

Consumer Credit Considerations



IMPROVING THE COMPLAINTS REPORTING PROCESS

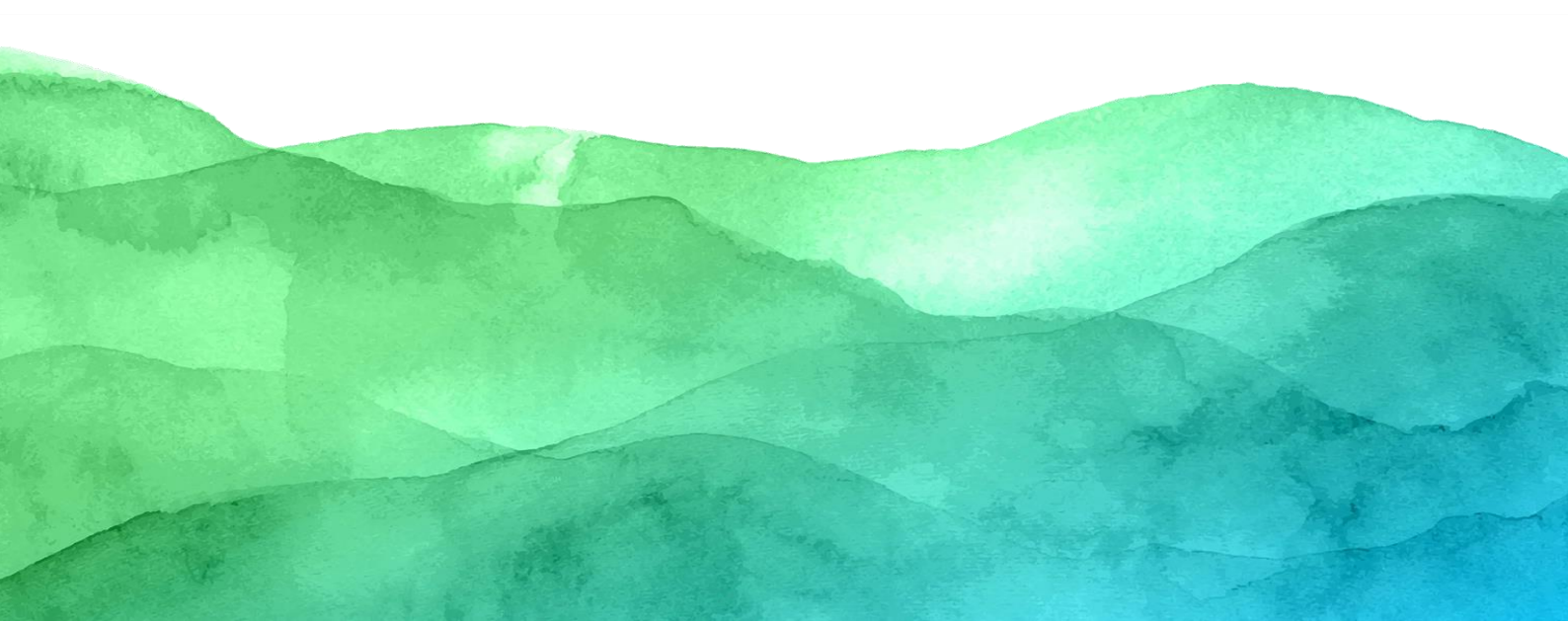
CONSUMER CREDIT CONSIDERATIONS

On 3rd December 2025 the FCA published its Policy Statement Improving the Complaints Reporting process (PS25/19).

Firms have 12 months from the date of the Policy Statement to implement the changes, which represent a significant uplift in the reporting obligations on Consumer Credit Firms.

