2022
YEAR IN REVIEW

looking back

As we head toward the close of 2022, it has been a challenging year, yet the CCTA is pleased to have progressed several policy and advocacy initiatives that are important for our members.

External forces, such as the continuing impact of Covid and the emergence of a cost-of-living crisis have made it a difficult environment for us all. Families across the UK have been under continuing financial pressure. Our members have responded positively, recognising the role that alternative credit can play but also acting to spot irresponsible borrowing.

Meanwhile, the Financial Conduct Authority concluded its formal consultation and moved to introduce the new Consumer Duty. Throughout the year, the CCTA has been engaging with the FCA, advocating for further dialogue and clarity as to the regulator's expectations.

We ran a range of events to better understand the Consumer Duty, from our Winter Summit to our Spring Conference early in the year. We also hosted a Consumer Duty webinar with over a hundred participants mid-year, following this up with a detailed Guidance Paper for our members. Similarly, many of you will have attended our key panel session addressing the duty at our recent Autumn Summit in London.

Moving away from the Duty, we progressed other key initiatives important to our members. We continued our campaigning around the need for Consumer Credit Act reform, as well as the need for regulation in the Buy Now, Pay Later sector. We were pleased that the government recognised these needs, and we now await imminent draft legislation on both areas. Similarly, our support for members continued in areas such as CMC behaviours and tactics, addressing affordability and relending in the home-collected market and emerging trends in the motor finance sector in respect of commission complaints. We continued to voice our concerns around supply and demand in our sector and the importance of access to credit in the alternative lending space.

This year was also another year of changes to the way in which we operate as an Association. We made improvements to many of our processes and services, with plans to do more. Q3 2022, saw the appointment of a new Chair of the CCTA, Mark Fiander, an appointment which further compliments the strategic plans and improvements at CCTA.

It is of great reassurance that our members recognise the importance of our work and value membership. The retention of our existing members remains very high, and I believe that this is in part due to the excellent relationships with our membership community, as well as the dedication from my team to deliver for our members. I take the opportunity to thank my colleagues for their help.

advocacy

Advocacy is all about being the strongest and best voice that we can be for our members. It is sometimes about shouting through the press and media but is more often about getting our message across to those who have influence in matters that are important to us.

Our advocacy focuses on the Financial Conduct Authority (FCA), Financial Ombudsman Service (FOS), and HM Treasury. We are also building relationships with many other organisations such as debt charities, think tanks, researchers and other trade associations.

JAN

We continued our discussions regarding the state of the alternative lending sector at the start of 2022. We were clear that we believe the supply of credit is getting dangerously low. This was part of an FCA review that looked at the exit of a number of lenders and sought to better understand why this happened. We briefed a range of FCA officials and also pointed them in the direction of data that would back up our case.

APR

In April we were delighted to be joined by Brian Corr, FCA Interim Director of Lending, at our Conference in Liverpool. In some ways, this was the close of the first phase of our discussion about the future of the sector. The FCA sought to assure members that there is an important place for commercial lending. We welcomed this but also pointed out that actions speak louder than words.

MAY

Unknown to us (because of the lag in the publication of the FCA Board minutes) the directors of the FCA had listened to our messages. At their May meeting, they said that regulated lenders *"were no longer providing products due to increased regulation"*; and had *"contracted supply as a result of activity from CMCs to FOS"*. This has *"caused firms to go out of business and restricted capacity in the market"*. As a result, *"this was likely to cause a number of pinch points where consumers will need access to money quickly and options would be limited"*.

The irony is that one of the risks identified by the FCA directors is that they might not move quickly enough.

JUN

Taking our concerns about access to credit to Parliament, we were involved in briefing MPs about the most recent research on the growth of illegal lending across the UK. The Centre for Social Justice found that 1.1 million people are now using illegal lenders. This has become a proof point that we have used in discussions with politicians. We are starting to hear this being mentioned by others as they recognise the growth of this problem.

JUL

The behaviour of Claims Management Companies (CMCs) has been an issue of concern. They are now regulated by the FCA, and we now provide a flow of information to the appropriate team. We are also involved in a committee with the FCA team that regulates CMCs along with the trade associations representing CMCs.

