SCM DIRECT | MONEYSHE | THE TRUE & FAIR CAMPAIGN

Response to FCA Consultation Paper CP26/24

Simplifying Consumer Investment Disclosures

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Executive summary

1. We welcome CP26/24. The FCA has taken three decisions in this paper that we have argued for since 2012 and which deserve unambiguous credit: an all-in figure for costs shown in both pounds and pence and percentage terms, personalised and annualised to the individual; a requirement to account transparently, post-sale, for how costs have reduced returns over the lifetime of the service; and the codification of the ban on double-dipping on cash. On each of these, we support the FCA's proposals.

2. There is, however, one step missing, and in our view it is the step that determines whether the rest of the package works. The FCA has removed prescription of form without replacing it with any standard of comparability. The paper is candid about this. At paragraph 2.51 the FCA states that consumers will no longer have comparable pre-sale illustrations, and expressly invites feedback on "whether there is a proportionate way of achieving comparability that we have overlooked."

3. **This response is our answer to that invitation.** We propose a **Fee Label** : a small, standardised, prescribed-format box showing the all-in annual cost of investing, in pounds and percentage, on both a personalised and a common reference basis, displayed in a prescribed place before the point of purchase, and published in a machine-readable form. It would sit *alongside* - never instead of - the dynamic, engaging, firm-designed disclosures the FCA rightly wishes to encourage.

4. The Fee Label is not a reanimation of the KIID. It is not a document. It does not prescribe the consumer journey, the narrative, the design language, or the education a firm wraps around it. It prescribes one thing only: the headline price, and where to find it. Flexibility should govern how a firm explains, engages and educates. It should not govern whether the price is comparable.

5. Our central argument is one of regulatory design rather than sentiment. **Comparability is a property of the market, not of a firm.** The Consumer Duty is a firm-level obligation: it requires each firm to be understood by its own customers. No firm-level duty, however well supervised, can require Firm A's disclosure to be commensurable with Firm B's - because no individual firm has either the ability or the commercial incentive to make its own price easy to beat. Cross-firm comparability is a market-wide standard, and such standards must be set by the regulator. The FCA has already accepted this reasoning: at paragraph 1.7 it explains that, having removed design prescription from CCI product summaries, it nonetheless mandated standardised methodologies for three metrics - risk, past performance, and costs - precisely "to ensure comparability and drive competition." We are asking the FCA to apply its own principle one level up, at the point where the consumer actually chooses a provider and commits money.

6. We also draw the FCA's attention to two admissions in its own Cost Benefit Analysis. At CBA paragraph 61, the FCA acknowledges that under the proposed pre-sale approach consumers "may face a burden in reaching the total cost of investing figure on their own, through adding together the breakdown of costs provided by firms." At CBA paragraph 28, the FCA states that the causal chain depends on the assumption "that firms use the increased flexibility to enhance (rather than obscure) transparency." A regime whose benefits rest on consumers performing unaided arithmetic and on firms voluntarily competing to make their own prices legible has a single point of failure. The Fee Label removes both risks at negligible incremental cost.

7. We note paragraph 1.13, in which the FCA rightly says disclosure rules must be suitable for a world in which consumers use AI to access and summarise information about investments. We agree, and it is decisive. AI comparison tools cannot reliably compare unstructured data. Bespoke, firm-designed, PDF-embedded or journey-embedded cost presentations are the single greatest obstacle to the automated, consumer-side price comparison that the FCA is anticipating. A standardised, machine-readable Fee Label is the enabling infrastructure for it.

8. **Finally, we ask the FCA to consider who bears the cost of complexity.** We do not believe the distributional effects of these proposals have been assessed, and we believe they run in one direction. Through MoneyShe, our female-focused brand, we set out at **Annex A** three specific respects in which this consultation bears differently on women: the cash proposals in Chapter 3, which are in practice a gender-equity measure; the

pensions carve-out at paragraph 4.11, which exempts from cost transparency the single largest driver of the gender wealth gap; and the arithmetic burden conceded at CBA paragraph 61, which will differentially exclude the consumers the FCA says it wants to attract.

About the respondent

9. SCM Direct and MoneyShe are the trading names of SCM Private LLP, a discretionary investment manager authorised and regulated by the FCA. We are a small firm. We are also, we believe, an unusually relevant one to this consultation: we have published our costs in full, in one place, before purchase, and for clients in pounds and pence, since our founding - long before any rule required it. Our founders invest their own capital in the same portfolios as clients, on the same terms and the same fees.

