

# This week at the UK regulators

## Thirty second guide: The week in overview

In a week without any concluded enforcement action, the FCA has used its large set-piece conference on general insurance to restate some key messages about its continued commitment to consumer protection, which it construes increasingly expansively. It has also released the findings of research into customers' experiences of various types of consumer credit firms, signalling its serious concerns about logbook lending firms in particular.

Further afield, in contrast to the FCA's increasingly intensive and interventionist approach to many areas of its supervisory remit, the Australian financial services regulator has set out the areas in which it plans to substantially reduce the levels of proactive supervision it carries out as the result of significant budget cuts.

### FCA sets out general insurance supervision strategy

At its inaugural General Insurance Conference, held on 2 June, the FCA has set out its supervision strategy for the sector and had reinforced some other oft repeated more general messages. Martin Wheatley, CEO of the FCA used his speech to emphasise the convergence of wholesale and retail financial services markets and to indicate that the FCA will publish a paper consolidating the work it has developed in a number of areas of consumer protection into one set of proposed changes to the Handbook. Clive Adamson, the FCA's Director of Supervision reviewed the application of its approach to consumer protection and laid out its current expectations. Building on Martin Wheatley's remarks, he looked ahead to supervisory work, including an increased focus on the linkage between wholesale and retail markets and product design and development. Christopher Woolard, the FCA's Director of Policy, Risk and Research elaborated further, giving some details of how the FCA intends to carry on actively pursuing its consumer protection and competition objectives, including through continued use of new tools such as market studies.

<http://www.fca.org.uk/news/good-conduct-and-market-integrity>

<http://www.fca.org.uk/news/competition-and-insurance>

<http://www.fca.org.uk/news/our-supervision-overview>

### FCA warns logbook lenders

The FCA has (on 5 June) published the findings of independent research into consumers experiences of payday lending, logbook loans and debt management companies. Releasing the outcomes of the exercise, it has expressed serious concerns at the treatment of many customers of logbook loan companies. It expressed particular concerns about the lack of affordability checks, high pressure sales tactics and failures to inform customers of cooling off periods or the risks of repossession of vehicles in many instances.

It reiterated its intention to continue to use its newly inherited powers to take action against firms in the consumer credit sector to drive up standards of consumer protection and transparency.

<http://www.fca.org.uk/static/documents/research/fca-esro-final-report-2014.pdf>

<http://www.fca.org.uk/news/fca-says-logbook-lenders-must-raise-standards>

## FCA warnings

Name of firm	Date of warning	Details
Sussex Associates Limited	6 June 2014	Not authorised <a href="http://www.fca.org.uk/news/warnings/sussex-associates-ltd">http://www.fca.org.uk/news/warnings/sussex-associates-ltd</a>
Cameron and Beaumont Limited	6 June 2014	Not authorised <a href="http://www.fca.org.uk/news/warnings/cameron-and-beaumont-ltd">http://www.fca.org.uk/news/warnings/cameron-and-beaumont-ltd</a>
Sachs Manfred	5 June 2014	Clone firm <a href="http://www.fca.org.uk/news/warnings/sachs-manfred-clone">http://www.fca.org.uk/news/warnings/sachs-manfred-clone</a>
Investment & Financial Solution Partnership LLP	5 June 2014	Clone firm <a href="http://www.fca.org.uk/news/warnings/investment-financial-solution-partnership-llp-clone">http://www.fca.org.uk/news/warnings/investment-financial-solution-partnership-llp-clone</a>
GFI Securities Limited	5 June 2014	Clone firm <a href="http://www.fca.org.uk/news/warnings/gfi-securities-limited-clone">http://www.fca.org.uk/news/warnings/gfi-securities-limited-clone</a>
American First City Corporation	4 June 2014	Not authorised <a href="http://www.fca.org.uk/news/warnings/american-first-city-corporation">http://www.fca.org.uk/news/warnings/american-first-city-corporation</a>
London & London Bond Company Limited	4 June 2014	Not authorised <a href="http://www.fca.org.uk/news/warnings/london-london-bond-company-limited">http://www.fca.org.uk/news/warnings/london-london-bond-company-limited</a>
London & London Developments Limited	4 June 2014	Not authorised <a href="http://www.fca.org.uk/news/warnings/london-london-developments-limited">http://www.fca.org.uk/news/warnings/london-london-developments-limited</a>
Brock Hartwick	4 June 2014	Not authorised <a href="http://www.fca.org.uk/news/warnings/brock-hartwick">http://www.fca.org.uk/news/warnings/brock-hartwick</a>
Investment & Financial Solution Partnership LLP	3 June 2014	Clone firm <a href="http://www.fca.org.uk/news/warnings/investment-financial-solution-partnership-llp-clone">http://www.fca.org.uk/news/warnings/investment-financial-solution-partnership-llp-clone</a>

Fredric & Formby / Fredric and Formby	3 June 2014	Not authorised <a href="http://www.fca.org.uk/news/warnings/fredric-formby-fredric-and-formby">http://www.fca.org.uk/news/warnings/fredric-formby-fredric-and-formby</a>
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### Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
<b>Consultation papers</b>	<p>The FCA has (on 6 June) published its Quarterly Consultation Paper No. 5 (CP 14/8 ) proposing various minor changes to the Handbook:</p> <ul style="list-style-type: none"> <li>■ modification of the list of appropriate qualifications in the Training and Competence sourcebook</li> <li>■ minor amendments as a result of the transfer of consumer credit regulation</li> <li>■ amendments to persistency, annual report and accounts and product sales data reporting</li> <li>■ changes regarding employers' liability registers and the collection of employer reference numbers, as well as the scope of provisions regarding directors' certificates and auditor reports</li> <li>■ modification of the information disclosed in periodic reports and accounts for authorised funds and</li> <li>■ require banks and building societies which offer current accounts to confirm each year that they have complied with the Immigration Act.</li> </ul>	<p>6 July 2014 (Chapter 2 – changes to Training and Competence sourcebook)</p> <p>6 August 2014 (all other chapters)</p>	

	<a href="http://www.fca.org.uk/static/documents/consultation-papers/cp14-08.pdf">http://www.fca.org.uk/static/documents/consultation-papers/cp14-08.pdf</a>			
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## Further Afield

### Australian Senate Inquiry hears that budget cuts will lead to reduced supervision

In evidence given to a Senate Inquiry on 4 June, Greg Medcraft, the Chairman of the Australian Securities and Investments Commission, has indicated that funding reductions will lead to it substantially curtailing the amounts of proactive supervision it undertakes in some areas, and ceasing to carry out any such proactive work in some areas.

The changes, implemented using a risk based approach to seek to ensure that core areas where more intensive supervision is required remain adequately provided for, stem from a 12 percent cut to its operating budget during the current financial year.

[http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Senate-Estimates--Opening-Statement-4-June-2014.pdf/\\$file/Senate-Estimates--Opening-Statement-4-June-2014.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Senate-Estimates--Opening-Statement-4-June-2014.pdf/$file/Senate-Estimates--Opening-Statement-4-June-2014.pdf)

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