StepChange response to FCA call for input on the review of FCA requirementsOctober 2024

# Summary

StepChange welcomed and strongly supports the Consumer Duty. A starting point for understanding how best to develop the FCA handbook following the introduction of the Duty must be the origins and purpose of the Duty. The FCA introduced the Duty in a context of repeated high-profile examples of market conduct failures, from payday loans to the ban on unauthorised overdraft fees and new rules to deal with persistent credit card debt. The FCA set out a key objective of the Duty to end the need for this ‘detriment-intervention cycle’. We also note the FCA was required to consult on a duty of care by Parliament as a consequence of concerns among Parliamentarians about the effectiveness of the regulatory framework in protecting consumers.

The FCA stated clearly that it wants the Consumer Duty to drive a ‘paradigm shift’ in standards and prevent harms arising in financial services before they become entrenched. There are still significant risks to the long-term success of the Consumer Duty in meeting this aim.

We recognise that the FCA retail handbook should be an evolving document, that rules and guidance can become outdated, and that enhanced regulation can benefit both consumers and firms. StepChange is currently engaging closely with the FCA on its review of the CONC 8 debt advice rules and has made suggestions where rules can be removed or amended to improve outcomes for consumers.

However, we are disappointed by the form and framing of this call for input. Discussion and consultation about the Consumer Duty proceeded on the basis that the Duty was designed to underpin and make handbook rules more effective. If the Consumer Duty itself had been framed as a preamble to a process of simplifying the handbook, StepChange and no doubt other stakeholders would have responded differently to the development of the Duty itself to account for that.

We also note the FCA has already sought once to identify instances of overlap with the Consumer Duty rules during the process of consulting on the Duty. In developing the Duty, the FCA stated that it ‘will consider whether Handbook changes might be needed as part of a post‑implementation review’ (PS22/9, p. 9). This call for input is extremely narrowly framed in its focus on simplification and removal in the context of that statement.

It is extremely early in the life the of the Consumer Duty to consider changes to rules on the basis of the impact of the Duty itself. The FCA has not yet, to our knowledge, finished gathering information or shared findings from its post-implementation review to support an informed discussion about the case for changes to the handbook. In the call for input document, in explaining why it is not inviting comment on recent non-Consumer Duty rule changes, the FCA states that ‘we would want to give time for [new] rules to become embedded before considering changes’. That rationale applies equally to the impact of the Duty itself.

In the call for input there is a shift in the language used from past communications on the Consumer Duty which is worrying: the call for input repeatedly states the Consumer Duty sets ‘a high standard of care’. The FCA has repeatedly been clear the Consumer Duty sets a higher standard of care than in the past. This distinction is important. The call for input also makes reference to achieving ‘similar customer outcomes […] with greater flexibility’. This framing shifts emphasis away from the Consumer Duty aims of raising standards and improving customer outcomes to merely preventing them getting worse. This shift in emphasis and tone is unfortunate: the FCA should not send mixed messages about the Consumer Duty at a time it is very much still a work in progress.

At a practical level, neither consumers themselves nor consumer organisations are in a position to assess and counter if necessary a high volume of industry proposals for simplification or removal of FCA rules. We are somewhat disappointed by the form of this consultation because an unbalanced, open-ended approach tilts the process away from the interests of consumers.

It is clear that firms have undertaken extensive work in response to the Duty with tangible benefits for consumers. However, we simply do not yet see sufficient evidence of a significant reduction in longstanding consumer harms beyond those addressed by specific FCA interventions. It is premature to make any assumptions about the impact of the Duty that would justify a transition to a greater reliance on high level rules.

