

Financial Conduct Authority (FCA)

Consultation CP26/7 Credit Information Market Study

Proposed Approach To Implementing FCA Remedies

Submission by the Financial inclusion and Markets Centre (FIMC)

About The Financial Inclusion and Markets Centre

The Financial Inclusion and Markets Centre is a dedicated unit of the Financial Inclusion Centre which focuses on financial services policy and regulation, financial market reform, and evaluating the economic, environmental, and social utility of finance. The new unit also covers work evaluating the impact of developments at the intersection of finance and technology including AI.¹

¹ [About | The Financial Inclusion Centre](#)

Introduction

We are pleased to submit a response to such an important consultation. For further information, please contact Mick McAteer mick.mcateer@inclusioncentre.org.uk We are unable to respond to all of the questions so we have focused on issue that will have the most impact on consumers and markets.

Summary of our submission

We welcome the proposals set out in this consultation paper. We are very encouraged that the FCA is endeavouring to improve the information used by the market so as to better promote responsible lending. We agree that the FCA's proposals on sharing the data specified should help improve creditworthiness assessments and expand access to welfare-enhancing credit for many consumers.

We are particularly pleased to see the proposal to introduce a requirement for firms to report county court judgments (CCJs) and decrees as satisfied when they become aware of settlement. As the FCA points out, only a small minority (12%) are marked as satisfied on the Register of Judgments, Orders, and Fines operated by Registry Trust. Research by Registry Trust found that people can find the process of satisfying a CCJ complex and cumbersome.² This is heightened by the fact that people may be facing high levels of anxiety and stress due to money worries. Moreover, requiring firms to inform the courts that a CCJ has been settled (for example by email) would not be onerous. Indeed we are aware of firms that already do this. This is a small change which could have a big positive impact on financially vulnerable consumers and support inclusion.

We make a number of suggestions for further enhancing the proposals:

- Of the 1.2 million judgments registered in 2025, 15% (176,000) were commercial judgments, up from 11% in 2020. The definition of commercial judgments includes corporate and non-corporate; broadly speaking this means limited companies and partnerships/unincorporated businesses/sole traders. As with consumers, the existence of judgments and low levels of satisfactions can affect the ability of businesses to obtain credit. Only 11% of commercial judgments are marked as satisfied.³ Therefore, although we appreciate that these proposals focus on consumer credit and would exclude business lending, we would urge the FCA to make it clear that the proposals on satisfactions apply to commercial as well as consumer judgments and decrees. The Government has a commitment to promote growth and competitiveness which is actively supported by the FCA. Helping businesses, especially smaller and micro businesses, to repair their finances would support sustainable growth.

² See From Foundation to Future, Registry Trust Annual Review [Registry Trust Annual Review 2025 | Registry Trust](#)

³ [Court Judgment Statistics | Registry Trust](#) p37-39

- We would urge the FCA to require partial settlements, where the creditor has accepted a smaller payment, to also be reported to the courts. Ensuring partial settlements, as well as satisfactions, are reported could ensure that CRAs and other credit information providers have a more enhanced view of the relationship between claimants and defendants with regards to outstanding debts. This could encourage CRAs and users of data to take a more nuanced view on the position of vulnerable consumers who have made the commitment to settle at least part of an outstanding debt.
- It is not clear why firms would need 12 months after the date of publication of the Policy Statement to establish a fairly simple system for reporting satisfactions/ decrees. We would suggest that a shorter deadline, say six months, be given to comply with the requirement to report satisfactions.
- Current Account Turnover data (CATO) should be included from the outset rather than risk waiting to see how industry-led initiatives progress. Including CATO data would aid *fairer* lending as well as more *responsible* lending and provide meaningful support to the national Financial Inclusion Strategy.
- A large proportion of CCJs arise from non-financial debt. We would urge the FCA to use its convening power to bring together other sectoral regulators (for example, through the UK Regulators Network) and government departments responsible for the development of the Parking Code of Practice to develop a consistent approach to reporting satisfactions/ decrees and partial settlements.
- We are encouraged that the FCA is seeking to future proof the regime. But, to effectively future proof the approach to financial regulation, so that is more agile and responsive, would require changes in two domains - inside the regulatory perimeter and externally within the wider legislative process. The UK legislative and regulatory regime is seriously hindered by the prescriptive approach which requires government to legislate for specific, named 'innovations' to be included within the FCA's regulatory perimeter. As far as we can see, the FCA has captured the right activities in para 3.20 of the consultation paper. But, it may be worth complementing these named activities by adding a general catch all definition along the lines of: '*any activity relating to the provision and sharing of information used in the provision of consumer credit*'. Of course, decisions on which activities to include within the perimeter are a matter for government and outside the FCA's remit. But, the FCA can influence government policy. Therefore, we would urge the FCA to work with HM Treasury to amend primary legislation, perhaps via Phase 2 of the reform to the Consumer Credit Act, to incorporate a permissive definition of credit along the lines of the definition above: '*any activity that allows a consumer to defer a payment or advances consumers sums of money to be repaid at some point, should be considered a form of credit*'.