This resulted in the FCA team joining CCTA members at our Summer Summit. It was a great opportunity for the FCA to hear directly about the issues that concern our members.

SEP

We continued our work on the drop in the supply of credit and pushed for the facts to back up our case. Using the Freedom of Information Act, we requested the number of firms entering the high cost regulated market.

It was in September that we received confirmation of what we suspected. Not a single new firm had been authorised to provide high-cost short-term credit (HCSTC), home-collected, or guarantor lending in the last three years. During that time well over a hundred firms exited the market. This has become another proof-point that we have used in our discussions with the Government.

OCT

As we moved closer to a cost-of-living crisis, the FCA became increasingly concerned about when the promotion of credit is inappropriate. This was part of a longer discussion with some of our members about the practicalities of working online and abiding by the regulations.

In response, we brought lenders and the FCA Financial Promotions team together during our Autumn Summit. Discussions with the FCA continue, and we are looking to create further opportunities for dialogue.

NOV

With the expectation of some political stability, the CCTA has returned to Parliament in order to raise our concerns about the increasing difficulty many will have in accessing credit. The CCTA has congratulated the new Chancellor and City Minister on their appointment, whilst using the opportunity to raise our concerns.

We have also become involved with a research project with Fair4All Finance that is looking to provide more detail about the experience of those forced to use illegal lenders. We expect this to be pioneering research that will be published over the next few months.

policy & insight

CONSUMER DUTY

There should be no surprise that much of the guidance this year has been on the Consumer Duty. This has been the regulatory focus for firms and regulators alike. Throughout 2022, the CCTA has focused on addressing what this means for our members.

We initially discussed the Duty at our Winter Summit. This was followed by further discussions in April at our conference in Liverpool. We focused on providing tailored support and guidance to our members around the FCA rules and expectations.

Consequently, we held a workshop for members in August and followed this up with a detailed Guidance Paper. As we moved towards implementation, CCTA assisted members with their considerations around plans for the Duty.

We frequently discuss key aspects with the FCA, FOS, and external stakeholders to ensure our members remain aligned with the regulator's expectations. As this dialogue continues into 2023 and beyond, members will be provided with appropriate insight.

AFFORDABILITY & CREDITWORTHINESS

Across consumer credit, affordability and creditworthiness continue to be issues of debate with both the FCA and the FOS. We were happy to have helped a number of firms throughout the year, from newer complaints in motor finance to the more well-trodden battlefields of high-cost credit.

Our support has ranged from ensuring an understanding of the concepts to practical help with writing policies as well as supporting firms that are in active discussions with the FCA. This is clearly where experience from one sector is of use in others.

CLAIMS MANAGEMENT COMPANIES (CMCs)

Affordability has been a focus for CMCs, along with commissions. So, the actions and tactics of CMCs have been a concern in our sector. From questions around authority and data protection to lack of claim verification and unethical tactics, we have continued to support and guide our members.

Through close monitoring and feedback from our members, we have provided regular updates on active CMCs, emerging tactics, and tailored support when dealing with them.

Similarly, we continued our push with both the FOS and the FCA to address the issues and burdens created by CMC practices. We will keep supporting members on this front and encourage firms to report CMC issues to both the CCTA and FCA.

FINANCIAL PROMOTIONS

With increasing concern about the cost-of-living crisis, financial promotions were back in the spotlight this year. The FCA issued a Dear CEO letter to firms expressing their misgivings about non-compliant promotions. Financial promotions proved difficult for firms that are obliged to include a Risk Warning on Google Ad Words and social media due to space and character restrictions.

Our Autumn Summit addressed the subject in detail. The FCA's Financial Promotions Team also gave members an insight into their work and expectations when it comes to financial promotions. We are continuing dialogue with the FCA and hope to arrange a further roundtable in the future.

APPOINTED REPRESENTATIVES REGIME

The FCA has now issued its policy statement on the improvements to the Appointed Representative (AR) Regime. These relationships are such an important part of the credit ecosystem yet caused the FCA many regulatory concerns.

Recognising that some of our members have, or intend to have, ARs, we reviewed and assessed the new rules and policy statements and what these mean for CCTA members. We have since produced and published a detailed Guidance Paper that highlights the new rules and requirements for Principal firms.

