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Kevin Hollinrake MP
House of Commons
London
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1 May 2018

Our Ref: 180405B

Hansard Ref: 134684

Dear Kevin

RE: Parliamentary Question 134684

Thank you for your recent Parliamentary Questions regarding the payment protection products in light of our Final Notice against Vanquis Bank. HM Treasury has passed these on to the Financial Conduct Authority (FCA) to respond.

I have provided an answer to your questions where I am able to. However, where I cannot provide an answer to what you ask, I explain why. You ask:

"To ask Mr Chancellor of the Exchequer, with reference to the FCA's Final Notice on the mis-selling by Vanquis Bank of its repayment option plan, whether other banks are being investigated by the FCA for potentially mis-selling similar products." (134681)

"To ask Mr Chancellor of the Exchequer, whether he is aware of any potential cases of banks mis-selling debt (a) waiver and (b) freeze products on a scale similar to that of Vanquis Bank." (134682)

"To ask Mr Chancellor of the Exchequer, whether (a) he and (b) the Financial Conduct Authority plan to investigate the potential mis-selling of debt waiver or debt freeze products by other banks similar to those produced by Vanquis Bank." (134683)

For legal and public interest reasons the FCA does not generally disclose publicly whether or not it is taking action against a regulated firm or an individual person. The reason for this is publicity could encourage people to hide evidence. Also, because publicity has the potential to damage reputations and jeopardise the outcome of an investigation, we are required by our governing statute to follow formal procedures before we can say publicly that a firm has breached our rules. When, however, we impose a sanction it is our usual practice to publicise this on our website together with issuing a press notice. A further explanation of the information we can share may be found at this link:

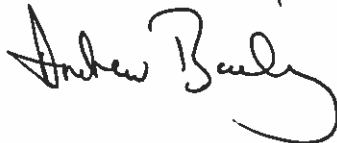
<https://www.fca.org.uk/freedom-information/information-we-can-share>

"Mr Chancellor of the Exchequer, with reference to the Financial Conduct Authority's Final Notice on Vanquis Bank, what assessment (a) he and (b) the FCA have made of the potential merits of updating the Financial Services Authority and Office of Fair Trading's 2013 joint guidance on the conduct of firms selling and administering payment protection products." (134684)

The Financial Services Authority and Office of Fair Trading's 2013 joint guidance on payment protection products sets out our expectations to firms if they are supplying, or considering supplying, such products. It provides key messages for firms, for example reminding firms that there should be adequate transparency to consumers regarding the nature, price and implications of such products. We do not propose to review this at the current time, but we may do so if we became aware of harm.

The FCA, as the FSA's successor, continues to expect that firms ensure that if they were providing such products these meet the requirements of the regulatory regime. Where we find they do not meet our requirements we will take steps to protect consumers. This could include stopping firms from selling a particular product and requiring them to provide redress for customers who bought them in the past. The Final Notice on Vanquis Bank provides a case in point.

A copy of the letter will be placed in the Library of the House.

Yours Sincerely


Andrew Bailey
Chief Executive