Designing good regulation is a sophisticated challenge that cannot be resolved through a simple dichotomy between high level rules (‘simplification’) and prescription. The reality is that not only are both needed but both must interact coherently. The FCA states ‘Reliance on high-level standards tends to better support flexibility and innovation, and greater futureproofing, than more detailed or prescriptive rules.’ We think that is overly simplistic for a number of reasons:

* Prescription is often essential to give substance and intention to high level principles: as an advice provider, detailed forbearance rules (CONC 7) are absolutely essential to set expectations for firms and ensure a level of consistency necessary to support good debt advice and solution outcomes.
* There is a history of firms arbitrating gaps or ambiguities in high level rules where prescription has been crucial to stop harm to financially vulnerable consumers, for example in detailed rules around high-cost credit products, unauthorised overdrafts and persistent credit card debt.
* Prescriptive rules are a basis for consumers to challenge creditor practices, and much consumer advice depends on this transparency and clarity. A greater reliance on a principles- based approach would put more reliance of FCA supervision. The Consumer Duty was designed to be preventative; this approach would lead to a more reactive approach that relies on finite supervision resources that cannot scrutinise the interpretation of every firm of high-level rules.
* Prescription can alleviate burdens on firms that otherwise are uncertain as to the FCA’s expectations of standards they are expected to meet. We note, for example, some firms have called for more clarity in creditworthiness assessment rules and elsewhere in HM Treasury’s ongoing review of the Consumer Credit Act there are markedly different industry views on replacing prescription in that Act with high level principle when, as is likely, some elements are transferred to the FCA handbook. That is not to say that prescription cannot go too far, but detail and principle are very often mutually supportive.
* Monitoring outcomes is hard without reasonably specific expectations. Expectations that are diffuse and high level will lead to fuzziness about the regulator’s expectations and a murkiness and lack of transparency about whether the market is serving the interests of consumers. It would be harder for the FCA to measure the impact of the Consumer Duty without the specific rules that the Duty was designed to underpin and makes more effective.

We are particularly disappointed that the call for input overlooks the importance of a more holistic review of the handbook to better support the Consumer Duty. The FCA’s recent post-Consumer Duty review of support for borrowers in difficulty suffered from limited read over to the Duty, with little of the Duty framework used to inform the review. As a result, that review was a missed opportunity to properly address barriers to customers in difficulty seeking help.[[1]](#footnote-1) The handbook and the Consumer Duty should be mutually reinforcing and that requires applying a Consumer Duty prism as sections of the handbook are reviewed and updated.

The Duty embeds new principles and expectations with which handbook rules in some areas are misaligned. We would particularly highlight the Consumer Duty rules preventing firms from seeking to exploit consumer behavioural biases and vulnerabilities (PRIN 2A.2.3G), where the clarity of that expectation does not yet carry over into the wider FCA handbook. The issue that most clearly reflects this disconnect is the problem of harmful financial difficulties journeys.

StepChange estimated that in May this year four million people using credit to keep up with living costs had been stuck in financial difficulty for over six months.[[2]](#footnote-2) That means they have not been able to keep up with credit repayments without taking negative coping actions like rationing essentials. Almost three million had been struggling for over a year. These poor outcomes for customers struggling with living costs are too easily framed as a consequence of their difficult circumstances. In reality, norms and practices in the credit market, shaped by CONC rules, are drawing customers struggling with living costs deeper into difficulty.

We particularly note harmful debt journeys using revolving credit products like credit cards and retail credit facilitated by an interaction between ineffective affordability assessments and automatic credit limit increases. The Consumer Duty is highly relevant to this problem in its focus on outcomes and explicit requirements on firms to avoid knowingly exploiting consumer behavioural bias and vulnerability. The Consumer Duty will ultimately lose credibility if the FCA fails to take a hard look at rules and market practices that are the most significant drivers of poor outcomes.

We recognise, of course, that it would be impractical for the FCA to review its entire handbook. However, it can take the approach it has adopted in this consultation in seeking to identify priorities to guide its programme of work. We would particularly highlight addressing the disconnect between CONC 5 (responsible lending) and the Consumer Duty in the context of poor outcomes and harm among customers in revolving credit markets, which we elaborate on later in this response, as essential.