ADVICE LINE

The above issues have been submitted to our Advice Line service. The service was updated at the start of the year to track questions and responses. This has allowed members to seek informal guidance on important matters whilst also improving the way we spot trends.

We have covered advice on credit agreements, FCA rules, complaints, commissions, policies, and procedures. We've even supported members with FCA visits and regulatory returns. Whether it's a sense-check or detailed query, please continue to utilise the Advice Line.

communications

CEO UPDATE

A weekly email from our Chief Executive in regards to association activity and industry commentary. This later became part of our new CCTA Update.

WEEKLY NEWS

A weekly roundup of important news from around the industry. This was combined with CEO Update to create the new weekly CCTA Update.

CCTA UPDATE

A weekly email that includes an update from our CEO as well as a roundup of industry news, along with CCTA commentary where required.

CCTA PUBLICATION

These emails include links to CCTA Guidance Papers, CCTA Magazine and CCTA Inform. A full review of 2022 publications can be found on page five.

EVENT DETAILS

Event Detail emails include registration information and reminders for upcoming summits, workshops and the annual conference.

INFO ONLY

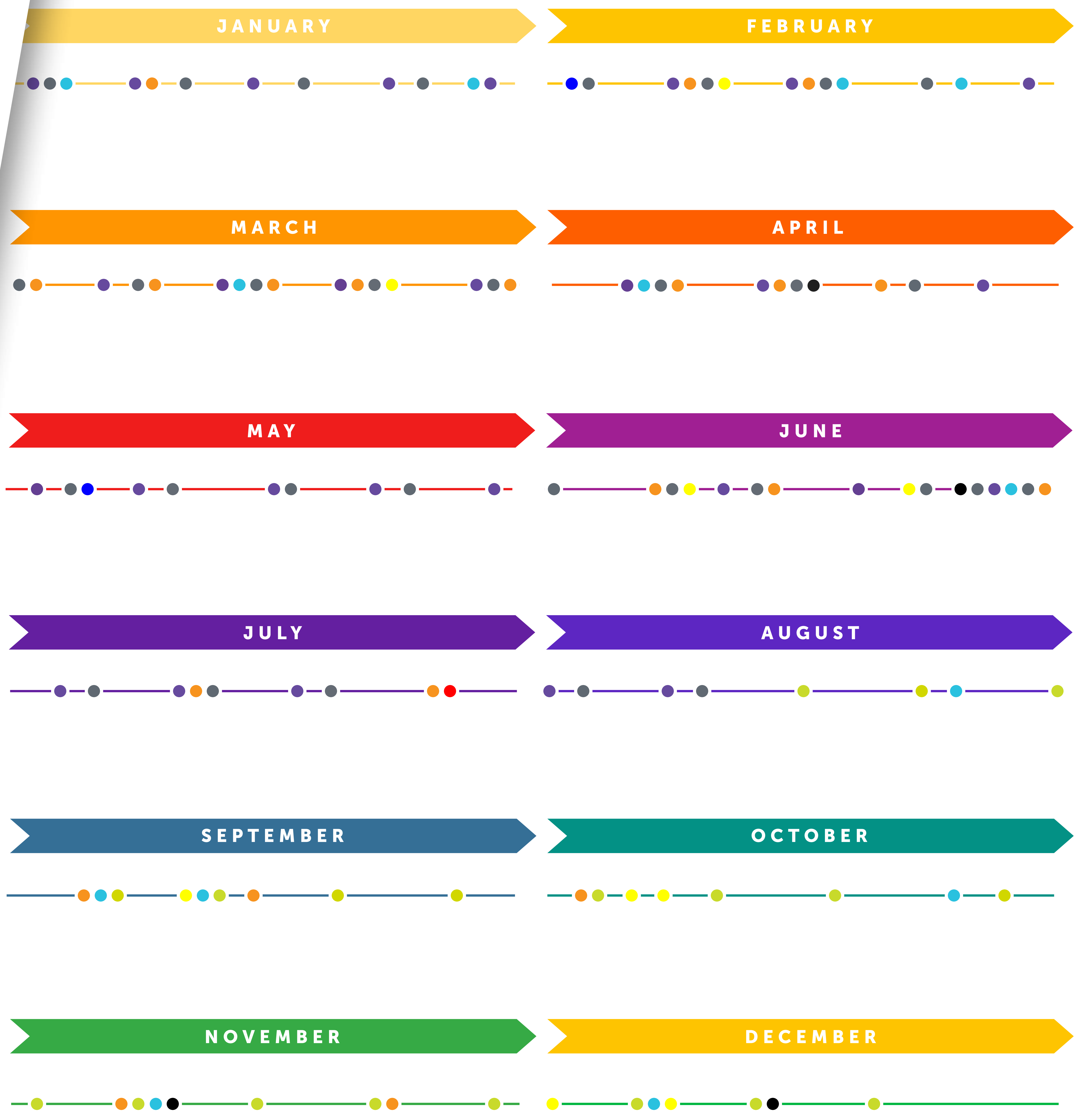
06	Jan	FCA consumer duty proposal
24	Jan	FOS campaign update
17	Feb	improved renewal process
24	Feb	message to broker members
04	Mar	new head of policy & advice
28	Jun	CMC update
25	Aug	new chairman appointed
13	Sep	CMC update
09	Nov	CMC update
07	Dec	Improved CCTA agreements

