FAQs
CP24/19 Consumer Credit Regulatory Returns

FAQ: Consumer Credit Regulatory Reporting FAQ

1. What is changing with consumer credit regulatory reporting?

The Financial Conduct Authority (FCA) is introducing a new regulatory reporting return for consumer credit firms. This new return will replace existing returns for credit broking, providing credit information services, debt adjusting and debt counselling services.

2. Why is the FCA changing the reporting requirements?

The FCA aims to improve its data collection and analysis capabilities within the consumer credit sector. The new reporting system will enable the FCA to:

- Gain a deeper understanding of firms' activities, products, and services.
- Identify firms operating with incorrect or outdated permissions.
- Proactively spot and stop consumer harm faster.
- Improve the accuracy and relevance of data held on the Financial Services Register.

3. How will the new reporting system work?

The new return uses a 'branching logic' structure, presenting a tailored set of questions based on a firm's responses to mandatory initial questions. This approach ensures firms answer only relevant questions related to their specific business models and activities.

4. What information will firms need to provide?

The new return will require firms to provide data across five key areas:

- Permissions: Details on the firm’s permissions and how they are being utilised.
- Business Model: Information on the firm’s products, services, target market, and revenue streams.
- Marketing: Details about the firm's marketing practices and customer engagement methods.
- Employees: Data on the size and structure of the firm's workforce and remuneration models.

- Revenue: Information on the firm’s revenue, including sources of income and commission structures.

5. When will the new reporting requirements come into effect?
The implementation date for the new reporting requirements is January 1, 2026.

6. How much will it cost firms to comply with the new reporting requirements?
The FCA estimates a one-off cost of £47.5 million for the first year, with subsequent annual costs of £2.3 million for the following nine years. The total cost to businesses over the ten-year period is estimated at £67.8 million.

7. What are the penalties for non-compliance?
The FCA has yet to release specific details on penalties for non-compliance. However, firms should expect enforcement action taken against them if they fail to comply with the new reporting requirements.

8. Where can I find more information?
You can access the full FCA consultation paper "CP24-19 Consumer Credit Regulatory" on the FCA website for detailed information about the proposed changes.

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