

24th July 2015

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Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

CP23/15 Depositor and dormant account protection

I am pleased to set out below TISA's response to this consultation paper.

INTRODUCTION

TISA is a not-for-profit membership association operating within the financial services industry.

TISA's membership comprises over 145 member firms involved in the supply and distribution of savings and investment products and services. These members represent many different sectors of the financial services industry, including banks, stockbrokers, asset managers, insurance companies, fund managers, distributors, building societies, investment managers, third party administrators, consultants and advisers, software providers, financial advisers and pension providers.

TISA has a highly successful track record in working cooperatively with government, regulators, HMT, DWP and HMRC to improve the performance of the industry and the outcomes for consumers. Policy and regulation continues to be the major focus for our members with regard to corporate responsibility.

What makes TISA unique is that we cover the entire industry, incorporating cross sector policy, industry and technical expertise. Whilst we maintain a solid partnership with government, the regulators and wider industry, we remain independent and develop neutral views and opinions. This impartiality is reflected in our ability to drive development projects, which improves industry performance and puts us in the unique position of being able to constantly challenge the status quo to bring about material improvement. At the forefront in all of our recommendations and actions is to consider national and consumer outcomes.

Response to proposals

We agree that customers should have the right to withdraw funds in excess of the previous limit of £85,000 between the beginning of August and the end of 2015.

We believe that arrangements should be put in place to permit customers with balances up to £85,000 to continue to remain protected by the £85,000 limit until their deposit term expires. We do

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not see why applying this protection to fixed term deposits in existence at the start of the consultation period should be problematic.

There will be no assurance that customers will be able to place any excess over the new limit at rates that match those of the term of their existing deposits. This seems unfair to customers.

We should also like to comment that we only heard about these proposals through the press.

These proposals do not only affect banks and other deposit taking institutions. They affect retail customers. Part of their protection is to be withdrawn and the proposals to mitigate this do not address, at all, any potential adverse financial implications for them.

Where proposals affect retail customers we believe that PRA should ensure that TISA and other industry bodies are adequately consulted as part of your consultation process.

If you have any questions, please let me know.

Yours sincerely

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