



# The Car Finance Scandal; The Complete Expos 

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# A Brief Recap on the PPI Scandal

- The £50 Billion scandal caused **extensive reputational damage** to the banking sector and the financial regulators, **corroding the public's trust and confidence**, and thereby **acting as a brake on growth**.
- The FSA and then the FCA were **shown to have failed to protect consumers** and **acted far too slowly in the face of widespread misconduct**, despite whistleblower reports they received showing **clear evidence of systemic mis-selling**.
- Critics accused the FSA of being too close to the banks and not assertive enough in consumer protection - **the regulators were seen to be weak and incompetent**, allowing a culture of sales-driven misconduct to continue for over a decade.

# A Brief Recap on the PPI Scandal continued

- The FCA's successor role to the FSA came with **a mandate to restore trust**, partly because the FSA's reputation had been irreparably damaged.
- MPs, consumer groups, and the media heavily criticised the FSA and later the FCA for allowing banks to profit from widespread abuse - the **Parliamentary Commission on Banking Standards described the regulatory responses as "timid."**
- The PPI scandal was one of the factors that led to the demise of the FSA; the scandal became a case study in **catastrophic regulatory failure**.

# Do you have a sense of déjà vu?

- **#1. Are the financial regulators guilty of the same failings in the car finance scandal as they were in the PPI scandal?**
- **#2. And if so, what does that tell us about whether they are fit for purpose?**
- **#3. And if they are shown to not be fit for purpose, does the car finance scandal pose an existential threat to them?**

# Is Consumer Protection in jeopardy?



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## Minister promises to curb powers of UK's financial ombudsman

Proposed overhaul to form critical part of government's financial services review next month



A photograph of Emma Reynolds MP, Economic Secretary to the Treasury, speaking at a podium. The podium has a sign that reads 'TheCityUK Annual Conference 2025'. The background is a blue screen with text that includes 'Keynote speech' and 'Emma Reynolds MP Economic Secretary to the Treasury'.

City minister Emma Reynolds says the FOS 'cannot, and it should not act as a quasi-regulator' © Thomas Krych/ZUMA/Reuters

Martin Arnold in London

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## Robert F. Kennedy

“Every time we turn our heads the other way when we see the law flouted, when we tolerate what we know to be wrong, when we close our eyes and ears to the corrupt because we are too busy or too frightened, when we fail to speak up and speak out, we strike a blow against freedom and decency and justice.”