

MONEY
ADVICE TRUST

BUSINESS
DEBTLINE

NATIONAL
DEBTLINE

WISER
ADVISER

Consultation Response:

FCA CONC 3: Reviewing the financial promotions rules for consumer credit

Response by the Money Advice Trust

Date: June 2026

Contents

- **Page 2** Contents
- **Page 3** Introduction / about the Money Advice Trust
- **Page 4** Introductory comment
- **Page 5** Responses to individual questions
- **Page 11** Contact details

Introduction

About the Money Advice Trust

The Money Advice Trust is a charity founded in 1991. Our mission is to help prevent financial difficulty and remove problem debt from people's lives.

In 2025, our National Debtline and Business Debtline advisers provided help to 189,550 people by phone and our digital advice tool, and 53,410 people by webchat, with 2.1 million visits to our advice websites. In addition to these frontline services, our Wiseradviser service provides training to free-to-client advice organisations across the UK and in 2025 we delivered this free training to 646 organisations.

We use the intelligence and insight gained from these activities to improve the UK's money and debt environment by contributing to policy developments and public debate around these issues.

Find out more at www.moneyadvice.org.

Public disclosure

Please note that we consent to public disclosure of this response.

Introductory comment

We welcome the opportunity to comment on the proposals in the paper. We do not generally support the removal of elements of CONC 3 as proposed. The Consumer Duty is too high level and does not include the same level of details as these CONC provisions.

We think it is crucial to preserve key elements of prescription and the mandated information on firms. We do not support firms being given a free hand to present key consumer information in any way they like, using their own style and wording and making decisions as to prominence of wording. We feel that this would undermine consumer protection.

There is a significant risk that high-cost lenders on the margins of the market and who may be less reputable will be tempted to use misleading and obscure language to confuse vulnerable consumers in promotions. Key terms may be hidden in the small print and lead to consumer confusion, make the task of enforcement of compliance harder, and make it difficult to take action against lenders for any breach.

We agree with the conclusion that the APR is a measure that is difficult to understand, we agree with the view in the paper, that removing APR will **not** help consumers to compare products. We would support changes to include the proposal put forward by Plain Numbers, to use simple explanations, but with the APR value included in each illustration to make it easy to make comparisons with other credit products.

Responses to individual questions

Simplification of CONC 3

Question 1: Do you agree with our proposal to remove the guidance in CONC 3.3.10G(1) to (5) and to move the guidance in CONC 3.3.10G(6) to (8) relating to debt solutions to CONC 3.9?

We do not agree with the proposal to remove the guidance in CONC 3.3.10G(1) to (5). We do not believe that the consumer understanding outcome under the Consumer Duty is sufficient on its own in providing a sufficient level of guidance for firms and lenders. We cannot see why it is useful or helpful to remove the examples of unfair business practices that are currently set out in the guidance.

The Consumer Duty does not go into the level of detail contained in CONC 3. We think this level of detail is helpful for both firms and consumers as concrete examples to help compliance.

We are pleased to see that the FCA does not propose to remove the CONC guidance relating to debt solutions and agree with the FCA that *“this guidance remains necessary to reduce the harms from products or services explicitly targeted at consumers in financial difficulties”*. It seems to make sense to move these sections from CONC 3.3.10G (6) to (8) to CONC 3.9.

Question 2: Do you agree with our proposed amendment to CONC 3.5.11R?

Whilst we agree that products that require security or a guarantor should state this in promotions, we would expect the FCA to require lenders to provide information about potential security where it may apply. We do not see why it is helpful to remove this.

Question 3: Do you agree with our proposal to remove CONC 3.5.12R?

No, we do not agree with this proposal. It is surely helpful for the rules to spell out what should not be included in a financial promotion in relation to overdrafts, deposits and interest being charged. We do not agree that the Consumer Duty is sufficient on its own to provide sufficient level of guidance for firms and lenders.

Question 4: Do you have information or data you can share about the extent to which regulated credit agreements secured on land are used in the market?

We assume lenders will disclose information about the size of the current regulated consumer credit secured loan market. We appreciate that many secured loan agreements will now come under MCOB.

From a debt advice perspective, we can say that our clients are less likely to have secured lending these days, following market restrictions and intervention from the regulator due to poor lending and recovery practices. However, this does not detract from the likelihood of severe detriment for clients who are trying to pay both their first mortgage, and a secured loan.

