

## Minutes – Consumer Credit Trade Body Forum

8 February 2023, Exchange Tower/MS Teams

<b>Financial Ombudsman Service and Financial Conduct Authority (FCA) attendees</b>	<b>Industry attendees</b>
<p>James Dipple-Johnstone, Deputy Chief Ombudsman</p> <p>Richard West, Director of Casework Policy</p> <p>Siobhan Kelly, Ombudsman Leader</p> <p>Liz Easton, Operational Contact Manager</p> <p>David Bainbridge, Head of Stakeholder Engagement</p> <p>Mark Dungworth, Policy and Communications Manager</p> <p>Martha Stokes, Head of Department of Market Intervention – Consumer Lending, FCA</p>	<p>Jackie Barodekar, <b>UK Finance</b></p> <p>Dan Cockle, <b>Consumer Credit Association (CCA)</b></p> <p>Stephen Haddrill, <b>Finance and Leasing Association (FLA)</b></p> <p>Gerry Keaney, <b>British Vehicle Rental and Leasing Association (BVRLA)</b></p> <p>Robert Kelly, <b>Association of British Credit Unions (ABCUL)</b></p> <p>Chris Leslie, <b>Credit Services Association (CSA)</b></p> <p>Elaine Morton, <b>Building Societies Association (BSA)</b></p> <p>Rachel Waggott, <b>Innovate Finance (IF)</b></p> <p>Jason Wassell, <b>Consumer Credit Trade Association (CCTA)</b></p>

<b>Item number</b>	<b>Agenda</b>
<b>1.</b>	Welcome and introductions
<b>2.</b>	Updates from the Financial Ombudsman Service
<b>3.</b>	Motor finance commission cases
<b>4.</b>	Consumer Duty
<b>5.</b>	Cost of living and wider economic issues
<b>6.</b>	Claims management companies (CMCs) and representatives
<b>7.</b>	Closing remarks and AOB

## 1. Welcome

- 1.1 The Chair welcomed attendees to the meeting.

## 2. Updates from the Financial Ombudsman Service

- 2.1 The Financial Ombudsman gave an update covering the new executive team and renewal of the Chair's appointment; the consultation on the Financial Ombudsman Service's plan and budget; and progress in casework.

## 3. Motor finance commission cases

- 3.1 The Financial Ombudsman outlined progress in this work and proposed next steps. It said that member firms should engage with the issues involved early on to avoid later backlogs.
- 3.2 While it noted that engagement with firms on this issue was generally good and that it had seen improved responses to requests for information, the Financial Ombudsman noted that some firms were still failing to provide information. This could lead to decisions being made without information that could go against those firms.
- 3.3 The group discussed the potential scope and scale of complaints in this area; the extent to which activity was being driven by CMCs and representatives; and how the Financial Ombudsman's approach might be affected by county court judgments or potential class actions.

## 4. Consumer Duty

- 4.1 The Financial Ombudsman noted that the FCA had published much more information for firms in recent weeks and months, and asked the group how they and member firms saw progress in the implementation of the duty.
- 4.2 Group members set out key remaining areas of specific concern and focus, which included:
- How concepts like 'fair value' and 'foreseeable harm' might be understood in particular circumstances
  - Potential complaints arguing that firms' conduct in cases that pre-date the duty should nevertheless be judged against it
  - Complaint handling and evidential requirements under the duty.

## 5. Cost of living and wider economic issues

- 5.1 The Financial Ombudsman set out that while it had still yet to see more complaints arising from the increasing cost of living, it was very keen to be ready for that eventuality and to continue the conversation with industry on this.
- 5.2 The group agreed that their members were yet to see any rise in complaints activity or defaults on payments. However, they were seeing a trend of increasing contact from customers seeking to understand their options in managing their finances.
- 5.3 The group also discussed why complaint levels had not yet risen. Potential causes identified include the effects of increased consumer protection around lending in recent

years, and firms reducing their risk appetite for lending even where demand was increasing.

## **6. CMCs and professional representatives**

- 6.1 The Financial Ombudsman gave a presentation on its work with CMCs and representatives. It said that while much of the poor behaviour complained of regarding these firms was for regulators to address, it was keen to play its part in addressing concerns where possible. It also discussed plans to meet with the regulators to discuss concerns raised.
- 6.2 The group welcomed the Financial Ombudsman's initiatives in this area. They were keen to see parity of standards and approach between regulators for representatives.

## **7. Closing remarks and AOB**

- 7.1 The group discussed the future of Forum meetings. They welcomed increased engagement from the Financial Ombudsman. Group members also appreciated direct engagement between the Financial Ombudsman and their member firms, as those member firms were very keen to hear from the Financial Ombudsman directly.
- 7.2 The Chair thanked the group for the discussion and closed the meeting.