

Ann Sanders
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

7th August 2019

Dear Ann,

FCA consultation paper CP19/18 on Overdraft Pricing Remedies and Pricing Remedies.

The Money and Pensions Service welcomes the opportunity to address one of the specific consultations in the above consultation paper. This relates to the first question around the FCA's proposals for firms to publish pricing information alongside the information about current account services.

The FCA will be aware that alongside a raft of obligations on the sector, the Payment Accounts Regulations 2015¹ required our legacy body, the Money Advice Service, to provide consumers with access, free of charge, to a website that compares payment accounts and as such sets out the fees and charges associated with each account for at least the services included on the Linked Services List². This includes account fees and charges associated with overdraft use, payments, overseas cash withdrawal and cancelling a cheque.

In consultation with the sector, the FCA and HM Treasury, we developed a Personal Current Account Comparison tool³ allowing consumers to compare bank account fees and charges as set out in the regulations. This is a tool that we regularly update and review, and that we meet regularly with HMT to discuss. It would therefore be helpful to have further meetings with the FCA after this consultation has closed to consider how to address any changes in display of fees.

Our comparison tool provides information on overdraft fees but also illustrates these with examples such as what the fee will be if £500 is overdrawn for 10 days to allow consumers to better understand the monetary impact. This also aligns with the FCA objectives of helping to simplify the fee structure in a way which helps consumers, particularly those who may be in vulnerable circumstances, understand better. We are supportive of the proposals to standardise the display of fees and would strongly recommend that the industry should be required to display consistent, agreed, examples to make the fees more meaningful to consumers.

We support efforts to reduce the complexity of language used to describe and explain financial information. It is important that the impact of language is tested with consumers to ensure that it conveys the desired messages and has the intended impacts. For instance, to support our work on the consumer

retirement journey we commissioned ComRes to conduct research into pensions language¹ This found that it is important to strike a balance between the language used being accessible and not just simple, as over simplification can sometimes appear unprofessional for a serious topic. The terms and phrases used need to address particular points of concern to avoid consumers distrusting and ultimately disregarding the information provided

At MAPS we work to ensure that consumers understand and effectively engage with all aspects of financial services. We know that consumers are not a homogenous group and understanding the nuances of decision making are key to effective communication. Using our knowledge of consumer insight and experience of the comparison tool, we would welcome the opportunity to work with the FCA and financial services industry to ensure these proposals effectively engage with consumers.

We trust that these points are helpful but that you will not hesitate to contact us should you require any further clarification.

Yours sincerely

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¹ Pension Dashboard Research, A report by ComRes for MAS, May 2017

https://masassets.blob.core.windows.net/cms/files/000/000/868/original/MAS_Consumer_Research_Pensions_Dashboard_Research_v2.pdf