Money Advice Service: independent review

I was grateful for Andrea Leadsom’s letter of 28 May. The Committee welcomes the Government’s acceptance of our recommendation that the MAS be subject to an independent review.

I am, however, concerned that the scope of the review appears to be narrower than the Committee’s report envisaged. In particular, two key questions are not explicitly covered by the published terms of reference.

The first question the Committee recommended for the review was “Should the MAS—or something like it—exist as a statutory organisation?”. I note that the review is instead asked to look at “the role that MAS should play in the wider consumer education and advice landscape”. The terms of reference need to be amended to clarify that the independent reviewer should consider the abolition of the MAS.

The Committee also recommended that the review should consider whether the FCA had sufficient statutory powers to hold the MAS to account. There is no mention of governance in the terms of reference. These should be amended to enable the independent reviewer to examine and, if necessary, make recommendations about the governance arrangements for the MAS.

I would also be grateful if you could confirm, for the avoidance of doubt, that the review will consider all of the questions set out in paragraph 77 of the Committee’s report.

I will be placing this letter, and your reply, in the public domain.

Andrew Tyrie
Chairman of the Treasury Committee