Finally, we note that since the Consumer Duty was developed, the FCA has been given a new secondary growth objective by Parliament. Well-designed regulation and sustainable growth should be mutually reinforcing. The Consumer Duty and FCA requirements support growth by increasing consumer confidence in financial services, giving firms confidence to develop innovative products knowing they will not be undercut by irresponsible competitors, and by reducing the social costs of problem debt that drag productivity and cause public costs through health and other spending.

We would like the FCA to reframe further review of its handbook in the wider context of enhancing its rules following the introduction of the Consumer Duty and:

* adopt the principle that any proposal for reform of its rulebook taken forward will not adversely affect consumer protection and should support improved consumer outcomes (or no change in outcomes where changes are proposed for technical reasons);
* ensure that no changes to rules are taken forward based on assumptions or speculation about the impact of the Consumer Duty where the evidence is unclear; and
* identify where the handbook can be enhanced and better aligned with the Consumer Duty, taking forward its programme prioritising areas that have the greatest potential to reduce preventable harm and/or improve consumer outcomes.

# Response to consultation questions

**Question 1: Could any of our retail conduct rules or guidance be usefully simplified or removed by relying on requirements under the Consumer Duty? Please tell us:**

**a. which rules or guidance (e.g. Handbook chapters, or non-Handbook guidance) you consider cover similar ground to Duty requirements, or are otherwise overly detailed or prescriptive, or arguably redundant in light of other materials, and why**

**b. your thinking on the likely benefits including, for example, any estimate on compliance cost savings**

**c. what the impact could be on consumers or consumer protection, or other relevant considerations**

We do not have any specific examples to highlight where simplification of rules alone is appropriate.

StepChange’s experience of the FCA’s ongoing review of CONC 8 (debt advice), which sets out rules on debt counselling and adjusting, shows that simplification or removal is too narrow a prism through which to consider handbook revisions. Following the Consumer Duty, our dialogue with the FCA has given rise to a number of proposals to enhance CONC 8 (that may or may not ultimately be taken forward by the FCA), including:

* broadening the focus of CONC 8 beyond its current narrow focus on advice leading to, and servicing of debt management plans (DMPs), to providing debt advice in its own right and solutions beyond DMPs;
* introducing stronger rules on charging fees for DMPs to better align the handbook with the Consumer Duty and support consumers to become debt free quicker;
* ensuring rules support advice providers to provide information to clients that supports good client outcomes without excessive or overly complex information that makes it harder for clients to understand advice and take action;
* separating CONC 8 into separate sections on debt advice and solution servicing (which are currently merged in one section) to ensure expectations and responsibilities at each stage of the advice and solutions journey are clear;
* creating a stronger read across elsewhere in the handbook, particularly in CONC 7 (arrears, default and recovery) to CONC 8 to ensure consistent good forbearance practice supports good debt advice outcomes (and to ensure CONC 8 does not set expectations that are not fully supported elsewhere in the handbook); and
* revising the DMP review rules (CONC 8.8.1(7)R) in light of Consumer Duty to introduce more flexibility and avoid obliging providers to terminate a solution unnecessarily where this may not lead to a good outcome for the clients (for example, where the only indicator to do so is the lack of engagement with the review process).

The range of opportunities to enhance CONC 8 illustrate that review of any area of the handbook is very often likely to give rise to a mixture of proposals, including revision, enhancement and simplification or removal. Focusing on simplification or removal alone will miss vital opportunities to improve outcomes for consumers, and distort consideration of handbook revisions away from changes that further the Consumer Duty principle of acting to achieve good outcomes.

**Question 2: Is there a lack of clarity on how requirements under the Duty and other FCA rules interact? Please tell us where this issue arises and your views on how it could be addressed. For example, would guidance on the interaction be helpful?**

Yes: the Consumer Duty puts in place new expectations of firms, not only in high level principle that firms must act to achieve good outcomes for customers but through supporting objectives to act in good faith, including avoiding exploiting behavioural bias or taking advantage of consumer vulnerability, and avoid causing forseeable harm. These expectations clearly conflict with aspects of the existing handbook.

