

Written evidence submitted by Gladstone Brookes (FGCB22)

This submission is from Gladstone Brookes and contains our views on the Financial Guidance & Claims Bill with specific focus on the following areas:

1. COLD CALLING

As a business, we fully endorse the efforts taken to reduce instances of 'Cold Calls' to Customers. Gladstone Brookes offer a 'No Cold Call Promise' and would never initiate contact with a Customer unless they had first engaged with us, so the intentions of the business and the Legislation are aligned.

Our concern is that the action of Cold Calling is already prohibited under the Client Specific Rule 4 of the Claims Management Regulations and the Privacy and Electronic Communications Regulations (PECR). Throughout the debates in the Houses of Commons & Lords, CMC's & Cold Calling have been painted as a folk devil that needs addressing, which if this is actually the case then prohibiting an already prohibited action is not going to address the concern.

In reality the issue of Cold Calling derives from how Consumer Data is managed and how opted in permissions are obtained. The label 'Cold Calling' is very mis-leading, as the industry of outbound calls has developed to ensure that the relevant Opt In is obtained to ensure that the Call can be made to the Customer, albeit that Opt In may not have been immediately visible to the Customer. For example, obtaining a quote from various Comparison Websites will give the owner of that site the permissions to pass your data on for subsequent calls by other parties for related products. Whilst in the Consumers mind, this is a 'Cold Call' in reality they have given permissions for this call to happen. Another good example is 'Survey Data', where Customers complete sponsored questions and during the process give their permission to be contacted by the sponsor of that question.

Whilst I am not an expert in this field as Gladstone Brookes do not utilise this route to market I fear that by focusing on the action of Cold Calling and not the concept of Opt In and Data Management, the Financial Guidance & Claims Bill will ultimately fail in its attempts to stop Cold Calling. The Bill as drafted will not solve the problem of Cold Calling.

2. THE CLAIMS MANAGEMENT SECTOR

The concept of a Claims Management Company has recently grown as a result of the Banks / Financial Conduct Authority's (FCA) failure to ensure suitable redress Customers for mis-sold products; mainly PPI.

It is fair to say that without the support and public awareness campaigns funded by the Sector that an element of the redress paid to date would never have been repaid to Customers who were due it. We have a concern that by capping the fees of the Claims Management Sector without further consideration as to the impact of that action will serve only to restrict the repayment of PPI Redress to an element of the population, often the Financially Vulnerable who need the support of a CMC the most.

It is clear from a recent Populus Survey conducted by the Professional Financial Claims Association (PFCA) that the Deadline Campaign being run by the FCA is not giving Consumers sufficient education to prevent them missing the deadline. I have attached the survey, however, the headline figures are:

- a. Only 21% of those surveyed knew the date of the PPI Deadline.
- b. 47% of people surveyed thought that the Deadline should be extended until all redress was repaid.
- c. Only 5% of people disagreed that a Consumer should have the option of utilising professional help to make a PPI Complaint.

- d. 44% of people surveyed were not confident reclaiming their own PPI Redress.

Whilst lots has been said in the debate about protecting the CMC Sector to ensure that we have a robust and value for money CMC Sector, the concern is that giving the current Regulator the legislative power to impose a Fee Cap with no further consultation or debate is going to have the unintended consequence of Banks not repaying the full amount of redress due to Customers.

Whilst we absolutely agree that CMC's should not be allowed to charge unreasonable amounts of redress, we believe that a full viability study on the sector needs to be conducted before a figure is debated. The figure current being cited of 20% + VAT (which we believe came from the previous Claims Management Regulator Consultation which we believe was flawed in its construction) will have the unintended consequence of significantly damaging the CMC Sector and therefore reducing the amount of PPI Redress paid to Consumers who are owed it!

Based on the above 2 points, we would ask that further time be given so that both topics can be given more consideration in respect of the unintended consequences that they will deliver.

Summary of Results: January 2018

Omnibus Research about CMCs

Populus interviewed a random sample of 2,047 adults between 22 January and 23 January 2018. Interviews were conducted across the United Kingdom and the results have been weighted to be representative of all adults. Populus is a member of the British Polling Council and abides by its rules.

