

# Consumer Credit Trade Body Form

## Terms of Reference

October 2021

### 1. Background

- 1.1. The consumer credit sector is diverse and broad, accounting for a significant proportion of the complaints received by the Financial Ombudsman Service (the Financial Ombudsman). The Financial Ombudsman recognises the value of further engagement to maintain and improve confidence in its work, to share its insight proactively in order to prevent complaints and unfairness arising, and to discuss emerging trends and issues.
- 1.2. In light of this and having listened to feedback from trade bodies – in particular about the significance of many of the consumer credit issues for their members – the Financial Ombudsman would like to create a sector specific trade body group to allow for more regular, thematic discussions at a strategic level – the Consumer Credit Trade Body Forum (the Forum).
- 1.3. The Forum will build on – and run alongside – a significant existing programme of regular engagement with industry, consumer groups and other stakeholders in this area. The Financial Ombudsman wants its engagement to be seen as open, transparent and proactive by the sector.

### 2. Purpose

- 2.1 The purpose of the Forum is to bring together trade associations representing consumer credit providers in order to share insights and trends on the wide range of consumer credit cases the Financial Ombudsman sees.
- 2.2 The Financial Ombudsman will use this forum to continue to share its approach to consumer credit complaints, so that firms can learn from its insight and approach in order to help prevent complaints and unfairness arising. Importantly, the trade bodies will also share emerging trends or regulatory developments relevant to the market to inform the Financial Ombudsman's work and to encourage an open discussion and address issues or concerns proactively where possible.
- 2.3 The Forum will not consider or discuss individual disputes or seek to influence the Financial Ombudsman's decision making on individual cases. That will remain the role of the Financial Ombudsman's independent case-handling staff.
- 2.4 The existence of the Forum will not mean individual firms can stop dealing with complaints (even those with wider implications) in line with the usual casework processes and timelines with the Financial Ombudsman. It will however provide for an important forum to raising wider issues with senior staff from the Financial Ombudsman.
- 2.5 It remains for the Financial Ombudsman to decide its casework policy and approach, but it is expected that the Forum will provide useful context which it will be able to take account of along with broader stakeholder intelligence and feedback.

### **3. Attendees**

- 3.1 The attendees of the Consumer Credit Trade Body Forum will be made up of representatives from financial services trade bodies. It is not expected that it will be appropriate for all trade bodies invited to attend every meeting as with some it might depend on the agenda items being discussed, the parts of the market they represent, and the relevance for them and their members.
- 3.2 Other stakeholders can be invited by the Chair to join the Forum from time to time where the Chair considers this would be useful for the discussion. Trade Bodies can also put forward suggestions for the Chair to consider.
- 3.3 Invites to meetings will not be transferable and substitutes will not routinely be accepted. In any event, this will only be agreed in exceptional circumstances with prior agreement from the Chair of the Consumer Credit Trade Body Forum. Those invited will attend in their capacity as a representative of the relevant trade body only, rather than in any other capacity or position they might hold.
- 3.4 It is expected that the individuals invited to attend the Forum will be published on the Financial Ombudsman's website.

### **4. Meetings**

- 4.1 The meetings will be chaired by the Chief Ombudsman and Chief Executive or someone nominated by them.
- 4.2 The meetings will be held at the Financial Ombudsman's offices in London, unless otherwise stated.
- 4.3 It is expected the Forum will meet once a quarter. Meetings will be scheduled as far in advance as possible.
- 4.4 The minutes will be taken by the Financial Ombudsman and it is expected they will be made publicly available on its website.
- 4.5 The agenda for the meetings will be set by the Forum – with input from the Forum's membership where possible – and shared with the attendees in advance of the meeting.

### **5. Reviews**

- 5.1 The frequency and effectiveness of the meetings – and its attendees – will be kept under regular informal review by the Chair of the Consumer Credit Trade Body Forum, with a review taking place no later than one year after the first meeting.