RESPONSE REQUEST

01	Feb	FOS campaign update
06	May	conference feedback
10	Nov	financial promotions
14	Dec	member feedback

ALERT READ ME

27	Jul	consumer duty update



publications

FEBRUARY

- **CCTA Magazine:** 2022 Issue One

MARCH

- **CCTA Inform:** Spring 2022 Issue
- **Activity Update:** Home Collected Credit

APRIL

- **Conference:** 2022 Event Brochure

JUNE

- **CCTA Magazine:** 2022 Issue Two
- **CCTA Inform:** Summer 2022 Issue

SEPTEMBER

- **Guidance:** Consumer Duty
- **CCTA Inform:** Autumn 2022 Issue

OCTOBER

- **Guidance:** Improvementsto the Appointed Representatives Regime
- **Basic Guide:** Consumer Duty October Deadline (Smaller Members)

NOVEMBER

- **Year in Review:** 2022 Edition

DECEMBER

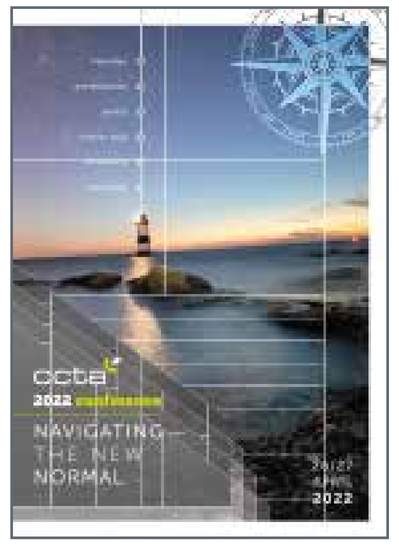
- **CCTA Inform:** Winter 2022 Issue

CCTA MAGAZINE
2022 ISSUE ONE

CCTA INFORM
SPRING 2022 ISSUE

ACTIVITY UPATE
HOME CREDIT

CONFERENCE
BROCHURE



FEBRUARY — MARCH — APRIL

CCTA MAGAZINE
2022 ISSUE TWO

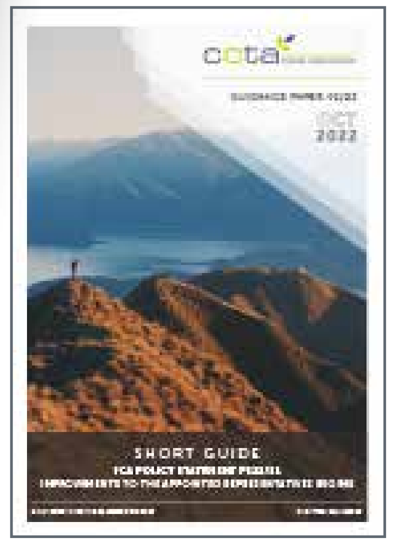
CCTA INFORM
SUMMER 2022 ISSUE

CCTA GUIDANCE
01/22

CCTA INFORM
AUTUMN 2022 ISSUE

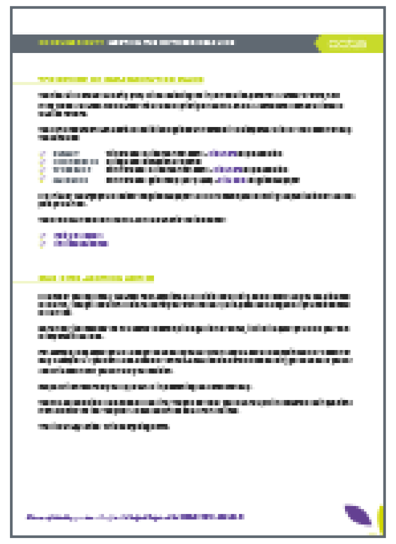
JUNE — SEPTEMBER

CCTA GUIDANCE
02/22



CCTA MAGAZINE
2022 ISSUE THREE

BASIC GUIDE
01/22



YEAR IN REVIEW
2022 EDITION

CCTA INFORM
WINTER 2022 ISSUE

OCTOBER — NOVEMBER — DECEMBER

ccta events

FEBRUARY

Summit: Winter 2022

- FCA Regulation - What Lies Ahead

  Jeanette Burgess, Partner, Walker Morris LLP

- CCTA Update

  Jason Wassell, CEO, CCTA

APRIL

Conference: Navigating the New Normal

- Consumer Panel: A Mile in their Shoes

  Lantern • Policis • Fair4All Finance • Data on Demand

- Keynote: FCA Update

  Brian Corr, Interim Director of Lending, FCA

- Regulatory Panel: Charting our Course

  Themis Consultancy • Marsh Finance • Money Advice Trust • CSA

- Illegal Money Lending and the Pandemic

  Cath Wohlers, LIASE Manager, IML Team

- Technology Panel: Testing the Technology

  Aryza • GAIN Credit • PrinSIX

- Raising Finance - Crossing the Waters

