Department for Business Innovation & Skills

GOVERNMENT RESPONSE TO THE BRISTOL UNIVERSITY REPORT ON HIGH COST CREDIT

MARCH 2013

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MINISTERIAL FOREWORD

The Coalition Agreement set out the Government's commitment to curb unsustainable lending; to strengthen consumer protections; and to put in place a safe, fair regulatory framework for credit and personal insolvency.

In 2011, the Government commissioned a report from the University of Bristol on the impact of a total cost of credit cap. The findings of this report are a key milestone in developing our evidence base on the fast-moving and growing high cost credit markets and the impact on consumers.

The evidence from the Bristol report, and from the Office of Fair Trading (OFT)'s final report on payday compliance also published today, clearly show that the high cost credit market, and most particularly the payday lending market, is not functioning in consumers' interests. Too many firms are not complying with the legislation and guidance in place. There are concerns that the business model of the payday industry itself may be fundamentally flawed and that competition may not be working effectively. As a result, consumers are suffering serious detriment. Both reports have identified clear evidence of problems in the way in which lenders advertise and market their payday loans to consumers, provide the loans to consumers and manage their relationship with customers once they have a loan.

I am deeply concerned about the scale of consumer detriment identified and the evidence of widespread non-compliance by payday lenders. The Government will not stand by and let these concerns go unaddressed. This Government will work together with the relevant regulators to tackle the problems identified, by raising standards and taking tough enforcement action against unscrupulous lenders.

Until April 2014, the focus will be on what we can do together with the OFT to address immediate concerns. I have separately, together with the Economic Secretary to the Treasury, published the Government consultation on the transfer of consumer credit regulation to the new Financial Conduct Authority (FCA). The FCA will have tough, responsive and dynamic powers to tackle emerging problems in these markets quickly and effectively from April 2014.

This Government response to the Bristol report sets out how Government and regulators together tackle concerns in the payday lending market:

- The OFT now, and the FCA from April 2014, will clamp down on irresponsible practices and in some cases blatant non-compliance by lenders;

- The OFT is consulting on a provisional decision to refer the payday lending market to the Competition Commission;

- The Government will begin immediate work with industry and regulators to clamp down on advertising of payday loans;

- The Government is strongly pressing for the industry to improve compliance with payday lending codes and to put in place new provisions within the codes to address specific areas of concern, notably use of continuous payment authority;

- The FSA have committed to consider whether there are gaps in the regulation of payday lending that need to be addressed by the FCA from April 2014.

The Government does not believe that a cap on the total cost of credit would be the best solution now to the problems that have been identified by the Bristol report and the OFT payday compliance review. However, the Government recognises that a cap might be appropriate at some point in the future. This is why we have provided the FCA with specific powers to impose a cap on the cost and duration of credit, should they deem it appropriate once they take over the responsibility for consumer credit in April 2014.

Government believes that tough enforcement and compliance action today, combined with a move to a new consumer credit regulatory regime that is equipped to deliver more robust consumer protection in the future, will do much to address the key concerns in this market. It will weed out rogue lenders, ensure that consumers have tools to make the right borrowing decisions for them, and provide important protection and help for consumers who find themselves in difficulty.

Jo Swinson

Jo Swinson, Minister for Employment Relations and Consumer Affairs

1. INTRODUCTION

The Coalition Agreement set out the Government's commitment to curb unsustainable lending; to strengthen consumer protections; and to put in place a safe, fair regulatory framework for credit and personal insolvency. The Government wants to encourage responsible decisions by consumers and lenders. People should be free to borrow and to have the tools to make an informed decision about which credit products are right for them.

More effective regulation of the credit sector is vital to securing better outcomes for consumers. The Government wants to see a regulatory regime which can keep pace with the innovative and fast-moving consumer credit market. Our view is that this is best delivered through a system based on a regulator with tough, flexible and dynamic powers, rather than a system dependent on primary legislation and non-binding guidance.

In November 2011[1], the Government announced the appointment of the Personal Finance Research Centre (Bristol University) and TNS-BMRB to undertake an important research project (the Bristol report) to assess the impact of a cap on the total cost of credit in the higher cost credit markets in the UK. The report considered three short term credit markets, namely payday lending (both retail and online), home credit and pawnbroking. The Government's aim was to gain a better understanding of these markets. In particular, we wanted to understand whether there are any issues with the way in which the products within these markets are accessed and used by consumers. We wanted to consider whether the existing regulatory and other interventions in this market were appropriate to address any issues identified and to consider specifically whether there would be merit to a cap on total cost of credit within these markets.