Response to specific questions

Question 1: Do you agree with our overall approach of proposing new Handbook rules to achieve more consistent market-wide outcomes in this area?

Yes, we agree with the proposed overall approach. We do disagree with the specific proposed approach relating to Remedies 3A, 3C, 3D, and 4C.

With 3A CRA/CISP signposting to SCR, we would argue for specific rules to be included in the Handbook given the potential for inconsistent standards to emerge if the FCA relies on the Consumer Duty.

With remedies 3C and 3D, while we agree that the industry should develop the overall approach to streamlining the processes for disputes, NoCs, and vulnerability markers we think the FCA should lay down some minimum standards with regards to time taken to deal with these issues.

With 4C, we think the FCA should include the provision of CATO data from the outset, see below.

Question 2: What are your views on our proposal that where firms in scope of the requirements share any consumer credit information on reportable agreements with at least one DCCRA, they should share all available information on those agreements with all DCCRAs, and do you agree with the rationale for the proposed approach? If not, please explain why.

We support this proposal.

Question 3: Do you agree that the approach outlined above is a proportionate way of capturing the majority of regulated agreements and do you agree with our reasons for not proposing an absolute requirement? Please provide reasons for your answer.

Yes, we agree.

Question 4: Do you have any views on the proposed scope of regulated activities set out above? Are there any other types of regulated activities that should be in scope?

Question 5: Do you have any views on the types of agreements that are to be in and out of scope of the proposed mandatory reporting requirement?

We think the FCA has covered the right regulated activities and agreements. Buy now, pay later will be brought into the regime later.⁴

⁴ Although there is a major gap in the legislation relating to BNPL as it only covers third party providers.

More generally, we are encouraged that the FCA is seeking to future proof the regime. But, to effectively future proof the approach to financial regulation, so that is more agile and responsive, would require changes in two domains - inside the regulatory perimeter and the external wider legislative process.

The UK legislative and regulatory regime is seriously hindered by the prescriptive approach which requires government to legislate for specific, named 'innovations' to be included within the FCA's regulatory perimeter. BNPL is a prime example of this. By any common sense definition, any financial activity including BNPL, which allows a consumer to defer a payment or advances consumers sums of money to be repaid at some point, is a form of credit. Consumers should not have had to wait so long for government to include BNPL inside the perimeter.

As far as we can see, the FCA has captured the right activities in para 3.20. But, it may be worth complementing these named activities by adding a general catch all definition along the lines of: *'any activity relating to the provision and sharing of information used in the provision of consumer credit'*.