As of May 2026, 11% of National Debtline clients either own their homes with a mortgage or own their homes outright. 3% of clients had mortgage arrears, and 1% had secured loan arrears. Although these amounts are low, we have seen historical trends where secured lending boomed as a way of consolidating outstanding debt. We would not like to see this trend returning.

Question 5: Do you agree with our proposal to remove CONC 3.6 from the Handbook?

We do not agree with the proposal to remove CONC 3.6 from the Handbook for the reasons stated above.

Question 6: Do you agree with our proposals to remove the provisions in the table above from CONC 3, and rely on the Duty?

No, we do not agree with these proposals. The Consumer Duty is too high level and does not include the same level of details as these CONC provisions. Retaining the overarching requirement for communications and financial promotions to be “*clear, fair and not misleading*” only goes so far. It is much better to have clear guidance examples for firms to refer to and for consumers and advisers to be able to reference when making a complaint.

It is much easier for firms to comply where they can see concrete examples of behaviour that is considered unfair or unclear. We feel that the FCA is at risk of throwing out perfectly reasonable guidance in favour of a much vaguer general principle.

Question 7: Do you agree with our proposals to remove the provisions in the table above?

Yes, this proposal seems reasonable as the provisions are out of date.

Question 8: Do stakeholders agree with our proposals in respect of implementation and transitional periods?

We do not generally agree with the proposals, and do not want to see these changes implemented. We cannot comment on whether firms will see the implementation period as sufficient.

Cost disclosure

Question 9: Are the 3 triggers as set out in CONC 3.5.7R appropriate, or should they be changed or removed entirely?

We are not able to say whether the three triggers as they stand are sufficient in themselves or could be amended to be clearer, or other triggers used instead.

Question 10: If the triggers are removed, would the Duty's principles-based good consumer outcomes-led approach to disclosing the APR (or alternative cost information) suffice?

We do not want to see the triggers removed, although they may need some amendments. It is not clear how the Consumer Duty principles would be sufficient in themselves. Consumers need clarity and certainty, so the triggers should be in place, and work in the same way and consistently across the board for similar products.

Disclosure should not be left to the particular practices or variability of design of an individual firm. Clear rules are essential otherwise one firm's assessment of a good consumer outcome will differ from another's. This does not seem to constitute a good consumer outcome in our view as people will be even less likely to understand what is being shown or when it applies. This is confusing as there will be variable outcomes that are hard for anyone to make a judgment as to whether these are "good" or not.

Question 11: Do you have evidence that using alternative cost disclosures to APRs would increase competition and supply of higher cost credit?

The example given in the paper is for some credit card products with high annual fees can produce APR calculations that appear very high when compared to other similar products that do not have such a high fee.

We are agnostic as to whether a change to display fees as a separate feature in such cases would help to increase competition. We are more concerned about whether any changes would benefit consumers. It might be helpful to show both the APR *alongside* key items such as any fee and other charges for that product. Taking the fee out of the APR calculation without setting it out alongside it, does not make the fee less real, but does mean that consumers might not think of it as something to be factored in when comparing products.

We worry that changes for these niche products would open the door to more substantial changes for all products that might have unintended consequences.

Alternatives to Representative APR

Question 12: Do you have suggestions on alternatives to APR?

Whilst we agree with the conclusion that the APR is a measure that is difficult to understand, we agree with the view in the paper, that removing APR will not help consumers to compare products.

“Existing evidence suggests that APR can serve as a valuable benchmark for comparing credit products despite its limitations. Research indicates that consumers benefit from clear, contextual, and timely cost information to make effective borrowing decisions.”

We would support changes to include the proposal put forward by Plain Numbers, to use simple explanations, but with the APR value included in each illustration to make it easy to make comparisons with other credit products.

We think it is crucial that whatever additional information format is adopted, that APR is retained, and that the additional information must be supplied in a set, standard format, and not left to the discretion of individual lenders.

Question 13: If firms are permitted to use alternative cost disclosures to APRs, how might this impact on consumers’ ability to compare products and shop around?

The evidence provided in the paper suggests that it would be helpful to mandate firms to use alternative cost disclosures in a standard format *alongside* APRs, not as a substitute for APRs. Simple explanations appear to deliver better understanding for consumers, as long as these are in a standard format.

Question 14: What are your views on retaining mandatory Representative APR disclosure, while allowing flexibility for additional cost of credit disclosures alongside it?