The Bristol report[2] is one of the most comprehensive studies of the UK's short term credit sector undertaken to date. In order to inform the conclusions of the report, nearly 1500 users of payday loans, pawnbroking and home credit were surveyed as well as representatives from 5 trade associations and 24 lenders. The Bristol report provides unprecedented insight and analysis at a time when credit markets – and particularly the high cost credit sector – are under significant scrutiny, and concerns have been raised about widespread misconduct resulting in consumer detriment.

The Government is announcing today that responsibility for regulating consumer credit will transfer from the Office Fair Trading (OFT) to the new Financial Conduct Authority (FCA) in April 2014. The FCA will be a dedicated and focused conduct regulator, with a substantial toolkit to identify and tackle misconduct in the credit sector. It will have greater powers than the OFT to take action against behaviour that harms consumers, and will be flexible in adapting to changing markets because of its ability to make binding rules quickly. This replaces the existing system which relies on legislation, which is inevitably slower to respond to change, and on non-binding guidance. The move to a powerful new regulator is therefore a key pillar of the Government's response to the findings of the

[1] As part of the Government response to the Consumer Credit and Personal Insolvency Review, available at: http://webarchive.nationalarchives.gov.uk/+/http://www.bis.gov.uk/Consultations/consumer-credit-call-for-evidence?cat=closedwithresponse.

[2] Available at: https://www.gov.uk/government/policies/making-consumer-credit-markets-fairer--6/activity.

Bristol report. Further detail of the proposed new regulatory model can be found in the Government consultation document on the transfer of the consumer credit regime published today. The remainder of this document also sets out how the FCA will play a key role in tackling the Government's concerns with the high cost credit sector.

2. HEADLINE FINDINGS

The findings of the Bristol report indicate that a variable cap on the total cost of credit in the short term credit market would not be the best way of addressing the causes and consequences of detriment in this market. The findings suggest that such a cap could reduce access to credit, reduce the supply of credit and weaken competition. It could also lead lenders to shift more to charges which fall outside the cap and to optional fees which are generally less transparent to consumers and therefore less conducive to competitive pressures. Consumers who cannot repay on time may also be shown less forbearance by lenders. It could stimulate the growth of other markets which carry a risk of consumer detriment, for example the sale of goods at higher prices for payment by instalments.

The Bristol report further concludes that there is a role for ***short term credit in the UK's credit market***. The report found that this type of credit provides consumers with quick and straightforward access to funds at a time when they can be most in need. It also found that these forms of credit fill an important gap not covered by high street banks. Banks tend not to offer such ease of access to their credit products (such as credit cards or overdrafts) that might be attractive to consumers who are looking for low value, short term credit The report also points to high levels of customer satisfaction with short term credit providers. In particular, they highlighted the convenience of taking out such loans and the good service they experienced. Consumers in the main had a clear understanding that short term credit can be expensive but nevertheless found it useful for their specific needs.

However, the report found there to be worrying evidence of ***consumer detriment in these markets.*** In particular, the report identified concerns around:

- the relatively high cost of credit;
- high default charges and poor practice among some payday lenders in applying these charges;
- the way in which lenders assess the affordability of credit for potential customers;
- strong links between short term credit use and measures of financial difficulty;
- repeated use of rollover loans by a significant minority of consumers;
- significant rates of multiple or repeat borrowing.

The concerns above identified by the Bristol report are reinforced by the findings of the OFT payday compliance review. Its final report[3] published today sets out in clear terms that there is evidence of widespread non-compliance with legislation and guidance in this market. In particular, the OFT highlights concerns about issues relating to: advertising; pre-contractual information and explanations; affordability assessments; rollover loans; forbearance and debt collection; and competence and complaints handling. The OFT report also makes clear that it has wider concerns about the effectiveness of competition in this market and the business models used by payday lenders.

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[3] Available at: http://oft.gov.uk/OFTwork/credit/.