Of course, decisions on which activities to include within the perimeter are a matter for government and outside the FCA's remit. But, the FCA can influence government policy. Therefore, we would urge the FCA to work with HM Treasury to amend primary legislation, perhaps via Phase 2 of the Consumer Credit Act reforms, to incorporate a permissive definition of credit along the lines of the definition above: *'any activity that allows a consumer to defer a payment or advances consumers sums of money to be repaid at some point, should be considered a form of credit'*. Any innovation which is determined by government and FCA to fall within that definition would be presumed to be within the FCA's perimeter allowing the FCA to use a fast track process to apply specific rules and guidance it thinks appropriate for that particular activity.⁵

We appreciate that these proposals relate to non-business lending and a separate Commercial Credit Data Sharing (CCDS) regime covers business credit agreements. However, we would make one point about county court judgment satisfactions.

We are very pleased that the FCA would like to see the onus for reporting to the courts that a CCJ has been satisfied moving from the defendant to the regulated firm - see below. We believe that this could provide meaningful benefits to consumers as the accuracy of credit information would be improved hopefully resulting in improved access to credit for consumers.

⁵ The review of the Consumer Credit Act 1974 provides an opportunity in relation to consumer credit although it would be preferable if this more permissive, responsive regime was applied to the broader set of financial activities. It would certainly be possible to construct general definitions of retirement provision, investment, savings, insurance and risk management, mortgage lending, and the provision of advice and information.

But, of the 1.2 million judgments registered in 2025, 15% (176,000) were commercial judgments, up from 11% in 2020. The definition of commercial judgments includes corporate and non-corporate, broadly speaking this means limited companies and partnerships/unincorporated businesses/sole traders. As with consumers, the existence of judgments and low levels of satisfactions can affect the ability of businesses to obtain credit. Only 11% of commercial judgments are marked as satisfied.⁶ The Government has a commitment to promote growth and competitiveness which is actively supported by the FCA. Helping businesses, especially smaller and micro businesses, to repair their finances would support sustainable growth.

It is unclear from the consultation document whether the proposals on satisfactions would cover commercial judgments. Therefore, although we appreciate that these proposals focus on consumer credit and would exclude business lending, we would urge the FCA to make it clear that the proposals on satisfactions apply to commercial judgments as well as consumer judgments.

Question 6: Do you consider the types of consumer credit information we have proposed strike the right balance between regulatory certainty and flexibility for evolving market practice, including ongoing industry work on the common data format? If not, please explain your reasoning and suggest any changes you think would be appropriate.

Yes, we agree.

Question 7: Do you agree that firms should be required to share both ‘positive’ and ‘negative’ data where available?

Yes, we agree.

Question 8: Are there any other type of information that should be included under ‘type of consumer credit information’ in the table above? If so, confirm which ones and explain why.

See Q6 above. We would suggest that information on partial settlements be included.

Question 9: Do you agree that firms in scope of the mandatory reporting requirement should be required to share consumer credit information with DCCRAs at least once per month?

Yes, we agree.

⁶ [Court Judgment Statistics | Registry Trust](#) p37-39

Question 10: Do you have views on our proposal to exclude CATO data from the mandatory reporting framework at this time?

We do not see the logic of excluding CATO data from mandatory reporting at this time. The main justification for not including CATO data appears to be to “*allow time for industry-led initiatives in this area to progress and ‘bed in’ before seeking to intervene through regulation*” rather than basing the decision on an objective *ex ante* assessment of which approach would deliver the greatest benefit for consumers.

The FCA has the authority to ensure that CATO data is reported in a way that optimises the benefits for consumers. It may well be that industry-led initiatives would eventually result in the same outcomes as an FCA intervention. In either case, this would involve the same obligations on the part of industry.

However, there is clearly a risk that industry-led initiatives would not result in the same outcomes for consumers as a direct FCA intervention. This approach might involve less effort on the part of industry. But this would be to the detriment of consumers causing the FCA to have to intervene at a later stage.

So, logically, if the FCA wants to optimise outcomes from CATO data then the best approach would be to mandate now rather than wait. There would be no point risking waiting to see how industry-led initiatives progressed other than to minimise obligations for the industry.

Question 11: What are your views on our proposed approach to ending sharing of consumer credit information? Do you agree that rules are necessary in this area?