10. Our founders, Gina and Alan Miller, established the **True & Fair Campaign** in 2012. It was funded entirely by them, with no external backing, no industry sponsorship and no trade body affiliation. Its centrepiece was a **True & Fair Fee Label**, modelled directly on food labelling: a single, honest, comparable figure for the true cost of an investment. The campaign contributed to reforms on closet index tracking, hidden fees, and fund labelling, and helped shape text now embedded in three European directives - Article 24 of MiFID II, PRIIPs, and the Shareholder Rights Directive.

11. **MoneyShe** is SCM Direct's female-focused brand, founded by Gina Miller to address the gender investment and pension gap through financial education and, since 2024, discretionary portfolios. Its work is the basis of Annex A. We mention it here because we think the FCA should know that the distributional argument in this response comes from an organisation with real experience with the consumers in question, rather than from a drafting exercise.

12. **Declaration of interest.** We state plainly that SCM Direct and MoneyShe would find a Fee Label inexpensive to implement, because we already disclose in the manner required. We do not pretend this is a disinterested submission. But we would ask the FCA to weigh the reciprocal point: the firms for whom a standardised, prominently placed, all-in price would be most costly are, by definition, the firms whose prices are currently hardest for consumers to find, total up, and compare. That asymmetry is the entire case for the rule.

Part A - The Fee Label: Specification

13. We set out the proposal in implementable form, so that it can be assessed on cost and workability rather than principle alone.

A.1 What is prescribed

14. **Content.** A maximum of seven data fields, in a prescribed order, under prescribed headings:

Field	Basis
1. Service cost (platform, advice, portfolio management)	% and £, annualised
2. Ongoing product cost	% and £, annualised
3. ALL-IN ANNUAL COST (1 + 2)	**% and £, annualised — most prominent**
4. Transaction costs (explicit, last 12 months)	% and £
5. One-off costs (entry/exit)	% and £, with when incurred
6. Performance fee/carried interest	Yes / No, plus the trigger in one line
7. Cash: interest rate paid to you; fee charged on cash	% and %

15. **Dual basis.** Each figure is shown (a) personalised to the consumer's actual or intended investment amount, as CP26/24 already requires, and (b) on a common reference amount of £10,000. Personalisation aids understanding; a common basis enables comparison. The two are not substitutes, and the second costs nothing to produce once the first exists.

16. **Format.** Prescribed field order, prescribed headings, prescribed rounding (two decimal places for percentages, whole pounds for cash amounts), prescribed annualisation. Colour, typography, brand and surrounding design remain entirely at the firm's discretion.

17. **Placement and timing.** In two prescribed locations only: (i) on the firm's public costs and charges page, above the fold, without click-through; and (ii) on the pre-transaction review screen, before the consumer commits - the "review screen" whose effectiveness the FCA's own Occasional Paper 32 evidences at paragraph 2.24.

18. **Machine readability.** The same fields published in a structured, machine-readable format at a consistent, discoverable location on the firm's website. This is the paragraph 1.13 requirement made operational.

19. **A generic cost-impact line.** A single prescribed sentence beneath the label, using fixed assumptions and no firm-specific projection, of the form:

> *"Over 20 years, an all-in cost of [X]% would reduce a £10,000 investment by approximately £[Y] more than an all-in cost of 0.50%. This assumes a 4% annual return and is an illustration of the effect of costs, not a forecast of performance."*

See paragraphs 40 to 43 below on why this does not repeat the PRIIPs error.

A.2 What is not prescribed

20. We wish to be as clear about the limits of this proposal as about its content, because industry objection to prescription is usually an objection to something we are not asking for. The Fee Label would NOT:

- be a document, a PDF, or anything a consumer must open, download or click through to;
- prescribe narrative text, explanation, tone, design, layout, colour or brand;
- prescribe the consumer journey, or restrict layering, interactivity, tooling, video, or any other means by which a firm chooses to explain and engage;
- prevent any firm from showing more, in more places, in more engaging ways;
- introduce any new calculation, methodology or data field. Every input is already required by CP26/24. The label is a presentation layer over data the FCA has already decided firms must compute;
- apply to professional clients or eligible counterparties.

21. The KIID failed because it was a multi-page mandated document containing a synthetic risk indicator and forward-looking performance scenarios generated by a methodology the FCA itself later described as unfit. It did not fail because a number appeared in a fixed place. Nutrition labelling has not stifled innovation in food. It has simply made the price of a choice visible in seconds.

