



PRIVATE AND CONFIDENTIAL

Mr Otto Thoresen
Thoresen Review of Generic Financial Advice
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

25 April 2007

Dear Mr Thoresen

Financial Services Compensation Scheme response to the Thoresen Review of Generic Financial Advice – Call for Evidence

Thank you for inviting us to contribute to the first stage of your independent review into delivering a national approach to generic financial advice. We fully support the Government aim of all adults in the UK having access to high quality generic financial advice.

It may be helpful if we first give you some background to our organisation. The Financial Services Compensation Scheme (FSCS) is the UK's statutory fund of last resort for customers of regulated financial services firms. We are a non-profit making independent body, created under the Financial Services and Markets Act 2000 (FSMA), which aims to provide an effective and efficient compensation service for UK consumers and help maintain confidence in the financial services sector.

Our primary role is to protect consumers who have incurred financial losses when firms regulated by industry watchdog the Financial Services Authority (FSA) are unable, or likely to be unable, to pay claims against them.

In your call for evidence document you have defined 'Generic Financial Advice' as personalised but unregulated and our response is based on that definition. We have no comment on any of the issues, either strategic or operational, mentioned in your call for evidence document, as consumer compensation is not covered.

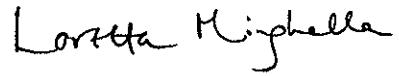
As it appears that generic financial advice will be unregulated, and therefore uncompensated, it is important that these limitations are clearly evident to consumers. It will be vital that consumers who want personalised advice and full FSMA customer protection, such as access to the FSCS, are not sold short if the distinctions between generic and personalised advice are not made clear.

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We do wish to remain involved in the review and look forward to commenting further when more detailed proposals are available. Please do not hesitate to contact us if you need any more information.

Yours sincerely

A handwritten signature in black ink that reads "Loretta Minghella". The script is cursive and fluid, with the first name "Loretta" being more prominent than the last name "Minghella".

Loretta Minghella
Chief Executive