

Minutes

Meeting: FCA Board
Date of Meeting: 16 April 2020
Venue: Meeting held via Skype

Present:

Charles Randell (Chair)	Sarah Hogg
Catherine Bradley	Richard Lloyd
Liam Coleman	Sam Woods
Bernadette Conroy	Christopher Woolard
Jeannette Lichner	Tommaso Valletti
Alice Maynard	

In attendance: Set out in Annex A

1 Quorum and declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 No interests in relation to the items to be discussed were declared.

2 CEO update

- 2.1 The Chief Executive summarised the FCA's activities and ongoing priorities in response to the Covid-19 pandemic, including the following priorities:
 - i. Completing the second package of measures to provide temporary support to consumers of consumer credit products (see next item for further details).
 - ii. Preparing for the next stage of the pandemic and identifying risk across portfolios. The Board acknowledged the need to balance immediate action against the planning of longer term activities. The Board also noted that details of the immediate risk assessment and allocation of supervisory resources would be included in the next CEO's report. In the meantime, the need for clear guidance to firms regarding scenario planning and the conservation of financial resources was noted.
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- iii. Developing strategies to address the longer-term effects of the pandemic, including measures to address the expiry of consumer credit deferral periods and the likely increased need for debt advice.
 - iv. Exploring potential risks in the insurance market.

3 Temporary support to consumers holding a range of consumer credit product – package 2

- 3.1 The Board was briefed on a proposed package of measures to provide temporary support to consumers in relation to motor finance, high-cost short-term credit (HCSTC), buy-now-pay-later (BNPL) agreements and pawnbroking.
- 3.2 The Board recognised the benefits of keeping support measures consistent for consumers, but acknowledged the unique features of the HCSTC market. The Board therefore considered variations to the length of deferral and treatment of interest for HCSTC products.
- 3.3 The Board reemphasised the importance of consumers already in financial difficulty, or who become subject to financial difficulty during any period of deferral, continuing to receive appropriate forbearance under existing rules.
- 3.4 The need to reinforce this message, as well as the fair treatment of vulnerable consumers who may not actively seek deferral, with firms was also acknowledged. This would be supported by coordinated communications across the regulatory family and with consumer groups, to assist consumers with numerous credit products to navigate the range of measures available.
- 3.5 The Board **agreed** to consider approval of the following, by written procedure:
 - i. guidance relating to the following areas for consultation:
 - motor finance
 - HCSTC
 - BNPL agreements
 - Pawnbroking
 - ii. near final rules to make technical changes to CONC 6 requiring an individual assessment of the sustainability of any refinancing.
- 3.6 The final guidance and rules would be submitted to the Board for approval following conclusion of the consultation period and consideration of the associated responses.

4 Mortgages

- 4.1 The Board was informed that the Covid-19 pandemic had adversely impacted the readiness of the industry to develop alternative mortgage products that take advantage of the changes in the MCOB affordability rules. In the light of this, the Board would receive a recommendation shortly to extend the period within which notifiable mortgage borrowers are required to be given notice referring to the existence of such products. Further detail would be circulated to, and a decision sought from, the Board.

5 Any other Business

5.1 There being no further business, the meeting closed.

Charles Randell
Chairman

ANNEX A: Attendees

Attending for all, or substantially all of the meeting*:

Nisha Arora	Director, Consumer Strategy & Policy
Simon Brindley	Head of Department, GCD Banking, Credit and Competition
Megan Butler	Executive Director, Supervision - Investment Wholesale and Specialists
Jean Cooper	Manager, Redress & Retail Lending Department
David Cross	Private Secretary, Chief Executive Office
Jonathan Davidson	Executive Director, Supervision – Retail & Authorisations
Nausicaa Delfas	Executive Director, International
Stephen Humphreys	Head of Department, Corporate Communications
Jesse Leary	Technical Specialist, Economic and Financial Analysis
Sheldon Mills	Interim Executive Director, Strategy & Competition
Simon Pearce	Company Secretary
Georgina Philippou	Chief Operating Officer
Robert Rosenberg	Technical Specialist, Policy Consumer Credit
Ian Runacres	Private Secretary, Chairman’s Office
Ian Searle	Manager, Payments Policy
Mark Steward	Executive Director, Enforcement & Market Oversight
Nick Waugh	Technical Specialist, Consumer Credit Sector Team

* Relevant associates were also in attendance