

StepChange response to FCA consultation – CP26/7: Credit Information Market Study: Proposed approach to implementing FCA remedies

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Introduction

StepChange Debt Charity is a specialist not-for-profit provider of debt advice and debt solutions supporting people across the UK. In 2025, over 160,000 people completed a full debt advice through our online and telephone service.

We welcome this consultation on the Credit Information Market Study proposals. Our research demonstrates that credit information is central to consumer outcomes and the harms StepChange sees as a free debt advice provider.

Credit information should support financial inclusion. Where it is accurate and comprehensive, credit information can facilitate responsible and affordable lending. So, we hope that these proposals will support the Government's wider financial inclusion aims.

We are broadly supportive of the proposals to implement the FCA remedies. We understand the balance the FCA has sought to strike between meeting the goals laid out in the Credit Information Market Study and not putting an undue burden on firms. This goal to minimise requirements on firms must be balanced, however, with ensuring that the proposals deliver a real benefit to consumers and support wider financial inclusion aims. For the CIMS proposals to meet their aim of improving the quality of consumer credit information, work must be aligned with that of the new Credit Information Governance Body (CIGB). Coordination between FCA and CIGB led remedies will need to be monitored as it goes forward.

Response to consultation questions

Question 1: Do you agree with our overall approach of proposing new Handbook rules to achieve more consistent market-wide outcomes in this area?

We welcome the FCA's approach of proposing new Handbook rules to achieve more consistent market-wide outcomes in the area of credit reporting. Mandatory reporting requirements for firms in the credit and mortgage markets (Remedy 2A) will deliver regulatory consistency, which will lead to more consistent information, prevent debt problems and support financial inclusion objectives.

As we stated in our response to the FCA's Credit Information Market Study interim report and discussion paper,¹ credit information is central to outcomes for consumers

¹ StepChange (2023) [StepChange response to FCA Credit Information Market Study interim report and discussion paper](#)

and tackling inconsistencies within reporting is key to addressing the harms StepChange sees as a free debt advice provider.

Gaps and weaknesses in credit information undermine firms' ability to ensure access to affordable borrowing, prevent unaffordable borrowing and intervene early to prevent problem debt. We hope, too, that the provision of more comprehensive information will tackle the issue of 'thin' credit files, which also act as a barrier to accessing affordable credit and financial services.

We also know from our research that concerns around credit reporting contributes to anxiety and fear, which prevents people in financial difficulty from accessing help at the right time.² Our most recent research about experiences of coerced debt also found that concerns around credit files was a direct barrier to support-seeking behaviour for victim-survivors,³ so improving principles of accuracy and fairness within credit reporting is something that could support consumers in vulnerable circumstances. This also supports wider goals around financial inclusion. For this to happen, however, reporting needs to be consistent across the three Designated Consumer Credit Reference Agencies (DCCRAs).

Question 2: What are your views on our proposal that where firms in scope of the requirements share any consumer credit information on reportable agreements with at least one DCCRA, they should share all available information on those agreements with all DCCRAs, and do you agree with the rationale for the proposed approach? If not, please explain why.

We agree with the proposed approach that where firms share any consumer credit information on reportable agreements with at least one DCCRA, they should share all available information on those agreements with all DCCRAs, but we would recommend that the FCA reviews how this approach works in practice to ensure that the information captured is comprehensive and accurate.

Question 3: Do you agree that the approach outlined above is a proportionate way of capturing the majority of regulated agreements and do you agree with the reasons for not proposing an absolute requirement? Please provide reasons for your answer.

We understand that an absolute requirement could be overly burdensome for smaller firms. This should, however, be measured against the possible financial inclusion benefits of maximising coverage. If 2% of agreements from small lenders aren't covered, this could affect consumers with 'thin' files in the absence of reporting. As such, and as above, this should be kept under review.

² StepChange (2022) [Mixed messages: Why communications to people in financial difficulty need to offer a clearer, better route to help](#)

³ StepChange (2026) [Filed away: The experiences of victim-survivors with coerced debts during and after economic abuse](#)

Question 4: Do you have any views on the proposed scope of regulated activities set out above? Are there any types of regulated activities that should be in scope?

Our view is that the proposed scope of regulated activities set out above covers everything we would expect it to, including consumer credit and mortgage agreements.

Question 5: Do you have any views on the types of agreements that are to be in and out of scope of the proposed mandatory reporting requirement?

