

Log of live Wider Implications issues as at September 2022

1. British Steel Pension Scheme (BSPS)				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
Ensuring that consumers who were given unsuitable advice to transfer out of the British Steel Pension Scheme (BSPS) and suffered harm get redress	<ul style="list-style-type: none"> • In-person and virtual events with steelworkers and MPs in Scunthorpe and in South Wales; • Publication of case studies and information for BSPS members; • Targeted communications to encourage complaints; • Intelligence and information sharing between members. 	<ul style="list-style-type: none"> • Support the outcomes targeted by the FCA's proposed consumer redress scheme as set out in CP 22/6; • Ensure that steelworkers who received unsuitable advice receive consistent outcomes regardless of who their case is dealt with (firms, Financial Ombudsman Service or FSCS); • Ensure communications to stakeholders are effective and joined up; • Share insight and intelligence to help prevent future harm in the pension transfer market. • Co-ordinate on the joint actions arising from the Public Accounts Committee Report on BSPS published on 21 July 2022. 	FCA consultation on a consumer redress scheme under section 404 of the Financial Services and Markets Act 2000 published in March 2022. Decision to be made on the scheme in Autumn or Winter 2022.	FCA, Financial Ombudsman Service, FSCS, TPR, MaPS, TPO.

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2. Mortgage Standard Variable Rates (SVRs)				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
Allegations of unfair variations in Standard Variable Rates (SVRs) on residential mortgages.	<ul style="list-style-type: none"> Working level meetings. 	<ul style="list-style-type: none"> Ensure that redress is paid where appropriate; Ensure any prudential and legal implications are appropriately considered. 	Ongoing.	FCA, Financial Ombudsman Service.

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3. Self-Invested Personal Pensions (SIPPs)				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Significant delays to consumers receiving redress due to firms failing to promptly settle complaints or being unable to meet redress liabilities and claims falling to the FSCS. SIPP-related FSCS compensation has been a significant factor in increasing levies in recent years (~54% of all FSCS compensation since January 2019).</p>	<ul style="list-style-type: none"> Working level meetings. 	<ul style="list-style-type: none"> Share insight and intelligence to help prevent future harm in the SIPPs sector, particularly in light of the economic climate and continued levels of fraud and scams seen across the UK. Effective and efficient cooperation and coordination to ensure consumers receive appropriate redress as quickly as possible. 	<p>Ongoing</p>	<p>FCA, Financial Ombudsman Service, FSCS, TPR, MaPS.</p>

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4. New Consumer Duty				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Through the introduction of the New Consumer Duty (NCD) the FCA is setting higher expectations for the standard of care that firms give consumers. Some stakeholders are concerned that outcomes-based regulation may lead to inconsistent interpretation of the NCD by FCA & Financial Ombudsman Service.</p>	<ul style="list-style-type: none"> Regular working and senior level meetings. 	<ul style="list-style-type: none"> Ensure a consistent and complementary approach to the application of the NCD whilst respecting the different independent statutory roles of the members. 	<p>FCA published a policy statement summarising responses to its consultations and making new rules and guidance on 27 July 2022. The NCD will be subject to a phased implementation period. The duty will apply to new and existing products and services open to sale or renewal from 31 July 2023. The duty will apply to closed products and services from 31 July 2024</p>	<p>FCA, Financial Ombudsman Service</p>

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5. Authorised Push Payment (APP) Fraud and Scams				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Complaints about authorised push payment (APP) fraud and scams have increased significantly. For example, the Financial Ombudsman Service has seen a 60% increase in fraud and scams complaints in 2020/21 and is upholding 75% of APP fraud and scams complaints.</p>	<ul style="list-style-type: none"> The Financial Ombudsman Service's outcome codes initiative, which started in November 2021 has resulted in redress being awarded to consumers who had complaints about APP fraud and scams; The Payment Systems Regulator (PSR) also launched a consultation late last year proposing to require banks to publish relevant data, to share intelligence to improve prevention and for there to be mandatory reimbursement of scams for those who have done nothing wrong. The Government plans on legislating for mandatory reimbursement for APP fraud through the Financial Services and Markets Bill. 	<ul style="list-style-type: none"> Share insight and information to prevent complaints from arising in the first place, including ensuring that businesses are adhering to the Contingent Reimbursement Model (CRM) Code where it applies and that there are not gaps in the regulatory landscape for fraud and scams victims and firms; Ensure consumers are provided with enough protection and information in order to avoid scams. 	Ongoing.	FCA, Financial Ombudsman Service, MaPS, PSR

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6. Wood and Pengelly				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>The Court of Appeal cases of <i>Wood</i> and <i>Pengelly</i>¹ involved large undisclosed (“fully secret”) commissions paid to a commercial mortgage broker. The Court held that on the facts of the case the customer was entitled to rescind the mortgage. The Court’s judgment is potentially applicable to other intermediated sales of financial services involving commissions.</p>	<ul style="list-style-type: none"> Working level meetings. CEO level meeting between FCA and Financial Ombudsman Service Trilateral meeting with FCA, Financial Ombudsman Service and the Finance and Leasing Association (FLA) 	<ul style="list-style-type: none"> Ensure a consistent and complementary approach on the interpretation and application of <i>Wood</i> and <i>Pengelly</i> with respect to the different roles of the framework’s members. 	Ongoing.	FCA, Financial Ombudsman Service

¹ Wood v Commercial First Business Ltd & ors and Business Mortgage Finance 4 plc v Pengelly [2021] EWCA Civ 471

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7. Cost of Living				
Issue outline	Actions so far	Outcomes sought	Timescales	Organisations involved
<p>Current economic conditions may lead to a growing number of consumers experiencing financial difficulties and resulting harms, including a potential increase in financially vulnerable customers. Consumer communications have a role to play – identifying audiences that would most benefit from support and signposting them to seek help.</p>	<ul style="list-style-type: none"> • Working level meetings • CEO and Chair level joint meetings • Joint communications work 	<ul style="list-style-type: none"> • Work with each other and charities where compatible with the WIF members' independent statutory roles and functions to ensure the help that is available from e.g. MoneyHelper, charities, / lenders, debt advisers is well signposted. 	Ongoing	FCA, Financial Ombudsman Service, TPR, MaPS, FSCS