



Sub-Committee on Financial Services Regulations

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Nikhil Rathi
Chief Executive
Financial Conduct Authority

Via email

20 December 2022

Dear Nikhil,

CP22/24 - Broadening access to financial advice for mainstream investments

The Treasury Sub-Committee on Financial Services Regulations recently met to discuss the FCA's consultation on 'Broadening access to financial advice for mainstream investments' (CP22/24).

The Sub-Committee would be grateful for answers to the following questions:

1. What is the estimated price point that the FCA expects for core investment advice fees?
 - a. Does the FCA have any evidence to suggest these proposals will create a market with:
 - (i) sufficient consumers willing to pay this lower fee; and (ii) sufficient firms willing to offer core investment advice?
2. How will the FCA ensure that the quality of core investment advice will be comparable with existing financial advice?
 - a. What are the potential risks of lowering Training and Competence standards?
 - b. How will the FCA ensure that firms do not offer core investment advice inappropriately to consumers who may need advice on a wider range of issues?
3. Will a Stocks and Shares ISA always be an appropriate product option for consumers seeking core investment advice, for example consumers who do not pay tax?
4. Do these proposals address concerns from firms that they could be liable for mis-selling?
5. How does core investment advice compare with previous attempts to encourage firms to offer cheaper and more streamlined financial advice? Why will these proposals be more successful?
6. Will consumers have access to the Financial Ombudsman Services and the Financial Services Compensation Scheme if they receive core financial advice?
7. When asked about the introduction of personalised financial guidance during the Report Stage of the Financial Services and Markets Bill, the Economic Secretary to the Treasury stated "I am happy to confirm that we will pursue it with great urgency... it goes some way to address the issue [that only the wealthiest can access financial advice], so I will look at it as a basis for potentially moving forward".¹ How will the FCA ensure core investment advice rules synchronise with any such Treasury reforms in this area?

¹ HC Deb, 7 December 2022, [col 397](#)

In line with the Committee's usual practice, I will be placing this letter and your response in the public domain. I would be grateful for a reply by 9 January 2023.

With best wishes,

A handwritten signature in black ink that reads "H-Baldwin". The signature is written in a cursive style with a horizontal line through the middle of the letters.

Harriett Baldwin MP
Chair of the Treasury Sub-Committee on Financial Services Regulations