

FCA Consumer Credit Product Sales Data

EMA FS Regulatory Insight Centre

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How to successfully meet the FCA's requirements

In April, the FCA confirmed the introduction of new reporting requirements for consumer credit firms. The significance of this change may have slipped under the radar, with many firms assuming that it will only require minor tweaks to existing MI gathering exercises. However, given the granularity of data required, and the way in which the FCA may use the results, firms under-estimate the impact of these changes at their peril. In this article, we consider how firms can implement the FCA's requirements effectively and leverage them as part of their own internal customer outcomes monitoring.



What are the Consumer Credit PSD returns?

The FCA's new rules apply to firms engaged in consumer credit lending with a lending book greater than £2m, and those firms who advise or represent lenders. These changes are significant for the market in two ways, as they (i) they significantly expand the scope of PSD reporting requirements (ii) require more granular data at more regular intervals.

The new rules introduce three Product Sales Data (PSD) returns:

1. Sales
2. Performance
3. Back book

Sales and Performance returns will be required on a quarterly basis whereas the back book returns will be run as a one-off exercise covering all relevant regulated credit agreements that are active at the beginning of a firm's first reporting period. The type of information collected cover the entire customer lending lifecycle with data categories spanning the following areas:

- Core agreement,
- Borrower and affordability;
- Charges and fees
- Arrears and the implementation



Key takeaways

1

Firms should take steps as soon as possible to ensure compliance by the deadline.

2

Gaps will need to be identified and addressed before the July 2025/May 2026 deadlines.

3

It may be difficult to create clean, accurate and high quality "data assets".

4

Firms should be mindful of the links to the Consumer Duty.

5

Robust planning and accountability are the keys to success.



Implementation

Implementation will be phased according to the size of a firm's lending book, with larger firms required to submit their first returns within 14 months and smaller firms after 20 months. The FCA will have communicated a go-live date to firms in-scope of PSD reporting.

The introduction of the Consumer Credit PSD is part of the FCA's wider push to be outcomes focused and more data-led. The FCA expects to harness this data to look at how customer outcomes differ between firms, and drill down to specific product features which may be responsible for poor consumer outcomes. Firms should look at this data through the lens of the Consumer Duty and consider what it reveals about customer outcomes.

Consumer Credit Product Sales Data

- Introduction of three new PSD returns into SUP 16 – Sales, Performance and Back Book.
- Applicable to firms engaged in consumer credit lending and firms who advise, represent, or provide regulatory reporting software for firms engaged in consumer credit lending.
- Threshold for reporting £2m in outstanding balances and/or £2m in new advances.



Large Firm Implementation

- Large Firms (£20m plus) have 14 months to prepare for the new returns.
- First reporting period for firm's currently in-scope will be Quarter 3 2025.
- Sales Data due by 28/10/2025.



- Performance and Back Book due by 11/11/2025.
- Back Book data should cover period up to Quarter 3 2025.

Small Firm Implementation

- Small Firms (£2m-£20m) have 20 months to prepare for the new returns.



- First reporting period for firm's currently in-scope will be Quarter 1 2026.
- Sales Data due by 30/04/2026.
- Performance and Back Book due by 15/05/2026.
- Back Book data should cover period up to Quarter 1 2026.



BAU Submission

- Sales and Performance data will be submitted quarterly.
- Firms coming into scope at a later date will have the same implementation period (e.g. 20 months for a Small Firm).
- FCA intend to publish high-level view of market in line with publication of other PSD returns.



Actions for firms

With the implementation of the Consumer Duty weighing heavily on many firms' resources, it would be easy to put off starting work on these new returns. However, firms should not delay as this could result in problems further down the line with issues such as data gaps more difficult to address in a timeline manner closer to the deadline.

Challenges gathering MI and data have been a recurring theme for firms, seen most recently with the Consumer Duty implementation.

Step: 1 Planning and resourcing – what is required to meet the deadline?

The importance of this stage should not be underestimated as the PSD requirements are complex and cover a large number of data points.

Key to remaining on track will be robust project planning, from initial assessment of the requirements through to making the first submission.

This will require identification of the right resources and key internal and external stakeholders, and the development of an appropriate project governance structure.

When considering stakeholders, close attention should be paid to any third parties that may hold data for the returns and what will be required of them. For example, outsourcing of collection activity may create added complexities in firms' ability to access the required data regularly or make system changes – this will need to be factored into project planning.

