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Mr Nicholas Wilson

By email: nw@nicholaswilson.com

Dear Mr Wilson

23 September 2019

Thank you for your letter of 3 September 2019 regarding HFC Bank Limited and John Lewis Financial Services Limited. As I said when we met on 4 July 2019 and as Simon Pearce wrote in his letter of 16 July 2019, the FCA is very grateful for the information you have provided to us and we take this issue seriously. It has made a real difference to the people affected by this issue.

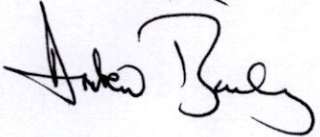
In your letter, you set out a summary of events, including a claim that *"the FCA has refused to look at my evidence, saying that they cannot verify its source. It is county court judgment records held by the Ministry of Justice. They could verify the records there."* I think it is important to reiterate what we have said previously on this subject, which makes the FCA's position clear. As Mr Pearce's letter explained:

In February 2017, you met with Mr Bailey's office and the Supervision team, where you presented information indicating that significantly more customers were due compensation than had been initially identified by HSBC. The FCA sought to corroborate the information and analysis, and engaged with both Restons Solicitors Ltd, Weightmans LLP and the relevant court in this respect. To ensure the accuracy of the data, the FCA was also able to obtain comprehensive and confidential records directly from the relevant court and later from the Ministry of Justice (MoJ). This required us to tackle complicated issues relating to data protection and information disclosure, which needed to be resolved before the relevant information could legally be provided to us and HSBC. I appreciate that the time that this process has taken has been frustrating, as has the limited information we have been able to provide you as to our progress.

However, we can confirm that on receipt of the MoJ data as well as the data you provided to the FCA, HSBC reconciled the account information with the initial population of customers that were identified for remediation. As a result of this exercise and other information, it became evident that the population of customers where the [debt collection charge] had been applied was larger than had been previously understood.

I appreciate that you may disagree with HSBC about the amount of compensation that is due to affected consumers. You are of course entitled to this position and we would be happy to receive any further material you can provide us in order to evidence your assertion. As I said in response to your question at the FCA's Annual Public Meeting this year, we are seeking the same outcome as you, which is fair redress for consumers. In that context, there is no fixed limit to any compensation due and the redress process will be governed by the evidence.

Finally, in your letter you asked about our next steps in relation to this case. As I said in our meeting and as Mr Pearce reiterated, we do not consider this matter closed and are continuing to scrutinise HSBC's compensation programme. While we may not be able to publicly comment on what steps we are taking and our interaction with other bodies, we keep under review whether information should be shared with other regulatory or law enforcement agencies and consider who is best placed to take forward a matter.

Yours Sincerely


Andrew Bailey
Chief Executive