3. GOVERNMENT CONCERNS

The Government notes that the Bristol report considered three short term credit markets: home credit, payday lending and pawnbroking. The Government acknowledges that there are key differences between these markets. They are different sizes and are growing at different paces and are likely to evolve differently in the future. The profiles of consumers using the products within these markets and the way in which the products are accessed and used are also different, as are the concerns raised by consumers. Both the Bristol report and the OFT final report on payday compliance indicate that there is clear evidence of consumer detriment in the payday market specifically. While some of these concerns also apply to some extent in the ***home credit and pawnbroking markets***, the Government does not believe that at this stage the scale of the problem is as pronounced in these markets as it is in the payday lending market. In addition, the Government is mindful of prior action in the home credit market, particularly the Competition Commission's 2006 Market Investigation report , its subsequent order and its recent evaluation of its remedies published on 28 February[4]. The Government therefore believes that any additional action in these markets in advance of the transfer of consumer credit to the FCA is less of a priority. To be clear, the Government does not rule out future action in the home credit and pawnbroking markets, but believes that this should be for the FCA to consider in due course as they carry out their wide-ranging analysis of the credit market.

The Government is deeply concerned by the evidence of problems in the payday market that have been highlighted both in the Bristol report and in the OFT final compliance report and it is here that the Government wants to focus its attention. The Government believes that consumers should be able to benefit from an open, competitive and innovative payday lending market and from transparent products within this market which are marketed fairly to consumers who might benefit from them. The Government believes that payday loans should be available on fair and reasonable terms to those who wish to use them responsibly and that vulnerable consumers should not suffer unnecessary or excessive detriment in these markets. In particular, the Government has concerns about:

a) ***The relative speed and ease of access to payday loans***: The Government is concerned that consumers are too easily able to access payday loans without properly considering the costs and risks of doing so. The Bristol report notes that nearly two thirds of payday customers questioned felt that it was "too easy for them to borrow". The Government believes that consumers are not being presented with a clear picture of the options available to them should they need access to credit. This is not aided by the widespread advertising of payday loans, and the aggressive, and sometimes misleading methods lenders use to approach consumers and encourage them to take out loans. The OFT found that 60% of the payday lending websites they inspected emphasised speed and simplicity and 40% omitted or downplayed important information about the costs and risks to the borrower. The Government believes that the convenience and ease in accessing

[4] Available at: http://www.competition-commission.org.uk/media-centre/latest-news/2013/Feb/cc-evaluates-home-credit-measures

payday loans, whilst attractive to consumers, is acting as a barrier to consumers effectively considering their alternatives to such loans.

b) ***The high cost of borrowing****:* The Government notes that the majority of consumers say they are aware of the relatively high costs of payday loans, and that these costs are, in the main, clearly set out at the point at which the consumer takes out the loan. However, the Government is concerned that consumers do not fully appreciate the impact of taking out such loans and have not fully examined alternatives that are available to them and which could end up being far cheaper for them. This seems to be particularly true for retail payday loans where the Bristol report sets out that only just over a quarter of customers had compared costs before taking out a loan. The OFT report highlights concerns about the information and explanations given to consumers before taking out a loan, and before rolling over or refinancing.

c) ***The way in which lenders assess the affordability of payday loans***: The Government expects that consumers should be able to repay a specific loan in a sustainable manner without incurring further financial difficulties. As set out in their industry codes, payday lenders should be assessing affordability not only for new loans, but also if a customer rolls over or refinances a loan. The Government believes it would be better for a consumer to be refused a loan, and be referred to a source of advice as to how to manage their finances, than to be offered a loan which that consumer has no means to repay, putting that consumer into further financial difficulty. The Government notes that in this respect, the Bristol Report found that fewer than 1 in 10 customers of online payday lenders were asked for evidence such as payslips or bank statements when taking out a loan. While it may be the case that online lenders make greater use of shared data than other lenders, currently available data may not be good enough to effectively assess affordability – particularly with regard to spotting other payday loans a customer may have.

d) ***The frequency with which loans are rolled over and the way in which this happens***: The Government notes the findings from the OFT report that nearly three in ten of all new payday loans issued last year were subsequently rolled over or refinanced at least once, accounting for 50% of revenue. The Government is concerned that a significant minority of consumers taking out these loans are incurring additional costs as a result and that many may not be fully aware of the implications of rolling over a loan. The Government is also concerned by evidence that in some cases, lenders are actively promoting rollovers when this may not be in the best interests of consumers, and many do not limit the number of rollovers a consumer can have.