A.3 Indicative Handbook drafting

22. We suggest the mechanism is a short rule in the proposed new COBS 6A, supported by a single-page Annex specifying the fields and their order:

> *COBS 6A.x.xR (Fee Label) - A firm must, before a retail client commits to a transaction, present the information specified in COBS 6A Annex [X] in the form and order specified in that Annex, in a prominent position and without requiring the client to access a separate document. A firm must also publish that information, together with a machine-readable version, on the part of its website on which it publishes its costs and charges.*

> *COBS 6A.x.yG - Presenting the Fee Label does not limit a firm's ability to present further information, breakdowns, explanations, interactive tools or layered disclosure, and firms should do so where this supports the consumer understanding outcome in PRIN 2A.5.*

23. This drafting deliberately preserves the whole of the FCA's flexibility agenda, whilst adding floor beneath it.

Part B - Responses to the Consultation Questions

Answers are given in numerical order. Questions 1, 2 and 5 together address pre-sale comparability and are best read as a single argument; cross-references are given at each. We have not answered every question and have said so where we have nothing useful to add.

Question 1: Do you agree with our proposals on how firms should disclose pre-sale costs of investing? If not, why not, and what presentation would you propose?

24. **Partly.** We strongly support the requirements that costs be personalised, annualised, and shown in both percentage and pounds and pence, and the proposal at paragraph 2.13 that a flat portfolio-wide fee be expressed as a percentage of total holdings rather than of the transaction. That correction is overdue and right.

25. We disagree with two elements.

26. **First, the loss of a single all-in pre-sale figure.** Under paragraph 2.11 the consumer is given a total of ongoing product costs plus service costs, while transaction costs, one-off costs, CEIF costs and performance fees are disclosed separately and are not summed. We understand the rationale for the alignment and the argument in CBA paragraph 19 regarding consistency with CCI product summaries. But alignment between two disclosure regimes is a means; comparability for the consumer is the end. The FCA has candidly recognised the consequence at CBA paragraph 61: the consumer is left to reach the total themselves. The consumers least able to do that arithmetic are precisely the 6.5 million adults with low financial capability identified in the 2024 Financial Lives Survey, and they overlap substantially with the 30% of non-advised platform users who, on the FCA's own evidence at paragraph 2.3, already do not know what they are being charged. We develop the distributional consequence of this at Annex A, paragraphs A11 to A14.

27. We do not propose reversing the FCA's chosen structure. We propose completing it by retaining the disaggregated presentation exactly as drafted, and, in addition, requiring a single all-in annual figure at the head of the Fee Label, with the components beneath it. The consumer who wants the breakdown has it; the consumer who wants the price has it too.

28. **Second, the absence of any prescribed form or place.** Paragraph 2.22 provides a worked example and states expressly that it is "not a template." We would ask the FCA to reconsider. It has produced a clear, short, well-designed illustration of exactly the kind that consumers can use — and then declined to require it. The gap between "here is what good looks like" and "here is what you must do" is where thirteen years of disclosure reform has repeatedly been lost. We recommend the FCA elevate the substance of its own paragraph 2.22 example into the Fee Label specified in Part A.

29. Our proposed presentation is set out at paragraphs 14 to 19 above.

Question 2: What can be done to enable and encourage firms to deliver dynamic and engaging pre-sale cost disclosures?

30. Paradoxically, the most effective enabler of innovation in explanation is standardisation of the headline. Where the base figure is fixed and comparable, firms compete on interpretation, tooling and service - because they cannot compete on obscurity. Where the base figure is not fixed, the rational competitive strategy for a high-cost firm is to design a disclosure that is both engaging and incomparable, and nothing in the drafting prevents it.

31. Concretely, we recommend the FCA: (i) mandate the review-screen placement whose effectiveness OP32 already demonstrates, rather than merely commending it; (ii) require machine readability, so that third-party and AI-driven comparison tools can be built on firms' data, which will in turn discipline presentation far more efficiently than supervision can; (iii) confirm in guidance that a firm displaying the Fee Label may present any additional cost information, comparators or interactive tooling it wishes, removing the compliance conservatism that currently deters innovation; and (iv) commit to consumer-testing the Fee Label before the Policy Statement, as it did for CCIs, and publish the results - including with consumers who do not currently invest. Our answer to Question 5 completes this argument and should be read with it.

Question 3: Do you agree with our proposals for the presentation of post-sale cost disclosures? If not, why?