We broadly support the proposed types of agreements that are to be in and out of scope of the mandatory reporting requirement.

The inclusion of deferred payment credit (DPC) in scope of the FCA's regulatory remit is a positive step. Our research has consistently shown that DPC is associated with financial difficulty, with those with DPC debt three times more likely to be in problem debt (23%) than all UK adults, for example.⁴ Better credit information including DPC data should help ensure DPC lending is affordable, and DPC firms support customers in difficulty with a fuller picture of their circumstances.

The impact of the inclusion of DPC within FCA rules on credit access are as yet uncertain: it could lead to reduced use of these types of products,⁵ but could also have benefits for sustainable access to credit by preventing unaffordable lending that leads to exclusion. Therefore, it will be important to monitor the impact of DPC rules and the reporting of credit information on DPC agreements to ensure financial inclusion objectives are met. There is an interaction here with industry-led remedy 2B and the policy of delivering better outcomes for borrowers in financial difficulty. The FCA should monitor the impact of DPC reporting and co-ordinate with the CIGB on implementation of remedies 2A and 2B. This is therefore an opportunity for the FCA and the CIGB to coordinate to ensure that users of DPC are not unnecessarily excluded from accessing other forms of credit.

Question 6: Do you consider the types of consumer credit information we have proposed strike the right balance between regulatory certainty and flexibility for evolving market practice, including ongoing industry work on the common data format? If not, please explain your reasoning and suggest any changes you think would be appropriate.

We broadly support the above types of consumer credit information the FCA has proposed to include, but this needs to be monitored effectively.

Question 7: Do you agree that firms should be required to share both positive and negative data where available?

⁴ StepChange (2024) [StepChange response to HM Treasury consultation on regulation of BNPL – Draft Legislation](#)

⁵ Fair4AllFinance (2026) [Buy Now Pay Later: A review of the markets, risks and trends](#)

Yes, we agree that firms should be required to share both positive and negative data as this supports the principle of accuracy and has benefits for financial inclusion. This should be accompanied, however, by mechanisms for consumers to challenge negative data where appropriate, for example for victim-survivors of economic abuse, where data has arisen in the context of that abuse.

Question 8: Are there any other types of information that should be included under ‘type of consumer credit information’ in the table above? If so, confirm which ones and explain why.

As part of ongoing work from the CIGB on developing its approach to overseeing and improving the UK credit information market, this body should work with the FCA to explore how these two streams of work align with additional data, such as on vulnerable circumstances.

Question 9: Do you agree that firms in scope of the mandatory reporting requirements should be required to share consumer credit information with DCCRAs at least once per month?

Yes, we agree that firms in scope of the mandatory reporting requirements should be required to share consumer information with DCCRAs at least once per month. This is sensible as people’s circumstances can change rapidly and in order to achieve accuracy, the data shared should keep pace with those changes. Some credit products like DPC and small sum loans are used by some customers frequently and patterns of difficulty can emerge through high-frequency borrowing over a period of only days or weeks. In that vein, a case can be made to report more regularly than once per month, but we recognise that further work is needed to explore the practicalities of more frequent reporting. We support the ongoing work to explore this through industry-led Remedy 4A and the FCA should ensure that work progresses and cost-benefit assessments are made taking into sufficient account benefits for consumers in vulnerable situations.

Question 10: Do you have views on our proposal to exclude CATO data from the mandatory reporting framework at this time?

We understand the decision not to include CATO data in the mandatory reporting framework at this time, but we support the FCA keeping the door open to its future inclusion, with the FCA looking into it and UK Finance leading related industry work. We agree that FCA should keep this issue under review until the remedy 2B approach to CATO is settled.

CATO data can support firms’ affordability assessments and identify that a customer is struggling, so there is a financial inclusion aspect in that making this data available would help firms to make fairer and more accurate lending decisions.

We look forward to seeing how this work progresses and how it will interact with future updates to the mandatory reporting framework.

Question 11: What are your views on our proposed approach to ending sharing of consumer credit information? Do you agree that rules are necessary in this area?

