Only in this way will trust be established.
- the use of guidance or advice should be the gateway to anything other than a range of default-based, simple, tax-efficient investments
- products must be better designed, labelled and described to enable consumers to understand fully the opportunities, risks and costs involved and easily compare these across options
- when harm does occur, redress and compensation solutions must be easily accessible and efficient.

Future disclosure regime

Transferring responsibility for retail investment disclosures from legislation to the FCA was one of the first such transfers of responsibility under the Future Regulatory Framework (FRF). We supported the decision to move responsibility for setting disclosure requirements for retail investments from legislation to the regulator. We also supported the ambition to create a coherent framework governing disclosure for all consumer investment products, to make it easier for consumers to compare and contrast different products[59]. However, we took the opportunity to stress to HM Treasury[60] one of the key principles we think should underpin the FRF: consumer testing. In this case, we said consumer testing should be used to test different

59 Such a disclosure regime should cover not just Packaged Retail and Insurance-based Investment Products (PRIIPs), but also, for example, Undertaking for Collective Investment in Transferable Securities (UCITS).

60 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_hmt_-_priips_and_uk_retail_disclosure.pdf

options for disclosure requirements to ensure they were fit for purpose in setting the information consumers say they want and need in order to make informed, effective decisions. With effective decision making in mind, we recommended that standardised risk indicators be used to facilitate comparison.

We reiterated these key points in our response to the FCA's subsequent discussion paper on the future disclosure regime and additionally said that[61]:

- Disclosure requirements should be future-proofed by the FCA developing a standardised risk indicator methodology to be applied across all retail investment products.
- There would be benefits to the FCA prescribing the timing of when consumers receive key pieces of information – ideally early.
- Consumers should be given a copy of the disclosures made at the time of purchase to allow them to access redress at a later date should they need to.

Sustainable investments

In January 2023 we responded to the FCA's proposals for Sustainability Disclosure Requirements (SDRs) and investment labels[62]. We were pleased to see the robust use of consumer testing to inform the potential options, and we supported the FCA's proposals and wanted to see them widened to cover other investment products accessed by retail consumers such as pension funds. We also made some recommendations to strengthen the proposals:

- The FCA should consider developing a composite sustainability label to cover investment in all three of its identified sustainability categories, rather than only allowing the use of sustainability terminology and labelling for investments that qualify for an individual sustainability category. This would make it easier for consumers to obtain a diversified portfolio of sustainability investments covering all three types of sustainable activity, as it would create incentives for such products to be provided by industry
- The FCA should require Boards of financial services firm to assess that the approach to applying sustainability labels to their products is robust.

In addition to testing various options for sustainability labels we also called for the FCA to conduct testing after implementation to ensure the new labels deliver the right outcomes for consumers.

Long-term asset funds

The FCA consulted on proposals to broaden access to Long-Term Asset Funds (LTAFs). We largely supported the FCA's proposals but wanted to see a greater degree

61 https://www.fs-cp.org.uk/sites/default/files/draft_fscp_response_fca_-_future_disclosure_framework_0.pdf

62 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_fca_-_sustainability_disclosure_requirements_cp22-20.pdf

of protection offered to consumers given that LTAFs were not only high risk, but also highly illiquid[63]. This greater degree of protection could include:

- Requiring firms to offer the cooling off periods that will apply to other forms of Restricted Mass Market Investments.
- Disapplying the self-certification exemption, as is proposed for crypto products, to mitigate the risks of consumers incorrectly identifying themselves as sophisticated investors and therefore being exposed to LTAFs beyond their risk appetite.

The Panel also responded to a DWP consultation on broadening the investment opportunities of defined contribution pension schemes, which also covered LTAFs.[64] The Panel was supportive of the proposals to strengthen disclosure requirements, as these will help boost transparency, but expressed concern about proposals to exclude performance related fees from the charge cap.

Money Market Funds

In May 2022 the FCA published a discussion paper on Money Market Funds (MMFs), which can be held both directly and indirectly (for example through pension funds or in multi-asset funds / fund of funds) by retail investors. In our response to the discussion paper[65] we:

- Supported the FCA's aims to make MMFs resilient and manage liquidity issues in a way that does not disadvantage different types of investors.
- Suggested several ways the FCA could strengthen its proposals around liquidity issues.
- Recommended regulators established whether retail investors properly understand MMFs and, if necessary, make improvements to disclosure requirements in this market.