  James Crellin, Director, Finance Group, Walker Morris LLP

- Fireside Chat: Financial Ombudsman Service

  John Wightman, Ombudsman Leader, FOS

JULY

Summit: Summer 2022

- Managing Risk and Opportunity in the Cost-of-Living Crisis

  Chad Reimers, Senior Director, Market Strategy, TransUnion

- FCA Regulation of Claims Management Companies

  Greg Williams, Claims Management Department, FCA

AUGUST

Workshop: Consumer Duty

- *Naveed Asif, Head of Policy & Advice, CCTA*
- *Nicola Crump, Director, Themis Consultancy*

OCTOBER

Summit & Drinks: Autumn 2022

- Financial Promotions

  Cara Bloomfield, Manager, Financial Promotions, FCA

- CCTA Update

  Jason Wassell, CEO, CCTA

- Panel: Implementing the Consumer Duty

  GAIN Credit • Addleshaw Goddard • COEO UK

NOVEMBER

Workshop: Illegal Money Lending

- *Cath Wohlers, LIASE Manager, IML Team*

SUMMIT
WINTER 2022

CONFERENCE
NAVIGATING THE NEW NORMAL

FEBRUARY — APRIL

SUMMIT
SUMMER 2022

WORKSHOP
CONSUMER DUTY

JULY — AUGUST

SUMMIT & DRINKS
AUTUMN 2022

WORKSHOP
ILLEGAL MONEY LENDING

OCTOBER — NOVEMBER

improvements

ccta member hub

Over the past 18 months, we have made several additions and improvements to our website in order to enhance user experience and maximise your membership benefits.

ONLINE RENEWAL

Our online renewal launched at the start of the year and allows members to renew their membership quickly and easily in just a few short clicks.

UPDATE YOUR DETAILS

You can now update your membership information from the Member Hub. As well as being able to amend company information and contacts, you can also confirm the products you currently offer. This allows us to tailor our communications with you.

ACTIVITY FEED

The Activity Feed at the top of the Member Hub gives details of the latest CCTA activity, publications and upcoming events. Scroll through to ensure you haven't missed anything.

WORKSHOPS PAGE

Our new Workshops page in the Member Hub is used to deliver information about past and upcoming events, along with download links to the presentations.

