

Backbench Business Committee

Representations: Backbench Debates

Tuesday 2 November 2021

Ordered by the House of Commons to be published on 2 November 2021.

Watch the meeting

Members present: Bob Blackman; Patricia Gibson; Nigel Mills; Kate Osborne.

In the absence of the Chair, Mr Blackman took the Chair.

Questions 1-8

Representations

[I](#): Hannah Bardell.

[II](#): Stella Creasy.



Chair: Welcome to the Backbench Business Committee. For obvious reasons, I am not Ian Mearns, the honourable Chairman of this Committee. Unfortunately, he is not very well, so I am chairing just for today.

Hannah Bardell made representations.

Q1 **Chair:** Our first application is from Hannah Bardell, for a debate in the Chamber on consular services for British citizens murdered or killed in suspicious circumstances or wrongly imprisoned overseas. Hannah, do you want to explain what your debate is about?

Hannah Bardell: Thank you very much, Mr Blackman, and thank you to the Committee for hearing me today. I would like to put on record as well my thanks to my staff, who have helped me prepare for this, and also to all the families who have been touched or impacted by the death of a loved one abroad, or indeed have loved ones who have been incarcerated abroad. It is important to put on record that as we sit, Richard Ratcliffe, the husband of Nazanin Zaghari-Ratcliffe, is on, I think, his 10th day of hunger strike in protest against her incarceration. It is against that backdrop that I put forward this application.

Back in 2018, I had an Adjournment debate on deaths abroad and consular services, which was very oversubscribed, as is this one. I am pleased to say this application has received support from parties across the House, because there will not be a Member in the House who will not be impacted by this issue. I think everybody in the House will have had a constituent come to them. They will have done what I did when the families of Julie Pearson and Kirsty Maxwell came to me: you raise issues, you raise concerns and you look for support, and families are so often left in the dark or without the right support.

I also want to say how important it is to put on record the incredible work that consular staff do. I was a consular staffer myself many years ago, and I know that the work they do is incredibly difficult and challenging, and the work of the FCDO is also incredibly difficult and complex. However, the reality is that I set up an all-party parliamentary group because of the experiences of my constituents. We took evidence from over 60 families from across the UK, and the FCO, as it was at the time, recognised in 2014 when a Committee of the House took evidence on this issue that the level of service fell far below what the public could reasonably expect. Sometimes, of course, there is a gap between public expectation and the level of service to be delivered, but none the less that continues to be the case, and families are being let down time and again by the level of service and the lack of support. That can be everything from translation of documents—court documents, basic health documents—to a lack of support to get the body of a loved one home, or inappropriate advice. We had one woman who set up her own support group, and this seems to be happening a lot. Lots of those who have experienced such trauma or the



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loss of a loved one are setting up support networks and groups to fill the gap left by Government, which I think is a huge issue.

We want to work with the Government to make services better. We have seen significant cuts to the FCDO in recent years, and cuts to consular staff and those who work in the foreign service, so this is about looking at all of those issues. Post Brexit, we are going to be doing trade deals with countries like Dubai, where we have people like Albert Douglas and Billy Hood being incarcerated and tortured, and we have lots of other issues, including things like rape and sexual offences happening to British citizens who then, when they come home—or, indeed, when they are in country—are not getting the right help and support.

It is for that reason—I think this is particularly timely, as we come out of covid and international travel opens up again—that we need to make sure that we have the right support in place, and that we work with those in Government and, indeed, industry and the insurance sector to look at further legislation, and hopefully at some future point at a legal right to consular assistance, because we do not actually have that. We need to work together across the House to make sure we find solutions to what is a really serious problem. I would welcome any questions.

Q2 Chair: Thank you. Can I just ask about any particular timeliness, or any particular events that are going on, that would make you want to have the debate at a particular time?

Hannah Bardell: As I said at the beginning, there is the particular backdrop of Nazanin's case: where she finds herself and where her family find themselves, and the situation that Richard finds himself in. I had a conversation with a Member from another party, who I will not name, earlier today about how terrifying and devastating that situation is. It has been high profile for a very long time, yet we have not managed to find a solution. How many more families are in that situation and find themselves at the mercy of the FCDO, without the support they need?

Also, as I say, as we come out of covid and international travel opens up, and as we live in a post-Brexit reality, it is a perfect storm in my view. As international travel opens up, we need to make sure that we are ready and prepared for the challenges that British citizens will face if they either get into trouble or, sadly, are killed or die abroad.

Q3 Chair: The other point I would raise with you is that in terms of the number of names you have, the debate is obviously well supported, but there is not a very great balance of names on the Government side. It would be very helpful for us to have three or four extra names on the Government side, if you could try and get those, just to get a balanced debate across parties.

Hannah Bardell: Yes, I think that is something that I could do. Time pressures are always significant, and you know what it is like, but I would like to think that I would be able to get a number more Members on the Government Benches to support this.



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Patricia Gibson: I was just going to say that you need more Tories.

Chair: Any other questions? No. Okay; thank you very much. We will look at this in private and it will go on our list to be allocated as and when time becomes available.

Hannah Bardell: Do you know roughly when we might get an answer?

Chair: I cannot say when, but I think it is unlikely to be before December.

Hannah Bardell: That is helpful—thank you very much.

Stella Creasy made representations.

