

This week at the UK regulators

Thirty second guide: The week in overview

In a week without any significant concluded enforcement cases, the main development was the FCA's announcement that it will commence a review of the high-cost short-term credit regulatory framework. The FCA also published findings from an industry survey regarding its own performance.

Enforcement and other notices

On 3 August, the FCA published a requirement notice arising from a voluntary application for the imposition of a requirement made by The Mortgage Matters Partnership. It sets out details of a customer contact and redress scheme in respect of customers who took out debt consolidation mortgages with it between 1 January 2007 and 7 July 2014.

<https://www.fca.org.uk/publication/requirement-notices/mortgage-matters-partnership-vreq.pdf>

In separate final notices, all published on 3 August, the FCA has cancelled the permissions of College Motors, Prestige Cars of Essex Ltd and Roman's Tyres and Exhausts Ltd. In all cases, the cancellations were imposed for failures to be open and cooperative with the FCA.

<https://www.fca.org.uk/publication/final-notices/college-motors.pdf>

<https://www.fca.org.uk/publication/final-notices/prestige-cars-essex-ltd.pdf>

<https://www.fca.org.uk/publication/final-notices/romans-tyres-exhausts-ltd.pdf>

FCA considers reform of high-cost short-term credit

On 31 July, the FCA published its response to industry feedback gathered in the context of its review of high-cost credit products (often known as 'payday lending'). It has committed to keeping the existing payday loan price cap in place, and has stated that it will review it again in 2020.

The FCA has voiced particular concerns about unauthorised overdrafts and announced that it is considering a fundamental overhaul of unarranged overdrafts, which it considers to be potentially harmful to

vulnerable consumers. Other areas of concern noted by the FCA include the rent-to-own, home-collected credit and catalogue credit sectors. The FCA has also stated that it is aware of the differences across high-cost credit markets and products and that it intends to develop tailored solutions, beginning with a consultation exercise in Spring 2018. In parallel, it has published proposals to clarify provisions relating to assessments of creditworthiness and affordability.

<https://www.fca.org.uk/publication/feedback/fs17-02.pdf>

FCA publishes findings from industry survey

On 3 August, the FCA and the FCA Practitioner Panel published the findings of their 2017 survey of FCA-regulated firms. The survey evaluates the FCA's performance as a regulator of the financial services sector. More than 2,000 regulated firms provided feedback. The findings point to progress in all three of the FCA's operational objectives of securing an appropriate degree of protection for consumers, protecting and enhancing the integrity of the UK financial system and promoting effective competition in the interests of consumers in the financial markets. It identifies three areas for improvement, namely communicating the FCA's remit to firms, in particular to consumer credit firms, being transparent about future plans and regulatory change and clearly and directly communicating with regulated firms about Brexit.

<https://www.fca.org.uk/publication/research/fca-practitioner-panel-survey-2017-report.pdf>

FCA warnings

| Name of firm | Date of warning | Details |
|---|-----------------|---|
| Polen Capital Investment Funds / PCIF | 3 August 2017 | Clone firm https://www.fca.org.uk/news/warnings/polen-capital-investment-funds-pcif-clone |
| Tilney Fund Managers | 3 August 2017 | Clone firm https://www.fca.org.uk/news/warnings/tilney-fund-managers-clone-authorized-firm |
| Quick Quid / Loan Point | 3 August 2017 | Clone firm https://www.fca.org.uk/news/warnings/quick-quid-loan-point-clone-authorized-firm |
| Admiral Markets Ltd | 2 August 2017 | Clone firm https://www.fca.org.uk/news/warnings/admiral-markets-ltd-clone |
| Team Four Digital Services Limited / Team4Digital | 2 August 2017 | Not authorised https://www.fca.org.uk/news/warnings/team-four-digital-services-limited-team4digital |
| Debt Advice Trust | 1 August 2017 | Clone firm https://www.fca.org.uk/news/warnings/debt-advice-trust-clone |
| 247 Money Express and The Money Source | 1 August 2017 | Clone firm https://www.fca.org.uk/news/warnings/247-money-express-and-money-source-clone |
| Merit Loans | 31 July 2017 | Clone firm https://www.fca.org.uk/news/warnings/merit-loans-clone |
| London Finance and Investment Corporation | 31 July 2017 | Clone firm https://www.fca.org.uk/news/warnings/london-finance-investment-corporation-clone |

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| Miton Asset Management, trading as Miton Commodities | 31 July 2017 | Clone firm https://www.fca.org.uk/news/warnings/miton-asset-management-commodities-clone |
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Policy developments

| FCA | | PRA | | |
|----------------------------|--|------------------------|--|--|
| Proposed developments | | | | |
| | | Deadline for responses | | |
| Consultation papers | On 31 July, the FCA published a consultation paper (CP17/27) setting out changes to assessing creditworthiness in consumer credit. https://www.fca.org.uk/publication/consultation/cp17-27.pdf | 31 October 2017 | | |
| | On 1 August, the FCA published a consultation paper (CP17/28) on the implementation of the Financial Advice Market Review (FAMR). https://www.fca.org.uk/publication/consultation/cp17-28.pdf | 31 October 2017 | | |
| | On 1 August, the FCA published a consultation paper (CP17/29) on proposed changes to the Client Assets sourcebook on depositing client money in unbreakable deposits. https://www.fca.org.uk/publication/consultation/cp17-29.pdf | 1 November 2017 | | |

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