Other areas of activity in the investment sector

In addition to the policy areas set out in detail above, we also:

- Supported the FCA's proposals to broaden access to advice for mainstream investments. Access to sound and affordable advice is a vital aspect of the consumer experience in this market[66].
- Supported the FCA's intervention to create 'side pockets' for suspended Russian/ Belarusian assets following Russia's invasion of Ukraine[67]. We felt the FCA's

63 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_fca_-_ltaf_cp22-14.pdf
64 https://www.fs-cp.org.uk/sites/default/files/final_dwp_re_broadening_investment_opportunities.pdf
65 https://www.fs-cp.org.uk/sites/default/files/final_fscp_response_-_resilience_of_money_market_funds.pdf
66 https://www.fs-cp.org.uk/sites/default/files/final_fscp_fca_broadening_access_for_mainstream_investments.pdf
67 https://www.fs-cp.org.uk/sites/default/files/final_fca_side_pocket_consultation_response.pdf

approach allowed investors to access their investments whilst also maintaining ownership of suspended assets.
- Welcomed the FCA's new rules and guidance to strengthen the gateway for firms approving the financial promotions of other firms[68]. This is an area where significant harm had been caused to consumers in the past and so a stronger gateway would raise conduct standards amongst approving firms and prevent further detriment.

68 https://www.fs-cp.org.uk/sites/default/files/final_fca_cp_22_27_introducing_a_gateway_for_firms_who_approve_financial_promotions.pdf

8. Our priorities for the year ahead

This section sets out the Panel's priorities for 2023/24. We conduct an annual review of our priorities, considering our progress against the previous year's priorities, the FCA's own priorities and the external environment. We re-prioritise during the year if circumstances require us to do so.

We have identified the following areas of focus for the year ahead:

Consumer Duty	We will continue to work with the FCA to ensure that the Consumer Duty is implemented, supervised and enforced correctly and in line with its stated aims.
Future of Regulation	We will continue to ensure the framework for financial services regulation is 'fit for the future', delivering good outcomes for consumers (including vulnerable consumers and SMEs). This will include engaging in the significant policy reform associated with the Future Regulatory Framework and the Edinburgh Reforms.
Ethical use of data and AI	We will use the findings of our research on this issue, as outlined in Section 5 above, to encourage the FCA to strengthen governance, transparency and accountability requirements for firms and conduct further research to understand the scale of the potential consumer harm we have identified.

It is difficult to overstate the scale of the changes brought about by the Future Regulatory Framework and the Consumer Duty – and therefore the scale of work required of us as a Panel. We anticipate spending the majority of our time as a Panel focussed on these two issues.

We will also continue to monitor the impact of the cost-of-living crisis on consumers and bring emerging risks and issues to the FCA's attention as they arise. We are conscious that the effects of the crisis remain severe for some consumers, especially those who are vulnerable, and are keen to see regulatory focus on this critical issue maintained for as long as required.

Our sector-specific focus will remain the same as for 2022/23. We will continue to adapt to changes in the FCA's perimeter as they occur.

In all that we do throughout 2023/24, we will consider:

- The needs of smaller businesses
- Financial and digital inclusion
- The needs of vulnerable consumers
- How the FCA and other members of the regulatory family capture the consumer voice
- The Four Outcomes under the Consumer Duty (Products and Services; Price and Value; Consumer Understanding and Consumer Support)
- Sustainability
- Redress
- Consistency in regulatory outcomes. We believe that the same regulatory action should be taken across all areas posing the same risk.

Appendix 1:
Panel members 2022/23

Please note that Panel members may have been unable to attend some Panel or Working Group meetings as they were required to attend other business on behalf of the Panel.

Helen Charlton – Chair (from June 2022)

Attendance at full Panel meetings: 8/9
Attendance at Working Group meetings: 18/18

Wanda Goldwag – Chair (until May 2022)

Attendance at full Panel meetings: 2/2
Attendance at Working Group meetings: 4/4

Francis McGee

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 11/11

Keith Richards

Attendance at full Panel meetings: 7/11
Attendance at Working Group meetings: 9/11

Jonathan Hewitt

Attendance at full Panel meetings: 10/11
Attendance at Working Group meetings: 10/11

Julia Mundy

Attendance at full Panel meetings: 8/11
Attendance at Working Group meetings: 11/11

Erik Porter

Attendance at full Panel meetings: 10/11
Attendance at Working Group meetings: 10/11

Natasha de Teran

Joined the Panel in June 2020

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 10/11

Julie Hunter

Joined the Panel in June 2020

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 11/11

Johnny Timpson

Attendance at full Panel meetings: 9/11
Attendance at Working Group meetings: 11/11

