

REGULATORY INTELLIGENCE

FCA's Bailey says mortgage prisoners face "real harm", calls on all lenders to treat customers fairly

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Andrew Bailey, the UK Financial Conduct Authority's (FCA) outgoing chief executive, is using his last days in post to push lenders to do the right thing by mortgage prisoners.

"I care about this because it is real harm, often to vulnerable people," Bailey told Thomson Reuters Regulatory Intelligence (TRRI) in an emailed statement.

Last week, Bailey discussed mortgage prisoners at the Treasury Select Committee and said that, in the absence of legislative change, one of the ways to help was for the FCA to get out its megaphone to remind lenders — regulated or not — of the FCA's expectations and principles for customer treatment.

"What I mean by getting out the megaphone is that for regulated lenders we have rules and principles, e.g., the [principle of treating customers fairly](#), and we have issued guidance here where relevant. I believe that all lenders, regulated or not, should do the right thing and follow our rules, principles and guidance, and we advocate that (hence the megaphone) but of course we cannot enforce outside the perimeter," he told TRRI.

Situation worsening

Bailey has devoted time to mortgage prisoners' cause, particularly in the run-up to the UK budget announcement yesterday. He is in daily contact with the All-Party Parliamentary Group (APPG) on Mortgage Prisoners as the situation appears to worsen. There is agreement that, considering the state of flux and the acknowledged need to find a solution, it would be crass and immoral to force families from their homes at this point, the APPG said in a statement.

Those whose mortgages have been sold to unregulated and "inactive lenders" are particularly vulnerable, the APPG said. It has written to Heliodor and Computershare outlining its concerns regarding their treatment of customers. There are, however, a multitude of other companies and funds involved, including Landmark, Cerberus and Tulip, it said.

Rachel Neale, lead campaigner at UK Mortgage Prisoners, has met with Bailey too. Her current focus is to ensure all lenders pass on yesterday's emergency interest-rate cut to customers.

"Heliodor has stated that they will only review rates on a quarterly basis, while Landmark say they have no intention of cutting the rate at present but will review this over the coming days," she said.

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