

Fees Policy
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

24th January 2025

To Whom It May Concern,

FCA CP24/25: Regulatory Fees and Levies Policy Proposals for 2025/26

We welcome the opportunity to respond to this consultation. ABCUL is the primary trade association representing credit unions in England, Scotland and Wales with around two thirds of credit unions in mainland Great Britain affiliated to the Association.

Credit unions are co-operative societies that provide financial services – primarily savings and loan facilities – to their member-owners. They are registered as Co-operative Societies under the Co-operatives and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. As deposit-takers, they are dual-regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

Credit unions have since their inception in Britain in 1964 been closely associated with anti-poverty and financial inclusion. They tend to provide savings and loan facilities to those with limited or no access to financial services from mainstream providers, generally due to their low income and/or lack of a developed credit profile. They have been a central element of numerous government and philanthropic initiatives to extend financial inclusion and address the lack of adequate provision of affordable credit and secure savings facilities for large sections of the population. They are capped in the interest that they can charge at 42.6% APR under the Credit Union Act 1979 and provide credit in competition with high-cost lenders.

They are numerous, with over 230 credit unions active in Great Britain today with more than 1.5 million members and £2.7 billion in assets under management. They range from mid-sized businesses of up to 50 staff to small voluntary organisations.

Consultation Response

We would like to take the opportunity to respond to the FCA's regulatory fees and levy policy proposals for 2025/26 and will provide comment to the areas of the consultation that are relevant to the credit union sector of that we have constructive views on.

Question 7. Do you agree with our proposed changes to the FPS?

ABCUL supports the minor technical updates the Financial Penalty Scheme (FPS) to allow the FCA to align the content to reflect their current fee consultation cycle timelines. We also support the proposal to include the recently created fee-blocks A.23 and A.24 into the FPS too.

Question 8. Do you agree with our proposal to defer the date when the expanded 'relevant business' definition comes into force from 1 April 2025 to 1 April 2026? If not, why?

We understand the FCA's proposal to defer the date when the expanded 'relevant business' definition comes into force to ensure that those firms who do all or most of their business with non-consumer eligible complaints are not paying higher levies to the Ombudsman Service for dealing with complaints from non-consumers. We support the FCA's aim to ensure that proportionality is in place for these firms and other similarly affected firms. We would like to note that this amendment was previously consulted on in CP23/22 which closed in January 2024. Firms have had sufficient time to make the relevant changes to their systems in order for this data to be captured ahead of the originally proposed 1 April 2025, this should have also given the FCA sufficient time to complete their analysis of the different options for how firms could report and implement the changes to relevant business definitions.

Question 9. Do you agree with the FCA's proposed changes to FEES 5 and FEES 6?

As previously stated above we do not strongly oppose the proposed changes to FEES 5 and FEES 6 but do feel this work could have been implemented to meet the original 1 April 2025 deadline.

Please contact us at advocacy@abcuk.org if you have any questions about our response to your consultation.

Kind regards,



Natalie McQuade
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ABCUL