Rebecca Driver

Attendance at full Panel meetings: 11/11
Attendance at Working Group meetings: 11/11

James Plunkett

Attendance at full Panel meetings: 9/11
Attendance at Working Group meetings: 8/11

Larna Bernard

Attendance at full Panel meetings: 10/11
Attendance at Working Group meetings: 10/11

Appendix 2: Diversity Statement

The FCA has agreed to adopt diversity targets for all the FCA's Independent Panels. These targets reflect those introduced by the FCA in April 2022 for the board and executive management of listed companies and are as follows:

- At least 40% of each Panel are women.
- At least one of the senior positions (Chair, Deputy Chair or equivalent) across the Panels is held by a woman.
- At least one member of each Panel is from an ethnic minority background.

Against these targets, we can report that as of 31 March 2023[69]:

- 40% of the Consumer Panel are women. This meets the target set by the FCA.
- Across all the Independent Panels, the target for at least one senior position to be held by a woman is exceeded.
- 4 out of 5 Independent Panels meet the target that at least one member is from an ethnic minority background.

The Panel supports the FCA in its objectives of improving diversity in the appointments it makes to all the Independent Panels.

69 These figures are based on the data disclosed. Disclosure of diversity information is voluntary. Data is reported across all Panels where disclosure on an individual Panel basis would lead to the release of personally identifiable information.

Appendix 3: Expenditure

The FCA Board agrees a Budget for Panel members' fees, expenses and any consultancy or research work it commissions. The Panel is supported by a Secretariat of 5 FTE staff.

Actual expenditure in 2022-23 was £315,000.

	Actual April 2020 –March 2021 (£000)	Actual April 2021 –March 2022 (£000)	Actual April 2022 –March 2023 (£000)
Panel Members' fees and expenses[1]	187	300	269
Other Expenditure[2]	62	85	46
Total	**249**	**385**	**315**

1. The fees exclude employers' National Insurance Contributions paid by the FCA. The fees payable to Panel Members during the year from 1 April 2022 to 31 March 2023 were as follows:

Panel Chair	£50,000
Working Group Chair	£26,000
Other Panel members	£15,000

2. Other expenditure includes recruitment and research.

Appendix 4: Meetings with external stakeholders

Between 1 April 2022 and 31 March 2023, members of the Financial Services Consumer Panel met with the following external bodies:

Amplified Global
Association of British Insurers
Ageing Better
All Party Parliamentary Group on Challenger Banks & Building Societies
All Party Parliamentary Group on Insurance and Financial Services
Business Banking Resolution Service
BritainThinks
British Academy
Building Societies Association
Cash Action Group
Chartered Banker Institute
Citizens Advice
Civil Aviation Authority Consumer Panel
Communications Consumer Panel
Demos
DiverCity
England Illegal Money Lending Team
Fair4All Finance
FairByDesign
Finance Innovation Lab
Financial Ombudsman Service
Federation of Small Businesses
Financial Services Compensation Scheme
Financial Services Complaints Commissioner
HM Treasury
House of Lords Economic Affairs Committee
Legal Services Consumer Panel
Money and Pensions Service
Money and Pensions Service Wales
Money Advice Trust
Open Banking

Payment Systems Regulator
Smaller Business Practitioner Panel
StepChange
Sue Ryder
Surviving Economic Abuse
Thunes
The Investment and Saving Alliance
The Pensions Regulator
Transparency Taskforce
UK Finance
Which?
Welsh Government Financial Wellbeing Steering Group

Appendix 5 Panel Members' participation in events

April 2022
Ageing Better: Roundtable 'How to realise investment potential for financing home improvements for all'
Thunes: Webinar 'Gen Z and the future of spending'

May 2022
British Standards Institute: Consumer Forum Conference – creating a truly inclusive society

June 2022
Sue Ryder: Launch of the bereavement standards report

July 2022
Fair4All Finance: Tackling financial exclusion through Dormant Assets
Chartered Banker Institute & Finance Innovation Lab: Transforming engagement in financial services
DiverCity podcast

August 2022
DiverCity podcast

November 2022
StepChange & Amplified Global: launch of 'Communications to people in financial difficulty' report
BritainThinks: Webinar – Cost of living diaries
Lord Mayor Banquet

December 2022
Treasury Select Committee Oral Evidence Session: Cryptoasset inquiry

January 2023
StepChange 30th anniversary reception
HM Treasury: Roundtable on PRIIPs and UK retail disclosure