We do not support allowing flexibility for firms to devise their own non-standard credit cost information. The paper states:

“4.43 Non-standard credit cost information led to worse consumer outcomes on average than displaying APR alone. Showing asymmetric credit cost information (i.e. APR for one product, total and monthly repayment for another) impaired participants’ ability to choose the lower total cost product, on average, compared to when APR was presented for all products. It also reduced their confidence in identifying the lower total cost product within each pair, as well as perceived ease of understanding credit costs and reported comparability.”

In addition, we agree that firms' attempts to get ahead in a competitive market may lead some firms to *"be incentivised to choose alternative metrics that present their products more favourably"*. We would not support firms being allowed to pick and choose information that shows their product in a better light than it should be. The research clearly shows that people struggle to understand mathematical calculations and percentages in general. Adopting a less prescriptive regime would make it much easier for firms to confuse consumers and lower standards across the industry.

Question 15: What are your views on removing the requirement to display a Representative APR without prescribing an alternative cost metric, and instead allowing firms flexibility to provide the cost information they consider best supports their consumers' understanding?

We very much oppose this suggestion for the reasons set out above.

Question 16: What are your views on maintaining the current approach under which the Representative APR is the sole prescribed cost metric?

We would like to see the FCA take this opportunity to make it easier for consumers to understand what the actual costs are of the lending product, by retaining the APR and adding the alternative cost measurement alongside this, in a prescribed format.

Question 17: If our rules enabled firms to present alternative cost disclosures to APRs, which products would benefit from these alternatives and how should the criteria be defined (for example, based on interest rate or length of term)? Are there any products that might see disbenefits, and how might providers of credit products respond in these cases?

It should be possible for the FCA to set out standard prescribed alternative cost disclosures that are appropriate for each lending product where they differ. These should be required by the FCA for firms to use in advertising depending upon the lending product they offer.

We do not pretend to be able to identify which products would be suitable for different treatment as this is no doubt a complex area, but consistency of approach across the same products is key.

Representative examples

Question 18: Should 'Representative examples' continue to be required in financial promotions based on the current triggers, or at all?

The paper sets out the issue with representative examples.

"4.68 This threshold has been criticised as unhelpful where lenders have a rate for risk model. This is because a substantial number of consumers (up to 49%) may not receive the advertised rate once their application has been approved, leading to distress, disappointment and other possible adverse outcomes. It can also generate mistrust, undermining consumer confidence."

Currently large groups of borrowers are likely to be disappointed by the interest rate they are offered and may only find out what this is once they have had a “hard search” carried out which impacts their credit file. It appears that some people can feel bounced into accepting a higher interest rate in these circumstances.

This is a difficult problem to solve, as it would not be helpful for consumers if lenders stop offering a “soft search” altogether, or limit the range of APRs on offer.

The FCA should consider mandatory quotation searches for credit applications. This would help with the fear of the impact of multiple credit searches showing up on a consumer’s credit file and damaging their ability to get credit.

Question 19: What is your view as to whether the current 51% threshold for presenting the Representative APR is appropriate, and do you have views on the alternative options stated or other suggestions?

On balance, we would support setting out the typical APR, with a higher threshold such as the 66% or above proposed by Money Saving Expert,¹ so that more people can expect to receive the threshold rate. This would mean a return to the level used in 2011. In addition, it would make sense for the firm to have to disclose the maximum possible APR that could be offered. Firms should communicate prominently the rate range for those not accepted at the advertised rate.

Question 20: Would providing guidance to encourage firms to fully explain the Representative APR be helpful?

We are not sure how helpful a more detailed explanation would be, as individual consumers would still not know what rate they were likely to be offered.

Question 21: Do you agree that the term ‘representative’ can be omitted where the firm only offers a single APR in respect of the financial promotion?

We would agree that where a firm only offers a single APR in respect of a financial promotion that it is fair to remove the term “representative” as this could be confusing for consumers. This exemption should **not** apply where the firm “rates for risk” and could offer a different interest rate after an application is made.

Question 22: Do stakeholders have views as to an alternative term to ‘representative’ when denoting the APR?

We agree that the use of the term “typical” APR sounds easier to understand than “representative” or “illustrative” and would support changing this term. It is vital that this is set out in binding rules so that all firms must use any agreed new term and **not** left to individual firms to decide what term to use. This would only lead to greater confusion for consumers and would not in our view be at all helpful.

¹ Money Saving Expert (2022) [It's time for a typical solution to interest rate shock](#)
Money Saving Expert (April 2026) [Credit card and loan rates to be investigated](#)

Question 23: Do you have any views on the cost benefit analysis?

We do not have any views on the cost benefit analysis.

For more information on our response, please contact:

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