



# Regulatory News Issue 3 November 2020

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## **MALG & Money Advice Trust Launch New GDPR & Vulnerability Guidance**

The Money Advice Trust and Money Advice Liaison Group (MALG), have launched a new series of guides to help firms meet data protection regulation and support customers in vulnerable circumstances. The guides are designed to help creditors and advisers understand the overlap between GDPR and vulnerability, and strike the right balance between human experience and data.

Authored by Money Advice Trust Vulnerability Lead Consultant Chris Fitch, data protection expert Rob Bell and Colin Trend from the Money Advice Trust's Consultancy team, the guidance aims to help data protection teams, staff working on vulnerability policy and operational leads to work together to address practical challenges related to GDPR and vulnerability. It is a tricky balance to strike and this new guidance is to be welcomed. Firms are encouraged to review and update Policy, Training and QA approaches.

**"The Money Advice Liaison Group and Money Advice Trust are delighted to share this series of guides. We hope they bring together the right blend of expertise and vision for the practical benefit of all consumers."**

Paul Smee, Chair, MALG

Joanna Elson CBE, Chief Executive,  
Money Advice Trust



## OTHER NEWS

The Lending Standards Board (LSB) published “The Meaning of Life Experience” and interesting look at the role life experience plays for contact centre agents working in credit in terms of their understanding, empathy and approach when dealing with customers. Firms would benefit from reviewing this when considering Selection/ Vetting and T&C approaches. See <https://www.lendingstandardsboard.org.uk/the-meaning-of-life-experience/>

FCA bans three individuals for non-financial misconduct. The regulator found that Russell David Jameson, Mark Horsey, and Frank Cochran were not fit and proper. Each had been convicted of serious non-financial offences whilst working in the financial services industry. The publication highlights the need to look beyond financial issues when considering fitness and propriety. See <https://www.fca.org.uk/news/press-releases/fca-bans-three-individuals-working-financial-services-industry-non-financial-misconduct>

The Credit Services Association (CSA) launched their new video highlighting five steps to help people in debt. This video, launched during Talk Money Week, aims to give people more confidence to engage with a debt problem. See <https://www.csa-uk.com/news/538262/CSA-launch-new-video-highlighting-five-steps-to-helping-people-in-debt.htm>

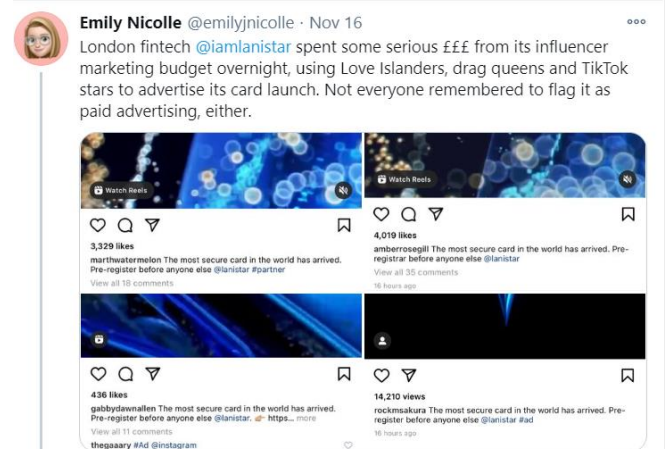
The Business of Social Purpose, a speech by Jonathan Davidson, Executive Director of Supervision – Retail and Authorisations, reaffirmed the importance of firm culture and purpose. See <https://www.fca.org.uk/news/speeches/business-social-purpose>

## LANISTAR – LESSONS LEARNT?

Much hyped London Fintech Lanistar drew the attention of the FCA after it paid social media influencers and reality TV stars to advertise its upcoming (Jan 2021) launch.

The Mastercard-backed firm is anticipating a £1bn valuation for its payment technology following the unveiling of the world-first polymorphic payment card, Volt.

The regulator was quick to warn would be investors that the firm was not authorized or regulated by them and appeared to be illegally conducting regulated activity.



However, the consumer warning was quickly removed following clarification from Lanistar that they were in a “pre-launch” phase and were planning to work with regulated firms to launch compliantly in the near future. The firm also agreed to add statements making this clear on their website.

Whether all publicity is good publicity or whether any real reputational and regulatory damage has been done is yet to play out.

This case highlights the importance for new entrants of understanding their regulatory footprint and identifying any regulatory activity as soon as possible to avoid inadvertent breaches and being in the position of retrospectively seeking FCA approval.

**“I want to use this call for input to get views from key stakeholders, including consumer groups, regulated and unregulated providers of credit, retail businesses and employers on some of the main issues in the market.”**

Christopher Woolard, Interim Chief Executive at the FCA



## **THE WOOLARD UNSECURED CREDIT MARKET REVIEW, ROUNDTABLE DISCUSSIONS**

Contributory roundtable sessions were held on 11<sup>th</sup>, 17<sup>th</sup> & 24<sup>th</sup> November with contributions from most areas of the market and from some currently unregulated areas, primarily the “buy-now-pay-later” firms offering credit outside of the current FCA perimeter.

The sessions, covering The Drivers And Use Of Credit, Change And Innovation In The Supply Of Credit and the Role Of Regulation In The Unsecured Credit Market were lively and the range of topics discussed varied from affordability to approval processes to vulnerability.

Whilst it is much too early to see the possible outcome of this review one topic came up again and again – the retained provisions of the Consumer Credit Act, their prescriptive nature and the risk of accidental or technical breaches/ non-compliance which can stifle firms ability to enter the market or comply with these provisions comfortably.

More details on the review are available here: <https://www.fca.org.uk/about/woolard-review-unsecured-credit>

**Got concerns about your responsible lending policy or other area of consumer credit compliance? Get in touch today to arrange a review.**

Email [team@gocomply.org.uk](mailto:team@gocomply.org.uk) or call 07584 243127 to get going!