February 2023
Market Research Society Conference

March 2023
HM Treasury: Roundtable on crypto products

Regular events attended throughout the year
Transforming Finance Network meetings
Money Advice Liaison Group Friday Forum
Citizens Advice cost-of-living webinars

Appendix 6: Publications responses to consultations

Consultation responses

Date	Consulting body	Consultation Name
April 2022	Payment Systems Regulator	CP22/1: Card-acquiring market review initial remedies consultation
April 2022	FCA	CP22/3: Pensions dashboard: Proposed rules for pension providers
April 2022	Public Accounts Committee	Call for evidence - British Steel Pension Scheme (BSPS)
April 2022	Department for Work and Pensions	Second State Pension age review – independent report call for evidence
May 2022	Bank of England	Withdrawal of the FPC's affordability test Recommendation
May 2022	FCA	CP22/6: Consumer redress scheme for unsuitable advice to transfer out of the British Steel Pension Scheme (Q19)
May 2022	FCA	CP22/8: Protecting investors in authorised funds following the Russian invasion of Ukraine
June 2022	Department for Digital Culture, Media and Sport	Online advertising programme
June 2022	Digital Regulation Cooperation Forum	Benefits and harms of algorithms
June 2022	Digital Regulation Cooperation Forum	Auditing algorithms

June 2022	Work and Pensions Committee	UK Parliament Inquiry - Protecting pension savers – five years on from the pension freedoms: Saving for later life
June 2022	FCA	CP22/09: Expansion of the Dormant Asset Scheme
June 2022	FCA	Call For Input: Synthetic data to support financial services innovation
June 2022	FCA	CP22/6: Consumer redress scheme for unsuitable advice to transfer out of the British Steel Pension Scheme
July 2022	Payment Systems Regulator	CP22/2: Confirmation of Payee: Requirements for further participation in CoP
July 2022	Department for Work and Pensions	Pension Dashboard - Further Consultation
July 2022	HM Treasury	Solvency II Review: Consultation
July 2022	FCA	DP22/1: Resilience of Money Market Funds
July 2022	Department for Work and Pensions	Helping savers understand their pension choices
July 2022	FCA	GC22/2: Branch and ATM closures and conversions
August 2022	HM Treasury	BNPL follow-up consultation - additional feedback on merchant-provided short-term interest free credit
August 2022	Payment Systems Regulator	CP 22/3: Card-acquiring market review remedies provisional decision
August 2022	HM Treasury	Statutory Debt Repayment Plan: Consultation
August 2022	Financial Ombudsman Service	Our Future Funding Model
September 2022	Treasury Select Committee	Call for evidence: inquiry into the cryptoasset industry

September 2022	FCA	CP22/15: Calculating redress for non-compliant pension transfer advice
October 2022	FCA	CP 22/14: Broadening retail access to the long-term asset fund
October 2022	Insolvency Service	Call for evidence – Review of the personal insolvency framework
November 2022	House of Commons	Call for written evidence: Financial Services and Markets Bill
November 2022	Department for Work and Pensions	Broadening the investment opportunities of defined contribution pension schemes
November 2022	Payment Systems Regulator	CP22/4: Authorised push payment (APP) scams: Requiring reimbursement
December 2022	FCA	Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living
December 2022	FCA	CP22/22: Proposed extended asset retention requirement for firms under the British Steel Pension Scheme consumer redress scheme
January 2023	FCA	DP22/5: The potential competition impacts of Big Tech entry and expansion in retail financial services
January 2023	FCA	CP22/20: Sustainability Disclosure Requirements (SDR) and investment labels
January 2023	Financial Ombudsman Service	Strategic plans and budget
February 2023	FCA	CP22/27: Introducing a gateway for firms who approve financial promotions
February 2023	FCA and Bank of England	DP5/22 - Artificial Intelligence and Machine Learning

February 2023	FCA	CP22/25: Proposed regulatory framework for pensions dashboard service firms
February 2023	FCA	MS19/1.2: Credit Information Market Study Interim Report and Discussion Paper
February 2023	FCA	CP22/24: Broadening access to financial advice for mainstream investments
March 2023	FCA	CP23/5: Debt packagers: feedback on CP21/30 and further consultation on new rules and perimeter guidance
March 2023	HM Treasury	PRIIPs and UK Retail Disclosure
March 2023	FCA	DP22/6: Future Disclosure Framework
March 2023	FCA	CP23/1: Insurance guidance for the support of customers in financial difficulty
March 2023	HM Treasury	Reform of the Consumer Credit Act: consultation
March 2023	Financial Ombudsman Service	Temporary changes to outcome reporting in business specific complaints data
March 2023	FCA, Department for Work and Pensions and The Pensions Regulator	CP23/4: Value for Money: A framework on metrics, standards, and disclosures
Other publications		
May 2022	Research Document: Equity Release and Alternative products	
May 2022	Position Paper: How Vulnerable Consumers Choose and Buy Equity Release Products	
August 2022	Financial Services Consumer Panel Annual Report for 2020/21	
November 2022	Research Document: early-stage consumer credit journeys	
November 2022	Position paper: early-stage consumer credit journeys	

