

24 July 2014

Andrea Leadsom MP  
Economic Secretary to the Treasury  
HM Treasury  
1 Horse Guards Road  
London  
SW1 2HQ

Dear Minister

### **Simple Financial Products**

Aligned to the letter you have received from the British Bankers' Association, Association of British Insurers and Building Societies' Association, I would like to update you on the launch of the first 'simple financial product' and assure you that we are working closely with the trade associations and Carol Sergeant to ensure consistency for consumers.

As you will be aware, the Simple Financial Products Review last year detailed a set of product principles to guide the development and sale of products that "do what they say on the tin". Ensuing from our participation in the Review, Barclays was eager to bring a 'simple financial product' to market, and began working with our underwriter Aviva on a 'simple' Life Insurance product.

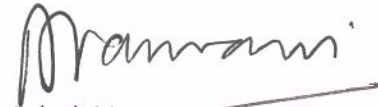
We appreciate that products must be independently certified to ensure they meet the Review's principles and standards. In parallel to industry discussions with the Trading Standards Institute (TSI), we decided to work with the British Standards Institution (BSI) to develop a robust external certification scheme for 'simple products' which will be open for use by any provider. We have recently applied successfully for the certification of our Life Insurance product and are keen to bring this to market.

We are aware that the trade associations are progressing a certification process with the TSI and are keen to assure you, as the trade associations have done, that both BSI and TSI are working to the same standard and product principles set out in the Sergeant Review. The difference between the certification schemes will solely be in the detail of the monitoring and compliance process. The standards will be the same, thus denoting the same products, and we are committed to working with the rest of the industry to put in place practical steps to ensure they do not diverge in the future. This includes the bullet points set out in the trade associations' letter. We are also engaging with consumer groups to ensure they are aware of our approach and the work we are doing to secure good outcomes for consumers.

It is clearly important that these products are presented to consumers in a single, recognisable way, and that they are able to have confidence in the industry-wide logo, which means they can navigate the financial marketplace with ease. As soon as it is developed, we intend to use the simple products logo that the industry is working on for our Life Insurance product.

We are pleased that the Financial Services industry has launched its first 'simple financial product' in accordance with the recommendations of the Review and look forward to further developments across all of industry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ashok Vaswani', with a long horizontal line extending from the end of the signature.

Ashok Vaswani  
CEO, Personal and Corporate Banking