e) ***The levels of multiple and repeat borrowing***: The Government notes that the OFT report found that over half of payday customers took out more than one payday loan last year and more than 15% took out more than five loans (this last group accounted for over one third of total revenue). The Government is concerned that consumers are making use of a credit product which is intended for short term use, in a way that amounts to longer-term borrowing and has the potential to expose consumers to high levels of debt which many will not have the means to repay, and that for many lenders this appears to be a key element of their business model.

f) ***The high levels of default charges and the way in which lenders handle default:*** The Government is very concerned to note that in response to OFT questions on defaults, payday lenders reported that they treated somewhere in the region of 20% of loans as being in default last year. This compares to a figure of under 5% for default on credit union loans in 2009. In addition, the default charges of some lenders seem high relative to the loan size. This suggests that lenders are not adequately assessing affordability before they approve a loan, and then penalising borrowers excessively for defaults. The Government is also concerned that lenders are showing a lack of forbearance when dealing with consumers in default and that this is exacerbating financial difficulties. The OFT report that they are seeing aggressive debt collection practices which fall far below expected standards.

g) ***Lenders' use of continuous payment authorities***: The Government is concerned about the way in which lenders can access money in their customers' bank accounts via continuous payment authorities (CPA) on their debit cards. The manner in which CPAs are used by some lenders can cause significant distress to consumers, particularly those in financial difficulty. Indeed, the majority of complaints to the Financial Ombudsman Service about payday loans in 2011 / 2012 involved the way in which the lender used a CPA. The Government is also conscious that the forthcoming changes to Universal Credit could further increase the impact on consumers, given that benefits will be paid into personal accounts in one monthly lump sum, replacing smaller, more frequent payments. The Government welcomes the fact that the OFT issued revised guidance last November, setting out minimum standards that it expects of lenders in relation to the use of CPA, and reminding firms that under the Payment Services Regulations 2009, consumers have the right to cancel a CPA either by notifying the lender or their bank and are entitled to a refund from their bank for any unauthorised payments from their account. Lenders have already signed up voluntarily in their industry codes to alerting customers in advance when they plan to make use of a CPA. However, the Government is concerned that not all lenders are implementing the voluntary codes, and that there are too many instances of consumers not being made aware of the use of CPA and not understanding how they can stop such payments being taken.

4. GOVERNMENT RESPONSE

The conclusions of the Bristol report have convinced the Government that at present a variable ***total cost of credit cap is not the way to address consumer detriment*** in the short term credit markets. The Government is clear that a cap is not the best solution to the current problems that the Bristol report and the OFT final payday lending compliance report have identified in these markets.

However, ***whilst a cap is not the solution today, the Government does not want to close it off as a potential solution in the future***. This is why the Government used the Financial Services Act 2012 to provide for a new power for the FCA – which will take on the regulation of consumer credit from April 2014 – to cap the cost of credit and the duration of a loan. The Government welcomes the FCA's intention, as set out in its consultation document published 6 March, to consider next year whether a cap on the cost of credit or the duration of a loan might be appropriate in any of the credit markets in future.

While the Government does not wish to place a cap on the cost of high cost credit at this point in time, the Government is concerned at many of the issues and instances of detriment raised by the Bristol report. Consumers are being harmed by practices in the sector and a system of regulation that is not tackling misconduct effectively enough. The Government is therefore announcing a number of measures to tackle consumer detriment in the high cost credit sector. Some measures are intended to take effect immediately or in the short term, whereas others will deliver substantial reform and better outcomes for consumers in the medium to longer term. These are described below.

The Government is pleased to note the following ***new immediate and short term commitments to help address the concerns identified in this market***.

- The Government will ***start immediate work to clamp down on the advertising of payday lending***. The Government will work closely with the Office of Fair Trading, the Advertising Standards Authority, Committees of Advertising Practice and industry to make sure consumers are not encouraged into taking out a payday loan when it is not right for them. This will look at action, including specific new restrictions and tougher codes of practice. The Government will make sure that this work, together with action the FCA can take on advertising and financial promotions, will provide the protection that consumers need.