Appendix 7: Panel Members on Other Bodies in financial services

Bank of England & HM Treasury Central Bank Digital Currency Engagement Forum
Natasha de Terán

FCA Consumer Network
Julie Hunter
Francis McGee

Financial Ombudsman Consumer Liaison Group
Keith Richards

Financial Inclusion Commission
Johnny Timpson

Money And Pensions Service - Challenge Groups
Jonathan Hewitt
Julia Mundy

Payment Systems Regulator Panel
Natasha de Terán

UK Finance: Consumer Advisory Group
Wanda Goldwag
Helen Charlton

Fair by Design Vulnerability Forum
Julie Hunter

FCA Disclosures and Labelling Advisory Group
Jonathan Hewitt

BIBA Access to Insurance Committee
Johnny Timpson

Appendix 8: Terms of Reference

1. The Financial Services Consumer Panel ('the Panel') was established by the Financial Conduct Authority ('FCA') under the Financial Services and Markets Act 2000 to represent the interests of consumers.

Scope

2. The Panel represents the interests of all groups of financial services consumers.
3. The Panel provides advice and challenge to the FCA on the extent to which the FCA's general policies and practices are consistent with its general duties, as required under the Financial Services and Markets Act 2000.
4. The Panel focuses on the FCA's strategic and operational objectives, together with the expectations on the FCA to discharge its general functions in a way which promotes competition in the interests of consumers and to have regard to the regulatory principles.
5. The Panel operates independently of the FCA. The emphasis of its work is on activities that are regulated by the FCA, although it may also look at the impact on consumers of activities that are not regulated but are related to the FCA's general duties.

Membership

6. The FCA Board appoints Panel members, with HM Treasury's approval required for the appointment or dismissal of the Chair.
7. The FCA may appoint to the Panel such consumers, or persons representing the interests of consumers, as it considers appropriate.
8. The FCA must secure that membership of the Panel is such as to give a fair degree of representation to those who are using, or are or may be contemplating using, services other than in connection with business carried on by them. Members of the Panel are recruited through a process of open competition and encompass a broad range of relevant expertise and experience. Panel members will normally serve a maximum of two three-year terms.

The Panel's Duties

9. The Panel will:
   - 9.1 Meet regularly and be available for consultation by the FCA on specific high-level issues.
   - 9.2 Be active in bringing to the attention of the FCA issues which are likely to be of significance to consumers.
   - 9.3 Commission such research as it considers necessary in order to help it to fulfil its duties under these terms of reference.
   - 9.4 Request access to information from the FCA which it reasonably requires to carry out its work.

9.5 Request regular access to the FCA Chairman, Board, Chief Executive and senior executives of the FCA.
9.6 Give the FCA sufficient prior warning of new consumer issues that the Panel is putting in the public domain (“no surprises”).
9.7 Maintain the confidentiality of information provided to the Panel by the FCA.

FCA Duties

10. The FCA will:
10.1 Consult the Panel throughout its deliberations on policies and practices that have a consumer impact.
10.2 Consider representations made to it by the Consumer Panel and must from time to time publish in such a manner as it thinks fit, responses to the representations.
10.3 Provide a secretariat to support the Panel to enable it to operate effectively.
10.4 Agree with the Panel an annual budget sufficient for the Panel to fulfil its duties under these terms of reference.
10.5 Provide the Panel with prompt access to all information which the Panel reasonably requires in order to fulfil its duties.
10.6 Give the Panel reasonable access to the FCA Chairman, Board, Chief Executive and senior executives of the FCA.
10.7 Give sufficient prior notice of new consumer issues that the FCA is putting in the public domain (“no surprises”).

Accountability

11. The Panel will publish an annual report on its work, which will be presented to the FCA Board.
12. The Panel may speak out publicly when it wishes to draw attention to matters in the public interest.
13. The Panel will report informally on its work to HM Treasury and other stakeholders.

Financial Services Consumer Panel

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