We understand the reasons why the FCA has included provisions on ending sharing on consumer information and welcome the requirement on firms to give notice. We would urge the FCA to keep these rules under review as to possible negative impacts for consumers of firms stopping reporting some or all agreements. The purpose of mandatory reporting to all three DCCRA is to ensure credit information provides a 'single source of truth' as far as possible. Firms withdrawing from sharing or sharing information on certain agreements may have consequences for consumers in both financial inclusion and responsible lending outcomes. If the proportion of credit agreements not reported increases materially as a result of the requirement to share data with all DCCRA (firms finding this burdensome), then the FCA may need to consider an alternative way of ensuring a comprehensive single source of truth for credit information.

Question 12: Where firms transfer agreements which are being reported to another firm (for sale, insolvency, or otherwise), do you agree that specific rules are necessary to set clear expectations or would it be sufficient if we were to only refer firms to their obligations under Principle 12 (Consumer Duty) to ensure that their approach supports good consumer outcomes?

We agree with this proposal. Specific rules are necessary to set clear expectations and avoid confusion; the Consumer Duty is not sufficient in a context that is so specific. For example, guidance needs to be set around whether the new firm will also be reporting, how a transfer will work in practice, i.e. transferring debts where there is an ongoing dispute or investigation. In such a case, this could have implications for consumers who are experiencing or have experienced coerced debt or fraud, and who may have pending investigations.

Question 13: Is it helpful to include these provisions on the interaction of the proposed framework with data protection legislation?

It is helpful to include provisions and guidance on the interaction between the proposed framework with data protection legislation to ensure firms have clarity and to ensure all personal data shared is handled lawfully, fairly and transparently.

Question 14: Do you agree that the Consumer Duty alone is not sufficient to make sure information shared under the framework is of high quality and additional requirements are necessary to deliver consistent outcomes for consumers and effective enforcement where firms do not meet our requirements?

We agree that the Consumer Duty alone is not sufficient to make sure information shared under the framework is of high quality. While the Consumer Duty places a requirement on firms to act to prevent foreseeable harms, specific guidance and additional requirements are necessary to deliver consistent outcomes as the

interpretation of 'good' outcomes is subjective, meaning firms will define what it means in their own context.

We note that there is a read over here to industry-led CIMS remedies such as Remedy 2B (consistent reporting) and 3C (streamlined dispute process). The FCA should co-ordinate with the CIGB to clarify any overlaps between these remedies and the respective oversight responsibilities of the FCA and CIGB.

Question 15: Do you have any views on: (i) errors being corrected across all CRAs to which information was shared? (ii) the timeliness for correcting errors, with the backstop being the next sharing event, unless any delay will have a material adverse impact on the consumer?

We agree with the expectation that firms should correct information promptly and share with all CRAs. This is a sensible approach and one which exemplifies why further guidance is needed in addition to the Consumer Duty.

Question 16: Do you have any comments on our proposal to require all FSMA mortgage and credit firms (not just those subject to the mandatory reporting framework) to respond to a s159 CCA notice from a CRA, within a 14-day deadline (unless exceptional circumstances)?

We support this proposal.

Question 17: Do you support our proposal to introduce a requirement for firms (as listed above) to report CCJs and decrees as satisfied when they become aware they have been paid in full? If not, do you favour retaining the current approach and relying on the Consumer Duty example of good practice?

We support the proposal to introduce a requirement for firms to report CCJs and decrees as satisfied when they become aware they have been paid in full. Relying on the Consumer Duty example of good practice is not, in itself, sufficient to compel firms to act in this regard.

Credit information can have a significant impact on access credit and other essential services; where mistakes are made, it is right that they should be identified and remedied as soon as possible. The latter proposal will help prevent those who have a CCJ, including many StepChange clients, from having information about the judgement remain outstanding on their credit record once it is satisfied. We would also like the FCA to consider extending this requirement to partial settlements of judgement debts, which would include instances where the debts had been written off but were still visible on a consumer's file.

We support the fact that the onus to report CCJs or decrees as satisfied is being transferred from the consumer to the firm. However, if it is only authorised firms that will be able to make these reports, detriment will remain for non-authorised firms that are unable to report.

Question 18: We have excluded ‘home finance providing activity’ from the scope of these provisions. This is because we are not aware of a scenario where such activity would apply to a debt for which a CCJ/decreed has been obtained. If you disagree, please explain why?

We understand that ‘home finance providing activity’ has been excluded from the scope of these provisions as although mortgage repayment shortfalls can lead to court action, this would be relevant to the activity of administering home finance, rather than providing. So, we have no objection to this proposal.

Question 19: Do you agree with our proposed approach to name the DCCRAs in a new sourcebook in our Handbook?