StepChange sees among its advice clients and in evidence drawn from the wider UK population a clear, widespread problem of harmful financial difficulties driven by the design and operation of consumer credit products.[[3]](#footnote-3)

The problem consists of a pattern in which people struggling with living costs use revolving credit products like credit cards, overdrafts and retail credit—primarily online revolving retail credit and deferred payment BNPL—to cope. However, the design and operation of these products draws them into dependence on credit, further reduces their income and ultimately draws them deeper into difficulty and, for many, serious debt problems. A vicious cycle of money worries, mental health problems and barriers to seeking help (like unattractive forbearance options, concerns about negative credit reporting and low awareness of support) prevent people from accessing timely support and a safe way out.

This problem is significant in scale: in May this year, four million people (8% of UK adults) reported being stuck in harmful financial difficulty; that is, they were experiencing difficulty keeping up with credit repayments for six months or more and reporting at least one specific negative coping action such as missing other bills to keep up with credit repayments.[[4]](#footnote-4) Three million UK adults reported having been in harmful financial difficulty for over a year.

StepChange research has shown that this group is significantly more likely to experience poor outcomes than others using credit, indicating struggling with over-indebtedness and repayments is a driver of harm.[[5]](#footnote-5) In StepChange analysis of national polling earlier this year, 80% of those who had experienced difficulty repaying credit for over six months reported negative impacts on their health, 70% on their ability to get enough sleep, 50% on their relationships and 24% on their performance at work.[[6]](#footnote-6) These poor outcomes show that this issue should be of concern to the regulator.

The problem of harmful financial difficulties is preventable and not simply a manifestation of cost of living pressures. Stopping these harmful journeys from developing and entrenching has signicant benefits for consumers in reduced harm and improved outcomes, including through increase financial inclusion (as fewer people experience exclusion driven by credit impairment).

In the context of this call for input, this problem is an issue to which the Consumer Duty is highly relevant because it is caused by ways in which firm conduct and product design take inadequate account of the circumstances of customers, exploit behavioural bias and vulnerability and lead to poor outcomes in ways that are reasonably preventable.

Specifically, responsible lending rules are encouraging patterns of harmful lending:

* The CONC 5 rules encourage firms to use assumptions that are poorly suited to meet the Consumer Duty objective of good outcomes. For example, non-discretionary expenditure (5.2A.18G) is poorly defined as ‘priority debts and essential expenses that cannot be reduced to meet a basic quality of life’ and payments the customer has a contractual or statutory obligation to make, in addition to joint contractual obligations with another person. This does very little to ensure firms take into account the actual minimum expenditure customers incur, and ommits mention of dependents entirely—it is also out of sync with the revised definition of minimum expenditure in CONC 7 (CONC 7.3.5G and CONC 7.6.5 G). FOS cases also show that firms can ask for expenditure estimates in wide bands (for example, in £500 increments), encouraged by CONC 5.5A.17G.[[7]](#footnote-7) For customers with low incomes, this introduces a margin of error much greater than the likely tolerance in a customer’s budget to maintain repayments while meeting essential costs.
* CONC 5.5A.21R and CONC 5.5A.22G (scope, extent and proportionality of assessment) state whether and how income and expenditure data should be verified. Lenders can use their subprime status to justify overlooking signs of financial difficulty in assessing affordability on the basis that the firm are ‘second chance lenders and so consider affordability rather than adverse credit information preventing a successful application’.[[8]](#footnote-8) Inevitably, this approach leads to poor lending decisions and unaffordable debt for financially vulnerable customers.
* 5.2A.28R states that firms should assume the credit limit is drawn down immediately and repaid over a period equivalent to a fixed sum unsecured loan for an amount equal to credit limit. It is unclear what this means in practice (because unsecured loans vary in duration and cost). FOS cases show that it is common practice for firms to assume a 5% repayment rate for revolving credit products as an ‘affordable rate’.[[9]](#footnote-9) Yet repaying a £1,000 balance through a repayment rate of 5% of the balance and interest each month takes longer than four years and, for cards with an APR above the lower 30-35% range common in the subprime market, costs significantly more than an equivalent personal loan. In short, the current rules leave firms to make assumptions leading to expensive long-term credit that it is hard to square with good outcomes for customers.
* FCA research has found there are commonalities across pathways into difficulty: people tend to experience a fall in income, increase their credit limits and take out additional credit.[[10]](#footnote-10) But the CONC 5 rules do nothing to ensure firms pick up on the transition from sustainable to unsustainable limits when customers’ circumstances change. This is particuarly evident in practice around credit limit increases, where firms are obliged to make an affordability assessment when limits are increased signficantly but make no mention of subsequently reviewing the affordability of those limits periodically. In light of the long-term nature of credit cards and retail credit, and the frequency of life events with negative financial impacts, it is inevitable many customers experience serious repayment difficulty and debt problems because they have unsuitable limits for their circumstances.