Comparisons, where made, are with similar research conducted between 4 and 6 March 2016 with 2,016 adults and between 29 September and 1 October 2017 with 2,013 adults.

Q.1: To the best of your knowledge, what is the deadline set by the FCA (Financial Conduct Authority) by which consumers must complain about the sale of PPI (Payment Protection Insurance) for their complaint to be considered?

I don't know / I did not know there was a deadline	50%
3rd May 2018	7%
31st December 2018	6%
29th March 2019	9%
29th August 2019	21%
31st December 2019	4%
24th July 2020	1%
31st December 2020	1%

Four in-five GB adults continue not to be able to identify the deadline set by the FCA (the 29th August 2019) for complaining about the sale of Payment Protection Insurance.

Just 21% can correctly identify it: the number aware of the deadline has increased by just 1% since October.

- Half either don't know the date of the deadline or were unaware that such a deadline had been set.
- Awareness is lowest amongst younger people, and grows slightly with age: 27% of those aged 55+ know the deadline is the 29th August 2019.

Q.2: The FCA, the Financial Conduct Authority, have set a deadline of the 29th August 2019 for complaints about PPI. Do you agree or disagree that the PPI deadline should be extended until the banks have repaid consumers an agreed total amount? If you don't know, please say.

Total Agree:	47%
Strongly agree	22%
Somewhat agree	25%
Neither agree nor disagree	19%
Somewhat disagree	10%
Strongly disagree	8%
Total Disagree:	18%
Don't know	16%

While nearly half (47%) support the deadline for PPI repayments being extended until the banks have repaid consumers an agreed total amount, just one-in-five (18%) disagree.

A high proportion – 35% - don't know their view or can't offer one.

- Men have stronger feelings on the subject than women, with the proportion of men without a view or not knowing their opinion 30%, vs 39% of women saying the same.

Q.3: To what extent, if at all, do you agree or disagree that consumers should have the option of professional help to claim money back from banks that mis-sold them payment protection insurance (PPI)?

	March 2016	October 2017	January 2018
Strongly agree	30%	29%	32%
Somewhat agree	37%	36%	42%
Neither agree nor disagree	20%	20%	16%
Somewhat disagree	5%	3%	3%
Strongly disagree	3%	2%	2%
Don't know	5%	10%	5%

Three quarters (74%) of the public continue to say that consumers who have been mis-sold PPI should have the option of professional help.

- Support has grown since October, and now stands at 74% (up from 65%).
- Just 5% disagree that professional help should be available to consumers.

- Q.4: How confident, if at all, would you feel investigating and reclaiming money yourself from the banks that mis-sold you PPI?

	March 2016	October 2017	January 2018
Very confident	16%	14%	16%
Quite confident	32%	34%	32%
Not very confident	30%	26%	32%
Not at all confident	12%	14%	12%
Don't know	10%	12%	8%

The number confident in their ability to investigate and reclaim money owed remains unchanged: around half (48%).

- More than two-in-five, 44%, are not confident they could personally investigate and reclaim money owed to them as a result of mis-sold PPI.
- Men are more likely to be confident than women that they could reclaim money from mis-sold PPI (54% vs. 42%).
- Confidence also tends to grow with age: just 37% of 18-24s are confident, vs. around half of those aged 35+.
- Socio-economic grade is another factor: just two-in-five of those in socio-economic group DE are confident vs. around half in all other, higher, grades.

Q.5: Claims management companies (CMCs) run public awareness campaigns advising people that they may be entitled to compensation for mis-sold PPI products. Do you think that this has led to banks repaying consumers more money, less money, or had no impact?

	March 2016	October 2017	January 2018
A lot more money	27%	23%	23%
A little more money	32%	33%	32%
No impact on the amount paid	20%	22%	21%
A little less money	3%	3%	3%
A lot less money	2%	1%	1%
Don't know	16%	17%	20%

There has been little change in attitudes since Autumn 2017: a (narrow) majority (55%) still believe think that public awareness campaigns advising entitlement to compensation for mis-sold PPI products lead to banks paying consumers more money.

- Very few (just 4%) actively disagree with the statement, with many – around two-in-five or 41% - thinking the campaigns have had no impact or unsure.

February 2018