Yes we agree that rules are necessary and with the proposed approach.

Question 12: Where firms transfer agreements which are being reported to another firm (for sale, insolvency, or otherwise), do you agree that specific rules are necessary to set clear expectations or would it be sufficient if we were to only refer firms to their obligations under Principle 12 (Consumer Duty) to ensure that their approach supports good consumer outcomes?

Yes, in the interests of clarity we agree specific rules are needed.

Question 13: Is it helpful to include these provisions on the interaction of the proposed framework with data protection legislation?

No comment.

Question 14: Do you agree that the Consumer Duty alone is not sufficient to make sure information shared under the framework is of high quality and additional requirements are necessary to deliver consistent outcomes for consumers and effective enforcement where firms do not meet our requirements?

Yes, we agree that the Consumer Duty alone would not be sufficient. Specific standards would benefit all parties involved in the financial relationship.

Question 15: Do you have any views on: (i) errors being corrected across all CRAs to which information was shared? (ii) the timeliness for correcting errors, with the backstop being the next sharing event, unless any delay will have a material adverse impact on the consumer?

We agree with the proposals.

Question 16: Do you have any comments on our proposal to require all FSMA mortgage and credit firms (not just those subject to the mandatory reporting framework) to respond to a s159 CCA notice from a CRA, within a 14-day deadline (unless exceptional circumstances)?

We support this measure.

Question 17: Do you support our proposal to introduce a requirement for firms (as listed above) to report CCJs and decrees as satisfied when they become aware they have been paid in full? If not, do you favour retaining the current approach and relying on the Consumer Duty example of good practice?

We fully support the proposal to introduce a requirement for firms to report CCJs and decrees as satisfied when they become aware of settlement. As the FCA points out, only a small minority (12%) are marked as satisfied. Research by Registry Trust found that people can find the process of satisfying a CCJ complex and cumbersome.⁷ This is heightened by the fact that people may be facing high levels of anxiety and stress due to money worries. Moreover, requiring firms to inform the courts that a CCJ has been settled (for example by email) would not be onerous. Indeed we are aware of firms that already do this. This is a small change which could have a big positive impact on financially vulnerable consumers and support inclusion.

There is the question of whether this requirement would apply only to new judgments or retrospectively to existing judgments that are still within the six year period for which judgments remain on the Register. It would be preferable from a consumer perspective if the latter, more comprehensive, approach was adopted. For the potential of this to be

⁷ See From Foundation to Future, Registry Trust Annual Review [Registry Trust Annual Review 2025 | Registry Trust](#)

optimised would require original creditors who retain rights over the debt *and* third parties who may have purchased debt to be included.

We would also ask the FCA to include 'partial settlements' of CCJs. It would benefit consumers if partial settlements, where the creditor has accepted a smaller payment, were also reported to the courts. Judgment data as currently recorded can be somewhat binary in that an individual/firm has a judgment recorded against them (with a minority marked as satisfied) on the Register or not.

And if a judgment is recorded on the Register, the current system does not always reflect the actual relationship between claimant and defendant. CCJs can be marked as satisfied and of course, the FCA's proposals on reporting satisfactions would enhance the reporting of the relationship between claimant and defendant.

But, there is another state between not having a judgment and a judgment being fully satisfied - where creditors are willing to accept a smaller partial payment in settlement. Ensuring partial settlements are reported to the courts or to Registry Trust could ensure that CRAs and other credit information providers have a more enhanced view of the relationship between claimants and defendants with regards to outstanding debts. This could encourage CRAs and users of data to take a more nuanced view on the position of vulnerable consumers who have made the commitment to settle at least part of an outstanding debt.

Moreover, we would urge the FCA to ensure that the proposals on satisfactions would apply to commercial judgments as well as consumer judgments - see above, Q5.

A large proportion of CCJs arise from non-financial debt. We would urge the FCA to use its convening power to bring together other sectoral regulators (for example, through the UK Regulators Network) and government departments responsible for the development of the Parking Code of Practice to develop a consistent approach to reporting satisfactions/ decrees.

