

# STOP PRESS



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## **FCA finalises guidance in relation to product value and temporary financial difficulty – 3 June 2020**

Following consultation last month, the FCA's finalised guidance in relation to [product value](#) and the fair treatment of customers in temporary [financial difficulty](#) has now come into force. For further information in relation to the implication for firms and ICS recommended actions, please see the latest Hot TopICS HT 2020 – 06 which was published last week.

## **Business Interruption (BI) high court test case progresses and FCA finalises guidance for firms – June 2020**

The FCA's High Court test case continues to progress; case meetings have been held and the FCA and Insurers have both filed their legal arguments. The case is due to be begun on 20<sup>th</sup> July and is expected to last approximately 8 days. The FCA will continue to review its dedicated [web pages](#) as the case develops, which includes updates and links to the court documents and submissions by each side.

The FCA has also published [finalised guidance](#) for insurers, managing agents and insurance intermediaries which highlights the steps it requires firms to take to:

- identify the potential implications of the test case on their decisions regarding claims and complaints;
- keep policyholders informed about the test case and its implications;
- treat policyholders fairly during the test case and when it is resolved.

The FCA expects those firms who will be impacted by the outcome of the case to review the key FCA case documents. In turn, insurers are required to review their relevant non-damage business interruption policies, classifying them as either being impacted by the case or not and to report the outcomes of these reviews to the FCA by Wednesday 8 July. This will enable the FCA to publish a list

of relevant non-damage business interruption policies affected by the test case. Insurers are required to:

- update third parties who have delegated complaints or claims handling authority of the outcome of the review;
- provide information to intermediaries to pass onto policyholders and publish on their websites.; and
- by 15<sup>th</sup> July, ensure all policyholders who have outstanding or declined claims or complaints information receive information in relation to the implications of the case and advise all new claimants or complainants.

### **Importance of continued vigilance in relation to cyber security – June 2020**

With the continued reporting of cyber attacks and phishing scams, we have published links to further guidance and helpful resources on our news page which have been replicated here:

- Working from home – guidance in relation to a number of issues including security checklists, staff using own devices, video conferencing, security tips – <https://ico.org.uk/for-organisations/working-from-home/>
- Guidance in relation to the GDPR and data security – <https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/security/>
- The National Crime and Security Centre includes lots of useful guidance – <https://www.ncsc.gov.uk/>
- Responding to a data security incident – how and when to engage with the ICO – <https://ico.org.uk/media/for-organisations/documents/2614816/responding-to-a-cybersecurity-incident.pdf>

In turn the ICO also has guidance in relation to people returning to work and the broader data protection considerations particularly around health and track and trace initiatives:

- Coronavirus recovery – Data Protection advice for organisations – <https://ico.org.uk/global/data-protection-and-coronavirus-information-hub/coronavirus-recovery-data-protection-advice-for-organisations/>

### **Conduct and culture during COVID-19 - FCA publishes Insight article – 10 June 2020**

The FCA Insight pages, which hosts commentary and opinion from FCA staff and outside authors includes an interesting article entitled '[Conduct, culture and Covid-19](#)'. This focuses on the challenges that firms are facing in relation to conduct and culture as a result of the pandemic but also the opportunities that are being created and includes useful considerations for firms.

### **Ombudsman News Issue 152 – 5 June 2020**

The Financial Ombudsman Service (FOS) has published [Issue 152](#) of Ombudsman News. The latest edition includes:

- guidance for firms on specific types of complaints relating to COVID-19;
- commentary on FOS's annual complaints data for 2019/20;
- details about FOS's future 5-year strategy up to 2025; and
- information resources on frauds and scams.

### **Ombudsman publishes 2019/20 complaints data and future strategy – 3 June 2020**

FOS has [published](#) its 2019/20 annual complaints data alongside its future strategy. Going forward, FOS will have three strategic priorities:

1. enhancing the services offered, including through alternative dispute resolution;
2. preventing complaints and unfairness arising; and
3. building an organisation with the capabilities it needs for the future.

The 2019/20 annual complaints data shows that the FOS received:

- Over 270,000 new complaints relating to financial businesses, a decrease from an estimated 388,000 complaints received in 2018/19.
- 122,000 complaints about PPI;
- A steady increase each year in the number of complaints about consumer credit and particularly instalment loans, guarantor loans and point of sale loans.

#### **FCA publishes finalised guidance in relation to assessing financial resources – 11 June 2020**

Following a previous consultation, the FCA has now published [guidance](#) for firms setting out the Regulator's expectations of how firms determine they have adequate financial resources. The guidance is seeking to provide clarity on:

- the role of adequate financial resources in minimising harm
- the practices firms can adopt when assessing adequate financial resources
- how the FCA assesses the adequacy of a firm's financial resources

This guidance does not place specific additional requirements on firms because of Covid-19, but the crisis underlines the need for all firms to have adequate resources in place and to assess how those needs may change in the future.

#### **Firms to prepare for phased move to FCA's new data collection platform RegData – 22 June 2020**

The FCA has [announced](#) the name of its new system to replace GABRIEL which will be RegData and the process for a staggered migration onto the system:

- Firms' moving dates will be determined by the nature of their reporting obligations and reporting schedules.
- The FCA will email firms' principal user and associated users 3 weeks before their moving date, with reminders 5 days and 1 day to go.
- In advance of their moving date, firms are required to check they have:
  - up-to-date contact details in Gabriel
  - nominated the correct principal user and assigned administrator rights correctly in Gabriel
  - accurate information in Gabriel about all other active users – with any non-active users disabled

Firms should continue to use Gabriel, using their existing Gabriel login details, until their firm has been moved to the new platform.

This information is a summary of matters which will affect the majority of firms involved in insurance distribution. However, each firm's requirements are individual and it is important that you always seek specific advice from ICS before acting on anything contained in this publication. (SP 2020-06 ... Issued 29/06/2020)

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