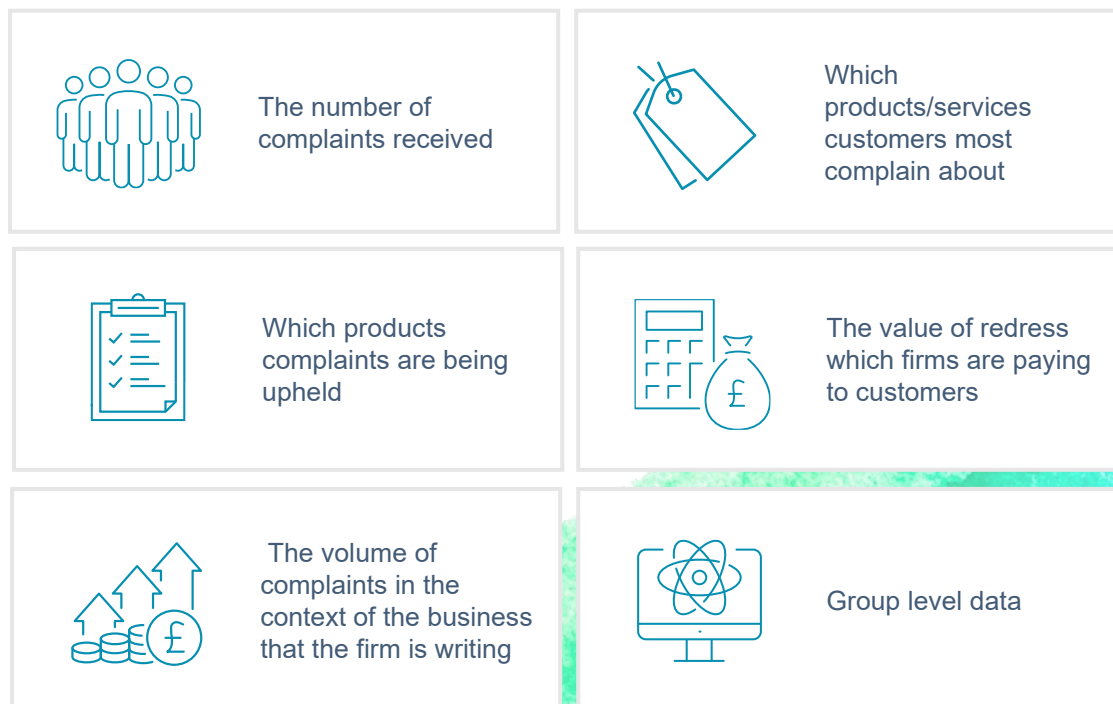
In the article below we share insights into what is changing and some key considerations for Consumer Credit Firms preparing for the new reporting requirements effective from **1st January 2027 and submitting the new return in July 2027**.

Limited permission consumer credit firms are not in-scope of these changes and will continue to submit complaints data via the CCR007 return. However, given the FCA indicate that it intends to fully replace CCR007 by the end of 2026, limited permission firms should consider the changes which apply to full permission firms.



WHAT'S CHANGING?

The existing return comprises aggregated data points which enable FCA to monitor:



The new return involves the following changes to firms reporting obligations:



KEY CHANGES

1. GRANULAR COMPLAINTS CATEGORISATION

Increased reporting and FCA visibility of operational and outcomes data

The General Return section of the updated DISP Annex 1 return requires increases reporting fields from 5 to the following 10 fields:

1. Complaints Closed Within 3 Days	2. Total Complaints Upheld*
3. Complaints Closed > 3 Days but Within 8 Weeks	4. Total Redress Paid for Upheld Complaints
5. Complaints Closed > 8 Weeks	6. Total Redress Paid for Complaints Not Upheld
7. Complaints open >8 weeks	8. Highest redress paid
9. Total Complaints Closed*	10. Total Redress Paid*

*Existing unchanged fields

Categorisation by product/service

Products and services type increasing from 11 to 25.

1. Lending for the purpose of business	2. Home credit loan agreements*	3. Other cash loans	4. Debt purchase	5. Debt adjusting and debt counselling*
6. Finance for motor vehicles	7. High-cost short-term credit*	8. Running-account credit linked to a payment network (including credit cards)	9. Other indeterminate lending*	10. debt collecting and debt administration
11. Finance for insurance premiums	12. Pawn agreements*	13. Retail revolving credit	14. Consumer hire of motor vehicles	15. Providing credit information services
16. Rent-to-own agreements	17. Bill of sale loan agreements*	18. Running-account credit for money transfers only	19. Consumer hire of other goods	20. Providing credit references
21. Other finance for goods or services	22. Guarantor loans	23. Other running-account credit	24. Credit broking*	25. Operating an electronic system in relation to lending

*Existing unchanged fields

Categorisation by complaint focus area (primary nature)