Question 18: We have excluded 'home finance providing activity' from the scope of these provisions. This is because we are not aware of a scenario where such activity would apply to a debt for which a CCJ/decreed has been obtained. If you disagree, please explain why?

No comment.

Question 19: Do you agree with our proposed approach to name the DCCRAs in a new sourcebook in our Handbook?

Yes, we do agree with the general approach proposed by the FCA.

Question 20: Do you have any views on the proposed non-exhaustive factors listed above that we will consider when deciding whether to designate or de-designate CRAs? Please explain your response.

We agree with the factors listed in 4.10. We would make one small point. The FCA says it *'will consider the extent of the CRA's coverage of consumer credit information received from firms carrying out activities that are in scope of the mandatory reporting requirement.'* It is not clear if 'coverage' will incorporate the CRAs size, market share, and influence on the market. Therefore, we would suggest that a factor relating to the share of market be considered.

Question 21: Do you agree with the proposal to designate Equifax Ltd, Experian Ltd and TransUnion International UK Ltd? If not, please provide reasons.

Yes we agree.

Question 22: Are there any other CRAs you think we should designate? If so, confirm which ones and provide reasons.

We do not have access to the necessary market data to name specific CRAs. But, we would suggest that in addition to designating the 'big three' by name, the FCA should include a general provision to allow it to fast track firms that meet a certain threshold in terms of market share and coverage into the regime.

Question 23: Do you agree that the proposal to prohibit DCCRAs from presenting their designation status as the basis for marketing or promoting the DCCRA or its services is sufficient to mitigate the emergence of a 'halo effect' in the market? If not, please explain why.

Yes, we agree this should be sufficient to mitigate the emergence of a 'halo effect'. Of course, the establishment of designation status should be monitored closely for any potential negative impacts on competition and quality of information, and on financial inclusion.

Question 24: Have we sufficiently captured scenarios where it may be necessary and appropriate for DCCRAs to reject consumer credit information? If not, please explain why.

Question 25: Do you have any views on the requirement for DCCRAs to notify us on the grounds described above? We believe this is necessary to ensure transparency and accountability, given the potential implications of rejecting consumer credit information.

Yes, we agree with the scenarios identified and on the conditions for requiring DCCRAs to notify the FCA. It is important that the responsibility to ensure that information received is valid and does not harm the interests of consumers overrides the requirement to share information.

Question 26: Do you agree with our proposal not to introduce requirements prohibiting DCCRAs from levying charges for the receipt of consumer credit information?

We have no comment on this other than to ask that the FCA monitor the behaviour of DCCRAs to ensure they do not use this opportunity to impose unreasonable charges on consumers.

Question 27: Do you agree with the proposed approach of setting a high-level requirement on the permitted use of consumer credit information shared under the mandatory reporting framework, while leaving scope for more specific use case scenarios to be addressed by industry arrangements?

Question 28: Are the proposed range of activities relating to the general purpose of promoting responsible lending sufficient and appropriate to provide clarity to market participants and transparency to consumers about how consumer credit information may be used in this context?

Yes, we generally agree that a high level requirement is appropriate. But, as set out above in our response to Q1, we think that the provision of CATO data should be mandated from the outset.

We are very encouraged that the FCA is endeavouring to improve the information used by the market so as to better promote responsible lending. Amongst a range of activities included under responsible lending the FCA states that: 'For the purpose of *CONC* 17.5.3R, promoting responsible lending includes: (1) informing and undertaking a *creditworthiness assessment*;'

The term *creditworthiness* is important here. Consumer credit in the UK, in the main, is provided by firms willing to offer credit to consumers they consider to be creditworthy (or to more precise if willing to offer credit on terms that reflect the risk of those consumers as assessed by factors including creditworthiness).

We agree that the FCA's proposals on sharing the data specified should help improve creditworthiness assessments and expand access to welfare-enhancing credit for many consumers. However, this may not be enough to help those consumers who face the biggest barriers to accessing fair and affordable credit.