We broadly support this approach but agree it should be monitored effectively.

Question 20: Do you have any views on the proposed non-exhaustive factors listed above that we will consider when deciding whether to designate or de-designate CRAs? Please explain your response?

We broadly agree with the proposed non-exhaustive factors that the FCA will consider when deciding whether to designate or de-designate CRAs. The criteria are sensible, but it needs to be monitored effectively. If other CRAs grow to meet the criteria this could increase the costs for firms if they have to report information to many more agencies, which could in turn discourage firms from reporting and require a rethink of the overall approach.

The proposals are consistent with the policy intent of ensuring that there’s consistent, comprehensive credit information available to financial services. But designation criteria will need to be kept under review in the event of changes in the market necessitate an adapted approach to meet the same policy intent.

Question 21: Do you agree with the proposal to designate Equifax Ltd., Experian Ltd. And TransUnion International UK Ltd. If not, please provide reasons.

We support the proposal to designate Equifax Ltd., Experian Ltd. And TransUnion International UK Ltd., given that they make up the vast majority of the market and all collect their data directly. We support the FCA’s approach to monitoring the competitive landscape and the impact of the framework on both designated and non-designated CRAs over time.

Question 22: Are there any other CRAs you think we should designate? If so, confirm which ones and provide reasons.

We have no comment in response to this question at this time.

Question 23: Do you agree that the proposals to prohibit DCCRAs from presenting their designation status as the basis for marketing or promoting the DCCRA or its

services is sufficient to mitigate the emergence of a ‘halo effect’ in the market? If not, please explain why.

We agree that the proposal to prohibit DCCRAs from presenting their designation status as the basis for marketing or promoting services is sufficient to mitigate the emergence of a ‘halo effect’ in the market that might otherwise disadvantage challenger CRAs or CISPs.

Question 24: Have we sufficiently captured scenarios where it may be necessary and appropriate for DCCRAs to reject consumer credit information?

We would recommend that capturing an additional scenario involving possible coerced debt would strengthen the rules and support better outcomes for consumers in vulnerable circumstances. This should include explicit mention of instances where a DCCRA comes to believe (through a consumer complaint for instance) that credit information has been tainted by coercion would strengthen CRAs’ position to suppress information where necessary. This may require a review of the CONC rules.

In addition, remedy 2B will require consistent reporting of credit information, including the issues raised in the section of the CIMS final report on borrowers in financial difficulty. Information reported by firms could be factually correct but reported in a way that is inconsistent with remedy 2B. As remedy 2B is industry-led, the CIGB should also play a role in overseeing how CRAs accept or reject credit information from contributors. The FCA and CIGB should ensure alignment between CIGB and FCA rules on accepting or rejecting data.

Question 25: Do you have any views on the requirement for DCCRAs to notify us on the grounds described above? We believe this is necessary to ensure transparency and accountability, given the potential implications of rejecting consumer credit information.

We agree that DCCRAs should notify the FCA on the grounds described, as a decision to reject credit information might point to a conduct issue with the contributor, or wider market problem. We would expect DCCRAs to also report this to the CIGB.

Question 26: Do you agree with our proposal not to include requirements prohibiting DCCRAs from levying charges for the receipt of consumer credit information?

We have no objection to this proposal.

Question 27: Do you agree with the proposed approach of setting a high-level requirement on the permitted use of consumer credit information shared under the mandatory reporting framework, while leaving scope for more specific use case scenarios to be addressed by industry arrangements?

We have no objection to this proposal.

Question 28: Are the proposed range of activities relating to the general purpose of promoting responsible lending sufficient and appropriate to provide clarity to market participants and transparency about how information may be used in this context?

We broadly agree, but we would also argue that the promotion of responsible lending through credit information can, our evidence shows, drive worries about credit scores that stop people from getting help, as people fear that getting help with their debts will impact their credit score. Struggling consumers can also take coping actions that negatively impact their situation like unaffordable borrowing using inappropriate credit builder products (because they believe they can address a debt problem through building their credit score and reducing the cost of their borrowing).

So, there needs to be alignment with these proposed Handbook rules and Remedy 2B regarding firms reporting forbearance that reflects what a consumer is repaying to ensure that messaging supports good outcomes for consumers including those at risk of, or in, financial difficulty.