CONFERENCE SECTION

We added a new section to our website dedicated to the CCTA annual conference. This allows us to give more detailed information about confirmed speakers, supporters and the event itself.

FORMALISED ADVICE REQUESTS

Our updated Advice Line is now in its second year. Members can submit Advice Requests via the Member Hub. This allows you to keep a record or your query and our response. It also gives us the ability to track any potential trends that we are seeing across the membership.

ccta agreements

At the start of 2022, we began the process of updating our longstanding credit agreements and statutory documents. After an internal review taking the introduction of Consumer Duty into consideration, it became apparent that the agreements would benefit from a more in-depth update.

NEW DOCUMENTS

Where appropriate, our new agreements will include an updated version of Pre-Contract Information, in addition to Cover Sheets and Adequate Explanations documents.

NEW AGREEMENTS

We will also be adding two new agreements to our suite. One of these will cover high cost lending and the other will be used for running account credit.

NEW DESIGN

All of our agreements have been completely redesigned, with a focus on usability and readability. This includes increasing font sizes and spacing, along with clearly defining all the different sections.

NEW FORMAT

In addition to our hard copy agreements, we also provide an electronic version in PDF and Word format. Members will now also have access to a Word version that incudes mail merge functionality.

NEW WEBSITE SECTION

The new Agreements section on our website will provide full details of our hard copy and electronic format options, including availability, prices, discounts, ordering and delivery. The new section will also include an FAQ page with a bank of queries relating to our formats and ordering.

IMPROVED ORDERING

When placing a document order, all of the necessary parts (Adequate Explanations, PCI etc) will be automatically added to your order. The website will also list the previous and new order codes.

LAUNCH DATE

We are aiming to have all the agreements and documents fully approved and signed off by the end of the year, with sales starting in the new year. More details will be announced in due course.

looking ahead

ADVOCACY

During early 2023, conversations will continue with the Financial Conduct Authority on how we can work closely together, especially in areas such as the Consumer Duty. These discussions will also include the FOS as we campaign for better alignment.

Communications with other trade associations (including the FLA, CCA, and BVRLA) will also remain open in order to identify areas of common interest. We believe that a united voice is a louder voice.

Meanwhile, we will be talking to both Government Ministers and Members of Parliament about how changes in consumer credit are impacting their constituents. We expect there to be more information available on the growth of illegal lending as regulated credit is squeezed out.

The reform of the Consumer Credit Act and regulation of Buy Now, Pay Later will remain a priority for us moving into 2023. With draft legislation imminent on both areas, we will continue our advocacy in these areas, ensuring members are thoroughly represented.

POLICY & INSIGHT

Firms can expect to hear more from us about the implementation of the Consumer Duty. Our aim is to deliver the information required in a format that makes sense to members. For some, that will be about encouraging policy debate. For others, it might be more direct guidance and advice.

Plans are in place for further discussions about vulnerability in the first few months of 2023, pushed higher up the agenda by the impact of the cost-of-living crisis. We will also continue to track our Advice Line for emerging issues and trends.

PUBLICATIONS

CCTA MAGAZINE
Our longstanding magazine will be released tri-annually with targeted dates in February, June and October. Please continue to submit your articles and news for consideration by email to magazine@ccta.co.uk.

CCTA INFORM
Our member exclusive regulatory roundup will be released quarterly with targeted dates in March, June, September and December.

CCTA GUIDANCE PAPERS
Our guidance papers, which began this year, will continue to be released on key regulatory topics as they emerge.

YEAR IN REVIEW
We plan to publish this at the end of each year, with the aim of giving members an overview of CCTA activities during the last twelve months.

CCTA EVENTS

SUMMITS
We aim to hold three Summits in 2023. These will be a mix of physical and online formats. Along with the standard update from CCTA, there will also be a range of guest speakers or panels that end with a Q&A session for members.