32. **Yes, and strongly.** We support the retention of a total of all costs actually incurred, in pounds and pence and percentage terms, including one-off costs, performance fees and explicit transaction costs. We endorse the FCA's reasoning at paragraph 2.31 in full: explicit transaction costs are real costs borne by the investor, and the argument that they should be excluded because they are already reflected in performance figures would, if accepted, justify disclosing almost nothing. Best execution obligations are not a substitute for transparency about what was actually paid.

33. We note the representation recorded at paragraph 2.28 that post-sale should mirror the disaggregated pre-sale presentation. We urge the FCA to resist it. The correct

response to the inconsistency is to strengthen the pre-sale figure, not to weaken the post-sale one.

34. We do, however, flag the asymmetry as an unresolved problem in its own right. Under the proposals, a consumer will be shown one construction of "cost" when deciding, and a different, broader construction when reviewing. They will be unable to tell whether the difference reflects a bad decision, an expensive year, or merely a change of definition. The Fee Label, applied either side of the sale consistently with an all-in total at the head, resolves this at no additional cost.

Question 4: Do you agree with our proposal to permit a 'reasonable estimate' of costs to be disclosed post-sale? If not, why?

35. **Qualified agreement.** We accept the practical difficulties described at paragraph 2.34, particularly for distributors dependent on data from other firms in the value chain, and we accept that a rule which is impossible to comply with precisely is a poor rule.

36. But "reasonable estimate where exact figures would require disproportionate effort" is a materially weaker standard than the one it replaces, and it is a standard whose application is invisible to the consumer. We recommend three safeguards: (i) a firm relying on the concession should state on the disclosure that a figure is estimated and, in one line, why; (ii) the concession should be available only where the firm has actually made the requests for data contemplated by the FCA's new cooperation guidance; and (iii) the FCA should commit to reviewing the frequency of reliance on the concession as part of its post-implementation monitoring, since widespread use would indicate a data-supply failure in the chain that the FCA should address directly rather than absorb into a lower disclosure standard.

37. Absent these, there is a real risk that "disproportionate effort" is read down over time into ordinary inconvenience.

Question 5: Do you agree with our proposal to remove the requirement for a cumulative effect illustration pre-sale? If not, why?

38. **We agree with the removal,** *and this answer should be read with our answers to Questions 1 and 2, which it completes. We agree* for the reasons set out in paragraphs 2.39-2.42. Firm-specific, forward-looking, personalised projections built on unprescribed growth assumptions have produced inconsistency at best and implied forecasts at worst. Removing them is correct.

39. We do not agree that the consequence, described at paragraph 2.51, should simply be accepted. The FCA there invites suggestions for a proportionate route to comparability. We offer one.

40. The PRIIPs performance scenarios failed because they attempted to project returns. A cost-impact comparator does not hold the return assumption constant across all firms and products; it varies only the cost. It therefore cannot be mistaken for a forecast because the same growth assumption applies to every product a consumer considers. What it isolates is the one variable that is knowable in advance - the charge.

41. This is not a novel proposal on our part. It is the FCA's own Figure 3 at paragraph 2.49, drawn from OP32, which the FCA reports had "a significant effect on the proportion selecting better value funds." We recommend that the substance of that finding be given effect through the single prescribed generic sentence at paragraph 19 above: fixed assumptions, no personalisation, no projection of returns, no methodology for firms to interpret differently, and therefore none of the failure modes of PRIIPs or of MiFID's unprescribed cumulative illustration.

42. We note in passing that the compounding effect a cost-impact line makes visible is greatest over the longest horizons, and that the consumers with the longest horizons and the smallest pots have the most to gain from seeing it. That is a further reason to prescribe it rather than hope for it.

43. Paragraphs 40 to 42 above are the substance of our answer to the invitation at paragraph 2.51.

Question 6: Do you agree with our proposal to require firms to show the effect of costs on performance in regular post-sale reporting in the way described? If not, why?

44. **Yes.** We regard paragraphs 2.52–2.54 as among the most valuable proposals in the paper. The requirement that firms be able to account for the gap between gross and net performance, and make this available over the lifetime of the service, addresses the fundamental asymmetry the FCA identifies: because charges are deducted from the fund, the investor never sees the payment.

45. Two recommendations. First, prescribe the basis of the calculation - the reconciliation from gross to net - even while leaving the presentation free. Without a prescribed basis, "the effect of costs on performance" is open to many interpretations and will be interpreted differently by different firms, reproducing the very problem the FCA is removing pre-sale. Second, require the lifetime cumulative figure to be expressed in pounds and pence and not solely as a percentage or a chart. The number a consumer remembers is the number with a pound sign in front of it.

