

Introduction to the Financial Services Authority – information for consumers



Who we are

The Financial Services Authority (FSA) is the independent watchdog set up by government under the Financial Services and Markets Act 2000 to regulate financial services in the UK, and protect the rights of retail customers. The FSA's aims are to promote efficient, orderly and fair financial markets and help you get a fair deal. Our funding comes from levies on the firms we regulate.

What and who we regulate

By law, most financial services firms must be authorised by the FSA to do business in the UK. Once they are authorised, they must follow our rules. We regulate the firms, which means we check they are following the rules.

The firms we regulate include banks, building societies, credit unions, insurance companies, friendly societies, financial advisers, stockbrokers, fund managers, mortgage brokers and insurance intermediaries. Types of business we don't regulate include the sale and administration of personal loans, credit cards, second-charge loans and occupational pension schemes. Other agencies regulate or monitor these services. See *Contact details for other services* overleaf.

Firms established in another EEA (European Economic Area) country may also be authorised in the UK if they are regulated by their own country and the FSA has been told that they want to do business here. The FSA may regulate some aspects of the way they do business with you unless they only use e-commerce.

How we do it

Authorisation

Firms that need to be authorised must show they can meet set standards. These standards require them to be competent and financially sound and to treat their customers fairly. When firms reach these standards they are then authorised and placed on the FSA Register. It is important for you to always check that the firm or person you are dealing with is authorised by us. If they are not – then let us know! To check, visit the FSA Firm Check Service on www.fsa.gov.uk/consumer or phone the Consumer Helpline (overleaf).

Setting and monitoring standards for financial firms

Once a firm is authorised by the FSA, it is under an obligation to continue to meet the set standards. We use a risk-based approach to decide how to monitor different firms. We also look at the way it deals with consumers to ensure the information it gives them is clear and not misleading.

Enforcement

Where necessary, we will investigate, discipline or prosecute any firm or individual who breaks the rules while conducting financial business. This can mean anything from a fine, to withdrawing authorisation, or prosecution through the courts.



Tackling market abuse

We have the power to publicly censure or impose an unlimited fine on anyone, whether they are authorised or not, who commits market abuse. Examples of market abuse include buying shares in a company in advance with inside knowledge about, say, a forthcoming takeover, or creating false or misleading impressions, or driving up (or down) the price of shares to a distorted level.

Consumer services

We have specific responsibilities to consumers:

Information

We aim to help consumers become better informed about financial matters so that they can manage their financial affairs more effectively. Our work in this area includes:

- a Consumer Helpline offering information and general guidance on 0845 606 1234, available Monday to Friday 8.00am-8.00pm. Our Helpline can answer general queries and may be able to put you in touch with other organisations that can help. As an independent regulator, the FSA does not investigate individual complaints and cannot recommend any firms, or give advice about which specific firms or products you should consider;
- a section of our website especially for consumers at www.fsa.gov.uk/consumer;
- online comparative tables that compare different financial products, for example for their charges and flexibility, at www.fsa.gov.uk/tables;
- free, easy-to-understand booklets covering a wide range of topics both general and product-specific – available from our Consumer Helpline and website; and
- resources for schools about personal finance.

Protection

We work to secure an appropriate degree of protection for consumers, helping them understand their rights and responsibilities and also the limitations of the FSA in its role as regulator. We do not deal with complaints against firms, although we set the rules which firms should follow when dealing with complaints. The Financial Ombudsman Service (on 0845 080 1800) is the independent body set up by law to investigate a complaint against a firm operating in the UK when a consumer is not satisfied with the way the firm has handled it. The Financial Services Compensation Scheme (on 020 7892 7300) can usually pay compensation to consumers when a UK authorised firm goes out of business.

To find out more about the FSA, visit our main website on www.fsa.gov.uk

Contact details for other services

Financial service	Contact
Occupational pension schemes and their administration	The Pensions Advisory Service. Tel: 0845 601 2923 Website: www.pensionsadvisoryservice.org.uk The Pensions Regulator. Tel: 0870 606 3636 Website: www.thepensionsregulator.gov.uk
Personal loans, credit cards and most second-charge loans	The Office of Fair Trading. Tel: 020 7211 8000 E-mail: enquiries@oft.gov.uk Website: www.oft.gov.uk Local Trading Standards Website: www.tradingstandards.gov.uk

April 2005