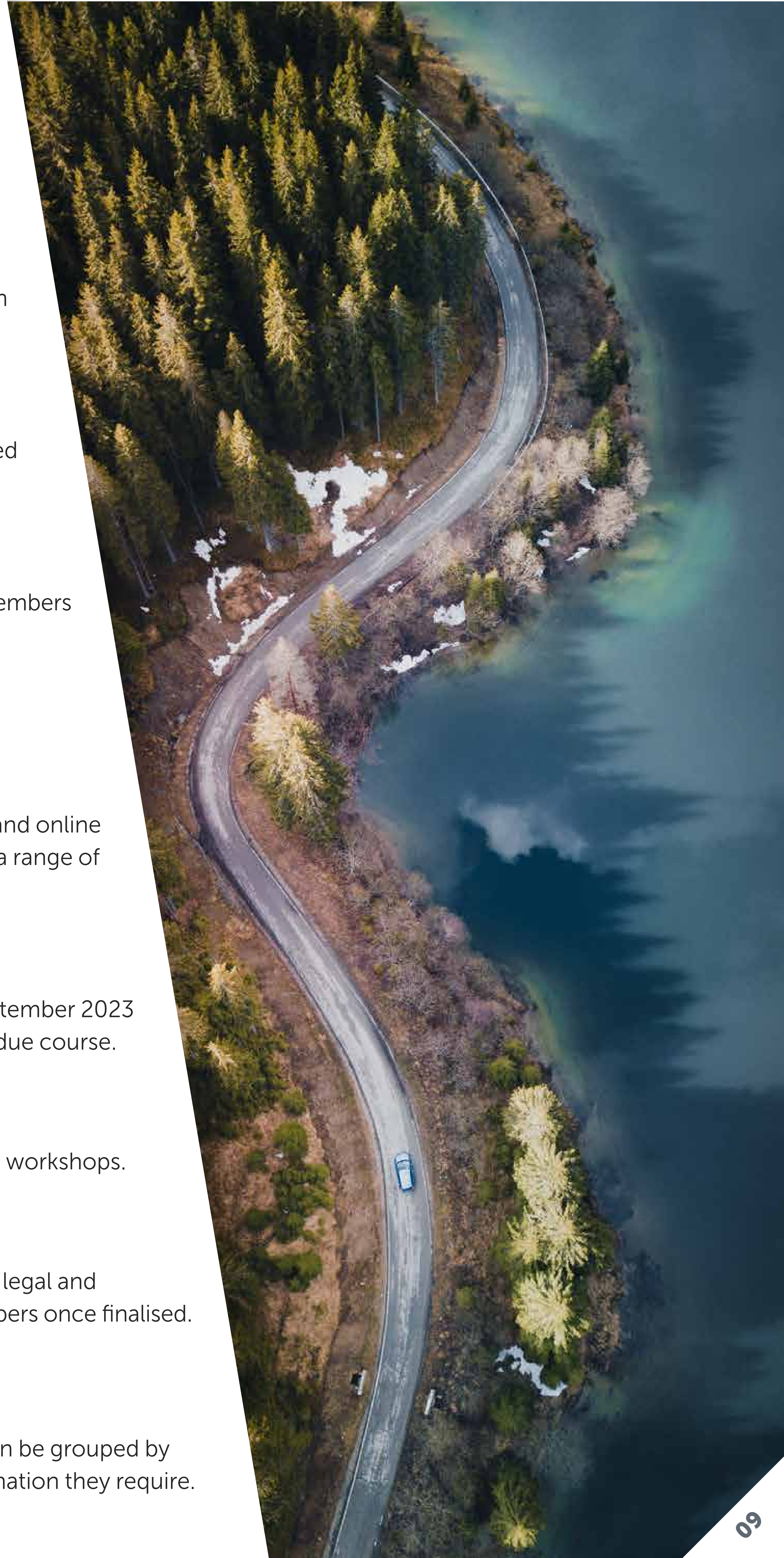
CONFERENCE & CASUAL DINNER
Our conference and casual dinner will take place on 19th and 20th September 2023 at Radisson Blu Manchester Airport. More details will be announced in due course.

WORKSHOPS
Associate members will be invitied to work with us on a range of online workshops.

COMPLIANCE TRAINING
Our compliance training will be released in modules that cover the key legal and regulatory topics in our sector. Further information will be sent to members once finalised.

CCTA WEBSITE

The Member Hub will be updated so that information and resources can be grouped by subject. This will allow members to quickly and easily access the information they require.



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