

FSA Smaller Businesses Practitioner Panel

25 North Colonnade, Canary Wharf, London E14 5HS
Tel: 020 7066 1000

COMMISSION OF THE
EUROPEAN COMMUNITIES

By email:

markt-mortgage-consultation@cec.eu.int.

30 November 2005 (deadline 30/11)

Dear Sir/Madam

Mortgage Credit in the EU – Commission Green Paper

The Smaller Businesses Practitioner Panel (the Panel) has had the opportunity to consider the Commission Green Paper entitled Mortgage Credit in the EU.

For the record, the Panel was appointed by the FSA Board to provide advice on policy initiatives, focussing in particular on the impact of those initiatives on smaller regulated businesses. The Panel is chaired by Ruthven Gemmell (a solicitor and investment manager), who also serves on the Financial Services Practitioner Panel. The Panel currently comprises 14 members, including the Chairman, who represent the full range of small businesses operating in retail financial services (i.e. professional firms, building societies, credit unions, derivatives traders, friendly societies, general insurance and mortgage intermediaries, insurance companies, stockbrokers, investment fund managers, banks and independent financial advisers).

The Panel wishes to make the following short response to the Commission.

The Panel is adverse to further legislative intervention in what is a relatively newly regulated marketplace in the UK following the commencement of statutory regulation in late 2004. In that sense, we support the broad position being adopted by the Financial Services Authority and HM Treasury. That said, we would support the removal of cross-border barriers as soon as possible. Our view is informed by the apparent failure of many EU countries to enact the IMD.

The paper is light on information regarding the intermediary/advice sector. But, in any event, the Panel is particularly concerned about any measures that might destabilise the current (suitably lighter-touch) regulatory regime which we believe to be operating well at present and in accordance with the nature and objectives of the UK sector.

We understand that the statutory UK Financial Services Practitioner Panel is likely to respond to this consultation in similar terms.

If you have any questions concerning this response, please feel free to contact me or the Panel Chairman, Ruthven Gemmell (whose contact details I can provide if necessary).

Yours sincerely

Chris Cherlin
Secretary to the FSA Smaller Businesses Practitioner Panel