- Today the OFT published the findings of its review of compliance by payday lenders and announced the action it intends to take to address key concerns about the way in which the payday market operates. Specifically, the OFT has set out its concerns and what it expects of lenders in terms of compliance with the law and its guidance. ***The OFT has announced that enforcement action is underway*** against a number of lenders, with more cases in the pipeline. The OFT is also writing to all 50 firms which it inspected (which together account for around 90% of the market), highlighting deficiencies in their policies and procedures, requiring them to take immediate steps to address areas of non-compliance and prove within 12 weeks in each case that they have done so. Lenders that fail to co-operate risk enforcement action, which may include revocation or suspension of licences or the imposition of requirements (breach of which can lead to a financial penalty). This enforcement and compliance action by the OFT is immediate and short term action to tackle the worst offences in the payday market. It will ensure that lenders who are not complying with the law and guidance will be called to account.

- The Government also welcomes the OFT's announcement that it is consulting on a ***provisional decision to refer the payday market to the Competition Commission.*** This would lead to a report by the Commission, setting out potential statutory remedies, possibly from early 2015. As highlighted above, the Government agrees with the OFT's concerns about this market, and specifically wants to understand whether the payday business model, and the way in which lenders compete within this market, is fundamentally flawed. In particular, there are concerns that significant lender revenues are derived from defaults, rollovers and multiple loans and that the ease of access to payday loans may be encouraging more vulnerable and financially distressed consumers to take out loans which are not suited to their needs.

- The Government notes that trade bodies have provided assurances that payday lenders continue to take seriously their voluntary commitments agreed under the ***payday lenders' codes of practice*** which were due to be implemented in November last year. Many of these voluntary commitments specifically address some of the Governments key concerns, notably around affordability assessments, CPA, rollovers and default charges. Trade associations report that they remain on track to review the effectiveness of their codes and publish their findings in summer 2013. We will work with them and with Citizens Advice, who have undertaken to monitor compliance through their bureaux, to ensure early results on the effectiveness of the industry's voluntary commitments. The Government has made clear its expectation that industry responds positively and effectively to the OFT's compliance report and its revised guidance on the misuse of CPA. We will press for further commitments to be set out in industry codes.

- The evidence from the OFT report and the Bristol report shows that there is still a long way to go to address consumer detriment in these markets. The Government will call the lenders to account to ensure they fulfil the commitments they agreed to voluntarily last year. The Government is aware of the limits of voluntary codes, and notes that the real test is whether such codes are implemented vigorously and effectively. The Government welcomes the fact that the trade associations have made progress in putting in place ***effective compliance monitoring*** of their codes and that there is at least one example of a trade association putting in place a commendable independent monitoring process. The Government will consider with industry whether such independent monitoring can be rolled out across the sector.

- The Government also wants to see an end to people being able to take out multiple loans in a day without their credit files being properly checked. ***We will work with the industry to encourage more universal use and recording of payday data by lenders***. We will also accelerate progress already being made on credit data being used in real time. Our aim will be to ensure that it will no longer be possible for consumers to take out multiple loans in a day without their credit files being properly checked and, more broadly, to ensure that payday lenders are making proper and effective use of existing credit check mechanisms.

The Government ***would also like to announce additional actions that will take effect in the medium to longer term and that should significantly alter the payday lending market for the better***.

The Government announced today[5] in its consultation on the transfer of consumer credit that from April 2014 the FCA will have the full suite of powers and resources to take action against non-compliance and to impose stronger regulatory solutions to tackle early signs of consumer detriment. The Government would like to welcome a range of new commitments from the FCA on the way in which they intend to use these powers and which will significantly alter the regulation of the payday lending market, and indeed, other credit markets, from next year.

- The FSA has announced today that it will work with the government, the OFT, industry and consumer groups to consider whether there are gaps in the current regulatory framework with respect to payday lending. Its focus will be on the concerns identified in the Bristol report and the OFT compliance review. If gaps are identified, the FSA will consider if ***additional new rules on payday lending*** are necessary and will consult on introducing new rules which could take effect at April 2014. Once the transfer has taken place, the FCA also plans to undertake further work on whether to use its power to cap the cost or duration of credit, which will include consideration of limiting rollover loans.

- The FSA has announced today more detail about how the new, tougher regulatory gateway will be introduced between 2014 and 2016. This will include their plans to ***require payday lenders to be among the first tranches of firms to apply for full authorisation/variations of permission*** – ensuring that firms which do not meet the tough requirements of the new regulator cannot operate.

