

SRA consultation

Regulation of Consumer Credit Activities

Response by the Junior Lawyers Division of the Law Society of England and Wales

The Junior Lawyers Division of the Law Society of England and Wales (the 'JLD') represents LPC students, paralegals who have completed the LPC, trainee solicitors, and solicitors up to five years qualified. With a membership of approximately 75,000, it is important that we represent our members in all matters likely to affect them either currently and / or in the future.

The JLD has concerns regarding the SRA's withdrawal from the regulation of consumer credit activities and its impact on the wider profession and for our members' future careers, namely:

- Additional costs for firms completing debt management work;
- The potential for firms to offer instalment payments to clients requiring regulation from the FCA, without incurring additional cost; and, most importantly,
- The impact of the above points on the consumer. This proposal will likely reduce the availability of firms completing debt management work and offering payment via instalments. Therefore, the JLD considers that this proposal has the potential to be detrimental to the consumer.

While the JLD considers these important issues for the SRA to consider, the JLD considers that the 'Consumer Credit' consultation does not affect its members directly at this present time, and it is understood that other stakeholders and representative bodies are raising these issues on behalf of their members that are directly affected. The JLD feels it is necessary, however, to raise the above concerns.

The Junior Lawyers Division

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