The type of consumer credit data on these consumers, as specified in this consultation, may not be available because they have not been able to access the type of credit that would have enabled them to build up a positive credit profile. Or relying solely on credit related information without including CATO data may provide a limited picture of the consumer's overall financial behaviours. In other words, they may not have had the chance to demonstrate that they are creditworthy. Or, to be more precise, a more comprehensive analysis of financial behaviours including CATO would reveal a more gradated picture than

relying on standard credit information alone. Including CATO would address that to some degree by allowing CRAs and users of data to take a more holistic view of what creditworthiness actually means. It would help the market to expand the universe of consumers who could be lent to responsibly.

Moreover, FIMC campaigns for *fair* and *responsible* lending, not just responsible lending. We appreciate that the FCA focuses in this consultation paper on responsible lending. We take the view that including CATO data would also aid fair lending as well as responsible lending and provide meaningful support to the national Financial Inclusion Strategy.

Therefore, to reiterate, we would argue that CATO data should be included from the outset.

Question 29: Will it be sufficiently clear to recipients of consumer credit information (including DCCRA or firms subject to the mandatory reporting requirement) whether the consumer credit information received has been shared under the mandatory reporting requirement, and is therefore subject to provisions on permitted use?

No comment.

Question 30: Are there any other implications, for example in relation to contractual arrangements or adherence to data protection legislation, that may arise in relation to these proposals?

We are not aware of any at this stage.

Question 31: Do you agree that firms who are sharing consumer credit information with at least one DCCRA on the coming into force date should be subject to the mandatory reporting requirement at that time?

Yes, we support this proposal.

Question 32: Do you agree that firms who begin sharing consumer credit information with at least one DCCRA after the coming into force date should be given a 6-month lead in time before being subject to the mandatory reporting requirement? We would be interested to hear your reasons for supporting the 6-month lead in time, and if you disagree with the 6-month period, how long this should be and why?

Question 33: Do you have any concerns or foresee any practical issues with the proposals set out above?

Yes, we agree for the most part with this proposal. We think the proposal strikes the right balance between giving the market a reasonable time to adapt and expediting the very welcome measures contained in the consultation document.

However, we would suggest that a shorter deadline be given to comply with the requirement to report CCJs/decrees. It is not clear why firms would need 12 months after

the date of publication of the Policy Statement to establish a fairly simple system for reporting. We are aware that some creditors already report satisfactions. This is not a particularly onerous responsibility.

Question 34: Do you agree with our proposed approach of sending a section 165 request to DCCRAAs approximately 12 months after the mandatory reporting requirement comes into force?

Yes, we agree with this proposed approach.

Question 35: Do you agree with our proposed approach of setting expectations for industry via the Consumer Duty rather than using Handbook rules to introduce a signposting requirement at this time?

It is not clear why the FCA prefers to rely on the Consumer Duty rather than using Handbook rules to introduce a signposting requirement at this time. The choice should be based on which intervention is likely to deliver the best outcome for consumers. The FCA says that it will consider consulting on specific Handbook rules if the Consumer Duty does not deliver the desired outcomes. This suggests that there is a risk that the Duty will not deliver to the same degree as Handbook rules. If the Duty does deliver to the same degree as Handbook rules then this would require the same effort from firms so it would not be a case of the Duty being less onerous for firms. So, it is difficult to understand the logic in taking the risk of trying the Duty first.

Question 36: Do you have any comments on our cost benefit analysis?

Question 37: Do you agree with the assumptions made in our cost benefit analysis?

Question 38: Are there any significant costs or benefits that we did not adequately consider in our cost benefit analysis?

We are unable to comment in detail on the CBA as we do not have access to the necessary data. But, we do agree with the FCA's CBA framework, the assessment of the competition dynamics in the market, the theory of change underpinning the interventions, and the assessment of the likely outcomes.

This marks the end of our submission.

Financial Inclusion and Markets Centre (FIMC)
May 2026