Poor practice in affordability assessment facilitated by CONC 5 interacts with automatic credit limit increases and the continuing practice of using an opt-out model (in which limits are automatically increased unless a customer takes action to decline), leading to unaffordable debt balances. Automatic limit increases exemplifying a design feature that exploits behavioural bias and are extremely hard to square with the Consumer Duty rules in PRIN that firms should not seek to exploit consumer behavioural bias or vulnerability (PRIN 2A.2.3G).

The FCA’s persistent debt rules have not effectively addressed the problem of unaffordable revolving credit debt because they do not in practice impinge seriously on responsible lending checks and seek to deal with unaffordable debt only once it has developed. Moreover, the persistent debt rules are poorly fitted for subprime revolving credit products where the repayment pathway mandated the rules is excessively long and expensive. In fact, it seems unlikely the persistent debt rules would be drafted in the same way following the Consumer Duty as they were introduced for this reason.

While we recognise the need for an appropriate degree of flexibility and proportionality in responsible lending rules, these problems represent an example not only where the rules are failing to support good outcomes, but where a key harm the Consumer Duty is specified to address (preventing firms exploiting behavioural bias and consumer vulnerability) will not be addressed without a more holistic review of expectations through the handbook using a Consumer Duty prism.

As part of a process of reviewing its handbook following the introduction of the Consumer Duty, the FCA should prioritise alligning the handbook with the Consumer Duty expectations, updating and enhancing relevant sections including CONC 5 specifically by:

* re-framing responsible lending expectations in a Consumer Duty context;
* introducing a rule requiring firms to periodicially assess the affordability of a revolving credit products to prevent these products becoming unaffordable as consumer circumstances change;
* addressing exploitation of consumer behaviourial bias by stopping automatic credit limit increases, requiring firms to move to an opt-in model; and
* piloting if necessary and introducing an expectation that firms offering revolving credit products will use agreed best practice repayment interfaces, i.e. sliders, building on the BIT research.

**Question 3: Are there other areas in our rules or guidance, beyond those with an overlap with the Duty, where we should consider simplification or removal? Please tell us:**

**a. which rules or guidance (e.g. Handbook chapters, or non-Handbook guidance) we should review, and why**

**b. your thinking on the likely benefits including, for example, any estimate on compliance cost savings**

**c. what the impact could be on consumer protection, or other relevant considerations**

We have above noted StepChange’s dialogue with FCA colleagues regarding the ongoing review of CONC 8 and have separately brought these to the attention of FCA colleagues leading the review.

We would also particuarly highlight, as set out in our response to question 2, CONC 5 (and CONC 6.7, persistent debt) rules as priorities where review of the handbook is needed to better frame rules in light of the Consumer Duty, address conflicts with the Duty and prevent avoidable harm to financially vulnerable consumers.

