

Financial Conduct Authority
Consumer Duty consultation response

Via Email: cp21-36@fca.org.uk

Management and Investment Resources

Roliscon Limited
PO Box 62
Chislehurst
Kent, BR7 5YB, UK

Tel: 020-8295-0378
Int: +44-20-8295-0378
Web: www.roliscon.com

04 January 2022

Consumer Duty consultation response (CP21/36)

Dear Sirs,

I am submitting these comments as an active investor in the shares of public companies so my main interest is in the impact of the proposals on private investors.

I give the answers to your detail questions below (answers in red). My general comments are as follows:

This proposal will impose substantial additional costs on financial services firms which will be passed on to consumers, i.e. retail investors. The benefits are not made clear.

In general terms I do not consider that the proposals will improve substantially on the quality of services provided by financial sector firms and I do not therefore consider the proposals to be justified.

I have only answered the questions below that are clear and relevant to my interests.

List of questions

Q1: What are your views on the consumer harms that the Consumer Duty would seek to address, and/or the wider context in which it is proposed?

Answer: I do not see how the proposals will assist in removing the identified consumer harms.

Q11: What are your views on the extent to which these proposals, as a whole, would advance the FCA's consumer protection and competition objectives?

Answer: I do not see that the proposals will assist.

Q13: What are your views on our proposals for the Communications outcome?

Answer: I do not see how the proposals will rectify deficiencies in communications.

Q14: What impact do you think the proposals would have on consumer outcomes in this area?

Answer: I do not see how the proposals will substantially improve consumer outcomes without more vigorous enforcement by the FCA.

Q21: Do you have views on the PROA that are specific to the proposals for a Consumer Duty?

Answer: It is most disappointing that a Private Right of Action (PROA) is being excluded. Reliance on the Financial Ombudsman alone is an inadequate solution to many problems.

Q25: To what extent would the Consumer Duty bring benefits for consumers, individual firms, markets, or for the retail financial services industry as a whole?

Answer: It is not clear that there is any benefit in terms of a cost/benefit justification to the proposals. They simply impose extra costs on firms which will be passed onto consumers.

Q26: What unintended consequences might arise from the introduction of a Consumer Duty?

Answer: Higher costs on firms might deter innovation in services/products. It might also reduce competition as firms are reluctant to face the complex rules that are now being proposed. New entrants may be deterred and existing firms may withdraw from markets due to the extra regulatory burden.

Yours sincerely

Roger W. Lawson
Managing Director