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Sajid Javid MP
The Financial Secretary to the Treasury
Her Majesty's Treasury
Sent by Email

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Dear Sajid,

Timetable for Consumer Credit Cap and Data Sharing

I understand further amendments have been tabled relating to the above as part of the process of finalising the Banking Reform Bill. As I have made clear in previous letters, the January timetable for implementing the cap on the cost of credit is already extremely challenging – to the point where you have already agreed to fast track legislation to bring forward our evidence gathering powers.

It is very important that we are clear with you on the practical implications of any further shortening in the timetable, the principal one being that we believe it is impossible to have as strong a cap based on a shorter deadline. To such a tight timetable we would be forced to perform less analysis on the methodology and level for any cap, and so would be forced to set the cap at a more conservative level (that is, higher) to reflect the inherent legal risks. This cannot be the intended outcome from a consumer protection standpoint.

I also understand that data sharing may be debated. We have said that we will work with the industry to overcome the obstacles to real-time data-sharing through Credit Reference Agencies. If the industry cannot overcome the obstacles, and we are best placed to bring about data-sharing we will not hesitate to act.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'M. Wheatley'. The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Martin Wheatley

Chief Executive

The Financial Conduct Authority