Another key element of this stage will be identifying any interdependencies, such as those with the Consumer Duty, where certain data points may form part of Duty outcome testing. There may also be learnings from Duty implementation that could be applied to this project.

Successful delivery will likely hinge on having the right resources in place with enough capacity and appropriate skillsets. The project governance structures identified in the planning stage should ensure that accountable senior management is involved to ensure appropriate priority is given to developing the PSD report and obtaining Board buy-in. Data and tooling support may also be required where necessary upgrades or enhancements to core systems are identified.

01 Planning and Resourcing

02 Current State Assessment

03 Pilot Testing

04 Implementation

05 BAU Handover



Actions for firms (cont'd)

Step 2: Current state assessment – do we have all the right data in the right format?

An urgent first step will be to assess current versus future state data requirements so that there is a clear articulation of what data is required to comply with the requirements and how this will be sourced and gathered safely in a repeatable way.

This will involve:

- Detailed mapping of all lending products and the data points available. Here, again, here a firm's existing Consumer Duty work will prove invaluable.
- Assessment of these data against the requirements of the PSD.
- Gap rectification planning.

Where gaps are identified, firms should consider whether the data exists and how much time and effort is required to extract the data on a regular basis.

Where the data does not exist, firms should focus on the processes and procedures required to capture it and how long this will take. Where gaps cannot be addressed in full by the deadline, thought should be given to tactical fixes. In these circumstances it is ad whether this should be communicated to the FCA at the earliest opportunity (outlining when this gap can reasonably be expected to be closed).

Step 3: Pilot testing and assurance – does our solution work?

We recommend that firms run a pilot and test process to ensure that any systems changes work as intended and to ensure right first time execution when submitting the first set of returns to the regulator.

Firms should consider internal or external assurance and make use of the sandbox environment for testing submissions. It will be essential to leave time between testing and the first reporting deadline – as iterations are to be expected.

Step 4: Implementation – how do we go live?

The initial 'go live' process ahead of the first submission will require thorough governance and is best undertaken as part of a structure programme. Given the complexity involved in sourcing the data, and the high-stakes and regulatory risk involved, the programme team will likely need to provide Hypercare support between Pilot and Implementation (a concentrated period where the project team provide additional support to address any issues, bugs or user concerns).

Step 5: BAU handover – how will returns be embedded into BAU processes?

During the project lifecycle, thought should be given to the steps required to transition the returns process into the BAU environment, considering:

- How the ongoing process of producing PSD reports will be operationalise;
- What approvals and sign-offs will be needed for ongoing submissions, and;
- What controls will be put in place to ensure the accuracy of ongoing submissions.



Consumer Duty considerations

The FCA will use the PSD returns in place of thematic information requests, and firms should be mindful of this when assessing what their data tells them about their customer outcomes. Interrogation of these data will be key, noting any red flags, undertaking root cause analysis to identify the drivers for adverse outcomes, and taking steps to rectify them.

Firms should consider what mechanisms they have in place to link their PSD returns to their ongoing Consumer Duty monitoring and any processes for raising and tracking issues and addressing any inconsistencies. Given the PSD will be a quarterly submission, firms should ensure they have repeatable process for reviewing their data, taking actions to address potentially poor customer outcomes, and being prepared to respond to any FCA questioning.



In summary:

1. Firms should take steps as soon as possible to ensure compliance by the deadline. 444 firms are in-scope and will likely need to make significant and complex changes to existing data reporting.
2. Challenges for firms will include identifying and preparing customer data, and addressing any gaps ahead of the July 2025/ May 2026 deadline (dependent on book size).
3. It may be complex to create a 'data asset' which pulls in information from multiple systems while ensuring the accuracy and quality of data. Cleansing data alongside implementing any necessary system, process and control changes will be challenging.
4. The FCA has been clear that firms should ensure alignment of data with their Consumer Duty MI and reporting and that it will use the returns to identify harm. Firms should be mindful of this and of what returns data may indicate about customer outcomes.
5. The keys to success are robust planning and identifying the right resources to deliver the returns, championed by senior leaders who will be accountable and responsible for successful implementation.



How can KPMG in the UK help?

KPMG in the UK experts can support you with preparation of the PSD return, ranging from specialist regulatory to operational transformation support and all the way through to enhancements to data, technology and tooling.



If you would like to hear from the team, or require specific support with the Product Sales Data return, please do not hesitate to get in touch.



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