

CCAUK response to CMA ITC on proposed review of parts of the Home Credit Order 2007

To whom it may concern

As requested, I am writing on behalf of the Consumer Credit Association(UK) Ltd, (CCA), the principal Trade Association representing the Home Credit market in response to the Invitation to Comment issued on 16 January 2024.

As the CMA quite correctly points out in its' invitation, the situation has changed quite dramatically since the Order came into force, with the withdrawal from the sector of all of the PLCs (S&U, Provident Financial, Non Standard Finance and, most recently, Morses). If nothing else, this poses a very difficult question around how continuation of the site would be funded.

This significant reduction, over time, in the supply of home credit and withdrawal of so many lenders, beyond merely those already mentioned above, undoubtedly means that in many areas a consumer will be unable to identify home credit lenders in their immediate area. Thus, we can only concur with the suggestion that there are significant doubts over whether or not the website continues to function as an effective tool for consumers and, additionally, whether it is meeting its original objective.

Thus, there are a number of fairly obvious questions which any review needs to address as follows:

1. How would the site be funded without posing more pressure on the resources of smaller home credit lenders, who are already facing funding pressures
2. Will/ have the views of Fair4All Finance being sought as part of this review
3. Who is using the site currently, since the CCA believes strongly that the great majority of visits to the site are by firms seeking price comparisons. Indeed, we have sought views from a number of members regarding take up by consumers via the website and almost all have had no new business in recent years, with others having received very few requests.

Whilst we understand which section of the Order the review will cover, a substantial lender has raised the very valid point that Part 6 of the Order contains provisions which mean that home credit lenders must refer to the lenderscompared website on certain documentation and when advertising their home credit business. Thus, we would request that the CMA includes this part of the Order in the review to prevent a situation arising where, if it remains, then lenders could be referring consumers to a non accessible website. There are other sections of Part 6 which would need to remain, such as free statements at least quarterly and the supply of information on request, thus a review of its requirements would be appropriate.

In relation to these comments, we fully support the CMA's view that it should conduct a review as laid out in the summary section 4 of its' invitation, taking into account our comments regarding Part 6 of the Order.

Yours sincerely,