Complaints received in the reporting period now reported against the following complaint focus area mapped to Consumer Duty Outcomes:

1. Price, sums, fees and charges	2. Return of goods
3. Other product design	4. Claims under section 75 of the CCA
5. Information provision or content (including commission)	6. Financial difficulties
7. Irresponsibility of lending and/or unaffordability of product	8. Other product performance, general administration and customer support
9. Suitability of product	10. Incorrect credit records (not fraud related)
11. Other product sale	12. Fraud
13. Access to product (including temporary restrictions)	14. Other

2. REPORTING VULNERABLE CUSTOMER COMPLAINTS DATA

The return introduces the following 4 fields in respect of vulnerable customers.

1. Complaints closed consumer identified as vulnerable	2. Complaints closed which relate to the firm's failure to consider or respond appropriately to a consumer's vulnerability
3. Complaints opened by consumer identified as vulnerable	4. Complaints opened which relate to the firm's failure to consider or respond appropriately to a consumer's vulnerability

3. GROUP REPORTING

Where a firm has multiple subsidiaries, the data must now be submitted individually for each legal entity within the group, enabling the FCA understand whether there are specific risks within subsidiaries not identifiable from Group level regulatory returns.

4. SUBMISSIONS WILL BE SIX MONTHLY FOR ALL FIRMS AND GOVERNED BY CALENDAR YEAR

All firms will now report twice a year on a fixed 6 monthly basis. This will enable FCA to more easily identify trends across sectors and will also tie the reporting into the calendar year basis which applies to Product Sales Data (PSD) and Credit Broking Reporting (CCR009). This better facilitates mapping of the complaint focus areas to PSD and CCR009 reporting.



KEY ACTIONS FOR FIRMS

The changes present a demanding timeline to implementation. The below checklist provides a list of essential impact assessment activities firms should undertake when developing their implementation plans:

MOBILISATION

Gap analysis:

- What data is currently available
- Mapping to the primary natures
- What changes are needed to capture the data in respect of:
 - Systems
 - Process and procedure
 - Training
 - Alignment of reporting dates
- Is there reliance on third party systems – how will this impact timeline for any implementing changes?
- Is complaints activity outsourced - how will this impact timeline for any implementing changes?
- Do you have the necessary data for any appointed representatives and is that robust?

ANALYSIS

What will this data tell the FCA about your firm?

- Threshold conditions – are you handling complaints in a reasonable timeframe with appropriate resource and appropriately trained staff?
- Does it suggest that FOS referrals are a result of poor complaints handling, e.g. persistent handling times in excess of 8 weeks, concentration of low uphold rates resulting in high FOS overturns, etc
- What impact will splitting the data by firms within a group have?
- Will splitting the data by product type highlight:
 - Concentration of complaints to a particular product or service?
 - Root causes not being addressed resulting in unaddressed trends?
 - Handling times routinely exceeding 8 weeks?
 - Poor First Point of Contact resolution?
- If you are a Principal Firm can you provide data for your own and your Authorised Representatives and per the above:
- What will this indicate in respect of oversight of ARs?

If you would like support with your implementation programme or other matters as they relate to implementation of the reporting requirements, please reach out to a member of our team.

THE CCR009 RETURN

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THE TEAM



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Michelle has almost 20 years' industry experience of working across a variety of retail financial services firms, most recently as the Head of Compliance for Close Brothers. Michelle has a proven ability to translate regulatory requirements into business processes and significant experience delivering regulatory change programmes, she was the compliance lead on the implementation of Consumer Duty for Novuna, has supported firms with successful management of s.166 skilled person reviews and FCA thematic reviews. Michelle's focus for the last decade has been on supporting firms operating in mainstream and non-mainstream unsecured lending, asset and motor finance (including hire) and premium finance, having previously specialised in Occupational Pension Transfers and advice quality assessment.



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Amit is a financial services regulatory risk and compliance specialist with over a decade of experience in assisting a broad range of businesses on the pragmatic application of compliance controls to align with FCA and PRA expectations. Amit has significant experience in undertaking independent assurance and audit reviews across a broad range of consumer credit firms. In recent years, his work has focused on the effectiveness of firms' Consumer Duty frameworks. Amit provides assessments of documented controls and undertakes control testing to provide a view of the practical effectiveness of those controls.



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