**Question 4: Do you agree that work towards simplifying our retail conduct rules can help us meet all our objectives, including the secondary objective? Please explain why or why not.**

The FCA has not stated in detail what it means by ‘simplifying’. If this means removing rules, great care needed. Alternatively, if this means the language of rules can be amended to strengthen and clarify FCA explanations, then ‘simplification’ of some rules could serve consumers. However, we do not agree that simplification as a general principle can help the FCA meet its objectives because there are important ways, which we have touched on in this response, in which prescription is essential to ensure markets function well and promote good outcomes for consumers.

We would like the FCA to reframe further review of its handbook in the context of enhancing its rules following the introduction of the Consumer Duty. This should involve a process of identifying priorities to enhance and align the handbook with the Consumer Duty, prioritising areas where revisions have the greatest potential to reduce preventable harm and/or improve outcomes, prioristing serious harm to particularly vulnerable consumers. This process should include enhancement and revision of the handbook, not just simplification or removal.

**Question 5: In which circumstances do you think it is appropriate to rely on:**

**a. high-level rules under the Consumer Duty**

**b. more detailed rules**

**c. a hybrid approach with both high-level and detailed rules?**

A hybrid approach combining high-level and detailed rules is appropriate in most circumstances and we do not expect the Consumer Duty to change this situation. The Consumer Duty came about because principles-based regulation, in the form of the Treating Customers Fairly framework, had not sufficiently changed firm culture. The Consumer Duty framework is a somewhat stronger and more direct approach than the TCF framework but also has some of the same limitations.

We see the handbook as an essential complement to mediate application of the Consumer Duty to particular areas of regulation. It does not make sense to revert more closely to TCF approach and expect a different outcome to the impact of that framework. In fact, as we have noted, for the FCA to ensure the success of the Consumer Duty it is essential it acts to better align its handbook with the Duty rules. This should include addressing language that is out of sync with the Consumer Duty, putting an appropriate emphasis on interpreting rules through the Consumer Duty (rather than pre-existing market norms) and addressing areas where market practice conflicts with the Duty (through the handbook or otherwise).

With regard to the importance of detailed rules:

* Prescription is often essential to give substance and intention to high level principles: as an advice provider, detailed forbearance rules are absolutely essential to set expectations for firms and ensure a level of consistency necessary to support good debt advice and solution outcomes. An example of this is guidance subsequent to CONC 7.3.4R (‘A firm must treat customers in default or in arrears difficulties with forbearance and due consideration’) specifying examples of actions consistent (like stopping interest charges) and inconsistent (like refusing to agree affordable repayments) with this rule.
* There is a history of firms arbitrating gaps or ambiguities in high level rules where prescription has been crucial to stop harm to financially vulnerable consumers, for example in detailed rules around high-cost credit products, unauthorised overdrafts and persistent credit card debt.
* Prescriptive rules are the basis for consumers to challenge creditor practices, and much consumer advice depends on this transparency and clarity. A greater reliance on a principles-based approach would put more reliance of FCA supervision. The Consumer Duty was designed to be preventative; this approach would lead to a more reactive approach that relies on finite supervision resources that cannot scrutinise the interpretation of every firm of high-level rules.
* Prescription can alleviate burdens on firms that otherwise are uncertain as to the FCA’s expectations. We note, for example, some firms have called for more clarity in creditworthiness assessment rules, and elsewhere in HM Treasury’s ongoing review of the Consumer Credit Act there are markedly different industry views on replacing prescription in that Act with high level principle when, as is likely, some elements are transferred to the FCA handbook.
* Finally, monitoring outcomes is hard without reasonably specific expectations. Expectations that are diffuse and high level will lead to fuzziness about the regulator’s expectations and a murkiness and lack of transparency about whether the market is serving the interests of consumers. It will specifically be harder for the FCA to measure the impact of the Consumer Duty without specific rules that the Duty underpins and makes more effective.