Q4 **Chair:** Stella, you have made a request for a debate on the promotion of consumer credit and the regulation of buy now, pay later companies on Black Friday.

Stella Creasy: I thank the Committee and apologise for being late—the youngest supporter of the request decided he would show his interest in this matter by throwing up violently down my back.

Members will know that I have been very concerned about high-cost credit companies for many years. In the last couple of years, I have been focused on the buy now, pay later industry. Anybody who shops online will often see that as the first option to pay for things. During the pandemic in particular those organisations made a huge amount of money very quickly from people shopping online at home.

I am very pleased that the Government have looked at regulating those companies. Indeed, there has been cross-party agreement on the need to act. The Financial Conduct Authority produced a compelling report back in January of this year about some of the challenges in how that form of credit is marketed and in some of the debts that people are getting into as a result. The industry is not regulated; people do not have, for example, the protection of the Financial Ombudsman Service if they get into difficulties by borrowing from these companies.

The companies would tell you that they are not a form of credit because they do not charge any interest to the consumer; they make their money from the retailer. However, they market themselves to the retailers by saying that people tend to spend 30% to 40% more online because they are able to spread the payments. We have all seen in our constituencies in the last year and a half people who have got into financial difficulty, whether because they have lost their jobs or because they have found that the cost of living is getting to them. It does not take a rocket scientist to work out that if people are spending 30% to 40% more, it is often 30% to 40% more that they do not have. That is where people are getting into difficulty. It is absolutely right that we regulate these companies.

The reason why we have asked for this debate is that following the Government's agreement in January that those companies should be regulated, the Government have, in the last four weeks, published



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proposals for a consultation on that regulation. That is very welcome, but the challenge is that we are heading into another Christmas. Last Christmas, an estimated £1 in every £4 spent was spent using buy now, pay later.

Our concern, and the reason why we want this debate, which has cross-party support, is to understand, while we wait for the consultation to happen, what action the Government are going to take, in the absence of regulations, to protect people this Christmas and particularly around Black Friday, which has been growing as a phenomenon in this country and is being heavily marketed. In fact, I noticed today that I was already being targeted online ahead of the end of November. At the moment, without any regulation, we could see a scenario this Christmas and this Black Friday in which, frankly, millions of people borrow using this form of credit, and they are not protected and could get into financial difficulty.

We are asking for the debate to coincide with Black Friday for a number of reasons. First and foremost, it is to raise awareness about the industry and the challenges that our constituents may face if they use these companies, and how they can tackle issues around their current lack of protection—being able to calculate the true cost of an item, for example.

Secondly, we want to look at the issues coming up in the consultation. One of the challenges that is coming up, and why this debate is broader than buy now, pay later, is that because the industry is arguing that they are different from other forms of credit, we are opening up an environment where it might be possible to argue that different types of credit need different types of regulation. Of course, at the moment our credit regulation is very standardised. That raises some challenging questions: if we start saying that questions of affordability are related to the product rather than the person, what does that mean for regulation?

Finally, we want to recognise that this activity is happening in the broader context of the challenge of personal debt in this country, and it will likely be more of a challenge with the promotion of activities such as Black Friday spending and, indeed, Christmas spending. We are not a hair shirt country; it is important that people are able to spend money, which will be a critical part of our economic recovery, but we must ensure that they do it in such a way that they do not get into financial difficulty, otherwise we will all pay the price later.

I should also say that this industry has taken advantage of the wait for regulations. In the last couple of weeks, we have seen the industry being advertised on betting sites—so people are able to use buy now, pay later to place bets—and also for buying food. When buy now, pay later first came out, I think most people thought it was being used to buy expensive shoes. It is now being used as a mainstream source of credit. Banks are now using and offering buy now, pay later. Monzo allows its own customers to use buy now, pay later. As with the payday lending industry, this industry is evolving very quickly. It is important that we get the regulations right, but in their absence, and given the speed at which these companies are evolving, it is even more important that we as



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parliamentarians take a view on how to address that to ensure that consumers and our constituents are not ripped off.

I will stop there, but I am very happy to take questions. I also flag to the Committee that Paul Maynard has said that he would like to take part in the debate. As you will know, Paul has a long and seasoned background in consumer credit issues.

Q5 **Chair:** You have mentioned that you would like this to take place in the week commencing 22 November.

Stella Creasy: Yes. Black Friday is the last Friday of November, and we want the debate to coincide with it. Our constituents will be bombarded with adverts at that time.

Q6 **Chair:** What is the answering Department for this as far as you are concerned?

Stella Creasy: It is the Treasury, which is overseeing the regulations.

Q7 **Chair:** So if we were able to allocate you time on Tuesday 23 November in Westminster Hall, that would be ideal, would it?

Stella Creasy: Absolutely perfect, yes.

Q8 **Chair:** I think it would be helpful to have one or two more Government-side speakers. You will probably get them on the day, but that would be quite helpful because there is a huge number of potential speakers.

Stella Creasy: I know that the Minister is very passionate about this subject, too. We all want to get the regulations right. The question for all of us is how we make sure we do not let perfect be the enemy of good when that industry is so rapaciously targeting our constituents.

Chair: If there are no other questions, thank you very much. We will look at this in private, and then we will contact you at an appropriate time. I hope the little one is okay.

Stella Creasy: He has very strong opinions. I do not know where he gets it from.