



## **The Consumer Council for Northern Ireland response to the Financial Conduct Authority consultation on guidance on cancellations and refunds**

### **The Consumer Council**

1. The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland. The Consumer Council deals with complaints made under Regulation (EC) No 261/2004 concerning flight delays, cancellations and instances of denied boarding.

### **Summary**

2. The Consumer Council welcomes the opportunity to respond to the Financial Conduct Authority (FCA) consultation on guidance on cancellations and refunds. The issue the guidance aims to address is one that we have evidence of from consumers and have previously raised with the FCA, (see attached email).
3. The Consumer Council supports the FCA's proposal to provide guidance to service providers on how they should enable consumers to make insurance, S75 Consumer Credit Act 1974 and 'Chargeback' claims. We believe the guidance should be made permanent rather than for only six months as proposed. We have provided some comments below.

### **Consultation Response**

4. At point 1.9 the consultation states the guidance is for insurance providers and card providers but the guidance only refers to insurance providers. Is this because Section 4 is for card providers or will the FCA be providing separate guidance for card providers?
5. At point 3.5 the final 'it' could be clearer that this means both the claim with the travel provider and the 'S75' claim.

6. We recommend that the guidance include a requirement that insurance and card providers must have mechanisms such as an email, web chat or telephone service that will quickly give the information required in section 3.4 and will allow for an ongoing dialogue with a company representative that will respond promptly and personally to the individual circumstances of the consumer's situation.
  
7. Information, education and redress are among the core consumer principles that should be considered when delivering services. The need for clear and accessible information is especially acute due to the uncertainty that has been caused for consumers by the Covid-19 pandemic. The Consumer Council believes that there should be clearer information available for consumers on when they should make an insurance, 'S75' or charge back claim to provide clarity in the process. The guidance should also require insurance and card providers to signpost consumers to independent advice on using these services such as the Money Advice Service or Trading Standards Service. Providers should also be required to provide information on the process for complaints, including the contact details for the Financial Ombudsman Service.
  
8. As the guidance will help consumers understand their rights beyond the current pandemic we suggest it is made permanent rather than the six months that is proposed.

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