**Question 6: What do you see as the main costs and benefits of making changes to the FCA Handbook by simplifying or removing detailed expectations of firms?**

StepChange does not support an objective of simplifying in isolation or removing detailed expectations of firms. Simplifying or removing detailed expectations of firms without wider consideration of enhancing the handbook is likely to have serious costs in poor outcomes for consumers. We note a succession of cost-benefit analysis documents produced by the FCA that set out the high costs of poor conduct that has not previously been addressed by principles-based regulation. Notably, the FCA’s review of high-cost credit products illustrated the strong incentives on firms serving financially vulnerable demographics to develop predatory practices in the absence of clear, specific constraints. While we have noted encouraging positive developments following the introduction of the Consumer Duty, there is no evidence of a transformation in market conduct at the level of the most substantive product design and firm conduct issues that drive consumer outcomes and harm. Removing the safeguard of detailed handbook expectations where needed is likely to lead to worse consumer outcomes and have high costs to consumers and the FCA itself as it will ultimately be forced to step in again in future.

With this in mind, the FCA should be clear about the guardrails it will put in place to take forward any subsequent revisions to the handbook. These should, for example, be that there will be no reduction in consumer protection and that changes will support (or not undermine) the Consumer Duty objective of a higher standard of conduct.

**Question 7: Where do you see high-level or detailed expectations having differing costs or benefits for different types or sizes of firm?**

We have no comment on this question at this time.

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1. StepChange blog (2024) [Assessing the FCA’s new rules on support for borrowers in difficulty](https://stepchange.medium.com/assessing-the-fcas-new-rules-on-support-for-borrowers-in-difficulty-01446b09880c) [↑](#footnote-ref-1)
2. StepChange (2024) [*How consumer credit causes harm for people struggling with the cost of living*](https://www.stepchange.org/policy-and-research/preventing-harm-consumer-credit.aspx) [↑](#footnote-ref-2)
3. StepChange (2024) [*How consumer credit causes harm for people struggling with the cost of living*](https://www.stepchange.org/policy-and-research/preventing-harm-consumer-credit.aspx) [↑](#footnote-ref-3)
4. StepChange infographic (2024) [How consumer credit causes harm for people struggling with the cost of living](https://www.stepchange.org/Portals/0/23/policy/Preventing%20harm%20in%20consumer%20credit/CD_Debt_Difficulties_INFO_1600x8500_Final_No_URL.pdf). Negative coping startegies include rationing utilities, going without a healthy diet, going without appropriate clothing for the weather and missing household bills (including housing, council tax, energy, water and telecoms). [↑](#footnote-ref-4)
5. StepChange (2022) [*Falling behind to keep up: the credit safety net and problem debt*](https://www.stepchange.org/Portals/0/assets/credit-safety-nets/Falling-behind-to-keep-up-the-credit-safety-net-and-problem-debt-StepChange.pdf) [↑](#footnote-ref-5)
6. StepChange (2024) [Infographic: Preventing harm in consumer credit](https://www.stepchange.org/policy-and-research/preventing-harm-consumer-credit.aspx) [↑](#footnote-ref-6)
7. For example, [www.financial-ombudsman.org.uk/decision/DRN-4727103.pdf](http://www.financial-ombudsman.org.uk/decision/DRN-4727103.pdf) [↑](#footnote-ref-7)
8. For example, [www.financial-ombudsman.org.uk/decision/DRN-4743581.pdf](http://www.financial-ombudsman.org.uk/decision/DRN-4743581.pdf) [↑](#footnote-ref-8)
9. For example, see <https://www.financial-ombudsman.org.uk/decision/DRN-4662346.pdf>. [↑](#footnote-ref-9)
10. Belgibayeva, A. et al (2020) [*Occasional Paper 49: Borrower subgroups and the path into distress: commonalities and differences*](https://www.fca.org.uk/publications/occasional-papers/occasional-paper-no-49-borrower-subgroups-and-path-distress-commonalities-and-differences). Financial Conduct Authority. [↑](#footnote-ref-10)