Question 29: Will it be sufficiently clear to recipients of consumer credit information (including DCCRA or firms subject to the mandatory reporting requirement) whether the consumer credit information received has been shared under the mandatory reporting requirement, and is therefore subject to provisions on permitted use?

We are unsure whether this is sufficiently clear given that the same information is being shared under two different bases: both under mandatory rules and under principles of reciprocity.

Question 30: Are there any other implications, for example in relation to contractual arrangements or adherence to data protection legislation, that may arise in relation to these proposals?

The rules of permitted use of mandatory reported information do not include wider use examples like research purposes where this is in the public interest. We understand that decisioning on permitting this type of use sat within the principles of reciprocity (PoR), oversight of which has passed to the CIGB. The FCA may need to further clarify that the rules on permitted use of mandatory reported data set out in the consultation do not constrain wide legitimate use that might be accepted by the CIGB in a future review of the PoR.

Question 31: Do you agree that firms who are sharing consumer credit information with at least one DCCRA on the coming into force date should be subject to the mandatory reporting requirement at that time?

We agree with this proposal.

Question 32: Do you agree that firms who begin sharing consumer credit information with at least one DCCRA after the coming into force date should be given a 6-month lead in time before being subject to the mandatory reporting requirement? We would

be interested to hear your reasons for supporting the 6-month lead in time, and if you disagree with the 6-month period, how long this should be and why?

We agree that giving some firms more time to prepare for sharing data may act as an incentive for them to share. However, we would argue that the 6-month extension might be granted by exception (firms should state grounds) rather than applying automatically across the market.

Here we also note that the FCA's proposals to allow firms to stop reporting (report to all DCCRA or none) may result in poor outcomes for consumers. The FCA might consider requiring firm's decisions to stop reporting credit information to be conditional on demonstrating reasonable grounds. That additional reporting might create additional costs should be weighed against possible consumer harm in considering reasonable grounds.

Question 33: Do you have any concerns or foresee any practical issues with the proposals set out above?

Please see our answer to Q32

Question 34: Do you agree with our proposed approach of sending a section 165 request to DCCRA approximately 12 months after the mandatory reporting requirement comes into force?

We agree with the proposed approach of sending a section 165 request to DCCRA approximately 12 months after the mandatory reporting requirement comes into force. But it would be useful to understand whether this leads to the FCA getting consistent information, as well as the impact on thin files. This work needs to be coordinated with the CIGB in terms of reporting and data strategy.

Question 35: Do you agree with our proposed approach of setting expectations for industry via the Consumer Duty rather than using Handbook rules to introduce a signposting requirement at this time?

Our view is that the FCA should consider publishing standardised explanations to support consumer understanding, including considering how explanations given in statutory credit reports and the single portal could encourage more consumers in difficulty to seek help from appropriate sources. The FCA should also review whether signposting has improved, as this will help to demonstrate the extent to which the Consumer Duty is working to improve signposting and to address the issues identified in the Market Study.

Question 36 – 38: Do you have any comments on our cost benefit analysis? Do you agree with the assumptions made in our cost benefit analysis? Are there any significant costs or benefits that we did not adequately consider in our cost benefit analysis?

StepChange Response to FCA Consultation – CP26/7: Credit Information Market Study: Proposed approach to implementing FCA remedies

At this time, we have no comment on the cost to firms. But we welcome the proposals in terms of the benefits they should offer consumers. Delivering more accurate and comprehensive credit information will support responsible lending and wider financial inclusion aims. As a free debt advice provider, we see how credit information maps onto some of the harms StepChange sees.

We have identified how financial difficulties journeys and problem debt harms arise from desperation borrowing among people unable to keep up with existing credit commitments and other essential costs. Gaps and weaknesses in credit information undermine the ability of firms to prevent unaffordable borrowing and/or intervene early to stop debt spirals. Our research also indicates that concerns about credit reporting contributed to anxiety and fear, preventing people from accessing help at the right time. Our recent research into the experiences of private renters and victim-survivors of economic abuse also demonstrated how broader impacts of credit information impacts different groups in different ways, causing significant harm.

We therefore hope that the proposals outlined by the FCA will increase the scope of information firms have to make good lending decisions, driving up financial inclusion and preventing unaffordable lending that can create financial harm.

As we have mentioned previously, the possible cost to firms should be weighed up against the benefit to consumers, particularly consumers in vulnerable circumstances, who are not specifically mentioned in the cost benefit analysis.