

PRESS NOTICE

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P2PFA RESPONSE TO THE FCA'S INTERIM FEEDBACK STATEMENT

The P2PFA has noted the Financial Conduct Authority's (FCA's) interim feedback statement on their regulatory review of peer-to-peer lending and equity crowdfunding published this morning.

It is welcome that the FCA has recognised that the sector remains relatively small and that regulation needs to be proportionate and risk-based. The P2PFA looks forward to working closely with the FCA in the development of standardised disclosures about the risks and benefits of peer-to-peer lending and other matters.

Christine Farnish, CBE, Chair of the P2PFA, said: *'In any dynamic market regulators need to keep the regulatory regime under close review. We are pleased, therefore, that the FCA has undertaken this sector-wide review at this time.'*

She continued: *'the critical test for any review of this sort is whether the sector is, overall, delivering beneficial outcomes for investors and borrowers. It is not easy for a regulator to grapple with new market entrants, especially when they are disrupting traditional business models and challenging powerful incumbents. We trust that the critical consumer outcomes test – based on a balanced and evidence-based assessment of benefits and risks – will be applied as the Review moves forward.'*

ENDS

Notes to Editors

1. The Peer-to-Peer Finance Association (P2PFA) was established in 2011 as a representative and self-regulatory body for debt-based peer-to-peer lending. The P2PFA seeks to inform and educate, promote high standards of business conduct, and work with policy-makers and regulators to ensure and effective regulatory regime. P2PFA members are required to meet robust standards for the transparent, fair and orderly operation of peer-to-peer lending, and the eight member platforms comprise more than seventy-five per cent of the total UK peer-to-peer lending market. These platforms are: Funding Circle, Landbay, Lending Works, Lendinvest, Market Invoice, RateSetter, Thin Cats and Zopa.
2. The FCA's interim feedback statement can be accessed at: <https://www.fca.org.uk/publication/feedback/fs16-13.pdf>.

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