- The FSA has also confirmed that the FCA will ***commit to consulting in the Autumn on taking significant parts of the OFT's existing guidance***, including large parts of the guidance covering high cost credit, and ***turning that into binding FCA rules*** that come into effect at 1 April 2014. It is the FSA's intention that key features of the OFT guidance on affordability, defaults and rollovers will move to FCA rules. These rules will be subject to the full force of the FCA's powers and sanctions should they be breached.

- The FCA has also committed to ***examining payday lending industry codes***, and whether the additional protections set out in these codes ***should be made into binding rules***, where doing so is compatible with existing European Directives. Where the FSA's March consultation and further analysis identify areas that provide clear protections to consumers, the FCA will seek to bring these into force as soon as possible. This could result in new rules in place at April 2014. As a

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[5] Available at: http://www.hm-treasury.gov.uk/consult_fullindex.htm.

result, key provisions in voluntary codes, particularly around assessing affordability, limiting the numbers of rollovers and multiple loans and transparency around the use of CPA could be made into binding rules, subject to the full force of the FCA's powers and sanctions should they be breached.

- Where it fits within FCA powers and it sees potential material customer detriment, the FCA has also confirmed that it will use its risk based approach to look at ***advertising*** by high cost credit firms. Where it finds they breach the FCA rules around financial promotions, the FCA will use its new powers to take robust action promptly. The FCA's new financial promotions regime will be in place in April 2014. If in addition any new rules are deemed necessary these could be in place at or around April 2014. New rules in this area would be in addition and complementary to action that Government will take with the OFT, ASA, Committees of advertising practice and industry to address specific concerns about payday lending advertising.

The Government does not believe that high cost credit should be the only means for consumers to access funds quickly. The Government has committed to further investment to March 2015 to ***support the credit union sector*** to provide financial services, including affordable credit, for up to one million more consumers on lower incomes in a way that will enable credit unions to modernise expand and become financially sustainable, and save low income consumers up to £1 billion in loan interest repayments by March 2019. The Government's aim is to enable credit unions to become more stable over the long term giving low income consumers greater access to reliable, affordable credit, without having to resort to more expensive means, such as home credit or payday lenders, or worse, illegal lenders.

The Government supports efforts to improve consumers' understanding of financial issues. This is crucial to promoting a culture of financial responsibility, and empowering consumers to ensure they are fully equipped to engage with the market. Debt advice is provided free by a number of charities, consumer groups and user groups. The Government announced in July 2011 that the Money Advice Service (MAS) would take over coordination and funding of all free debt advice from April 2012. MAS' debt advice co-ordination role is about working with all stakeholders, including, importantly over-indebted people, to build a better advice sector. In 2012 / 2013, MAS are spending £27m on debt advice provision and aims to help around 150,000 people. The Government has also tasked the Money Advice Service with researching and developing a more effective service which will build on existing good quality provision and reach more people in a more appropriate way, including the additional support needed by vulnerable consumers.

5. CONCLUSION

This Government is committed to curbing irresponsible lending and strengthening consumer protections. The Government wants to encourage responsible decisions by consumers and lenders. People should be free to borrow, and to have the tools to make an informed decision about which credit products are right for them. The Government expects the overhaul of the regulation of consumer credit in 2014 to enable regulation to flex more readily to keep pace with a fast-changing credit market. It will better protect consumers from actual – and potential – detriment and in doing so deliver a sustainable and well-functioning consumer credit market, which ensures that consumers have access to the credit that is right for their needs.

This Government believes that there are key issues of concern with the payday lending market. These have been identified by the Bristol report and the OFT payday lending compliance review. The Government is committed to making policy on the basis of good quality evidence. The Government does not believe that a total cost of credit cap is the best way to address the concerns in the payday lending market at this time. The Government has indicated the range of actions that are now in place to address consumer detriment in the payday market both over the next few months, and once consumer credit transfers to the FCA in April 2014.

The Government recognises that there is no 'quick fix' to address all of the problems in this market. However, the Government believes that tough enforcement and compliance action today, combined with a move to a new consumer credit regulatory regime that is equipped to deliver more robust consumer protection in the future, will do much to address some of the key concerns of this market. It will weed out the rogue lenders in this market, ensure that consumers have the right tools to make the right borrowing decisions for them, and provide important protections and help for consumers who find themselves in difficulty.

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