Question 7: Do you agree with our proposal to improve up-front disclosures about cash interest? If not, why?

46. **Yes, emphatically.** Codifying the 2023 Dear CEO letter's position on double-dipping is right and overdue, and we commend the FCA for it. We support the requirement at

paragraphs 3.11–3.13 that firms state prominently, alongside their other fees information, whether they retain interest or charge fees, and explain how the rate is set.

47. **We ask the FCA to recognise what this chapter does.** Women hold materially more of their money in cash than men: female investors hold around 29% of assets in cash against 25% for men; over a million more women than men subscribe to Cash ISAs; and only 29% of women direct ISA contributions into stocks and shares, against 41% of men. The consumers most exposed to opaque cash terms are therefore disproportionately women. Chapter 3 is, in practice, one of the more consequential things this consultation does for the gender wealth gap. We set this out at Annex A, paragraphs A4 to A6, and we would encourage the FCA to make the point itself in the Policy Statement.

48. We recommend three strengthenings.

49. **Include cash on the Fee Label.** Cash treatment is a price. Retained interest is, for some business models, a principal source of revenue — the FCA acknowledges this at paragraph 3.2 in relation to neo-brokers whose headline fees are low or zero precisely because interest is retained. A consumer comparing a zero-fee provider with a fee-charging one is comparing two prices, only one of which is currently visible. Field 7 of the Fee Label makes both visible in the same box.

50. **Disclose the retention, not merely the rate paid.** Paragraph 3.13 requires firms to explain how they set the rate. In practice, “we benchmark against Bank Rate and keep it under periodic review” tells a consumer nothing about the margin retained. We recommend firms be required to state the rate paid to the client and the basis on which the firm is remunerated on those balances, so that the value exchange is legible.

51. **Require a published rate history.** Tiered rates that change without notice, as described at paragraph 3.6, are effectively unknowable in advance. A simple published record of the rate paid over the preceding 12 months would cost almost nothing and would make the disclosure verifiable.

Question 8: Do you agree with our proposals on how information should be disclosed when firms receive money from consumers? If not, why? Would our proposals present any operational difficulties?

52. **Yes.** The proposal in paragraph 3.14 - a personalised indication of fees charged on cash and of likely first-year interest at the prevailing rate - is proportionate and useful, and the carve-outs in paragraph 3.15 for cash with an immediate investment purpose or for fee payment are sensible and avoid pointless friction.

53. We foresee no material operational difficulty: the rate is known to the firm at the moment of receipt, and the calculation is arithmetic. We would ask the FCA to confirm

in guidance that the estimate may be presented in the deposit journey itself rather than in a separate communication, and to state that the estimate, being explicitly rate-contingent, does not constitute a forecast.

54. On paragraph 3.8, we agree that tax is a matter for Government. We would observe only that if the tax treatment of cash within Stocks and Shares ISAs changes, the case for cash terms appearing on a standardised, comparable Fee Label becomes stronger, not weaker, as consumers will face a more complex trade-off with less intuitive guidance. The same is true of the reduction in the Cash ISA subscription limit for those under 65 from April 2027, which will move a cohort of predominantly cash-holding savers - disproportionately women - towards investment products for the first time.

Question 9: Do you agree with our proposal to require disclosure of interest paid and fees charged on cash balances in periodic reporting to retail clients? If not, why?

55. **Yes.** We support the proposal at paragraph 3.16 without qualification, and we support the expectation at paragraph 3.18 that firms aware of significant cash holdings consider their Consumer Duty obligations, including contacting customers about the drawbacks of holding large, uninvested balances. We would encourage the FCA to make that expectation a clearer supervisory standard rather than an observation, given the evidence at paragraph 3.5 that 15% of platform users hold more than 10% in cash, that awareness of interest treatment is low, and that - as set out at Annex A - large cash holdings are not evenly distributed across the population.

Questions 10–13: Consolidation into COBS 6A; removal of COBS 6.1ZA.15B-15J; pensions; deletion of CASS 9.4

56. **Q10 - Agree.** Consolidating COBS 6.1 and 6.1ZA into a single COBS 6A is a clear simplification, and extending post-sale cost disclosure to non-MiFID business is a genuine consumer gain, as the FCA notes at paragraph 4.7. We support it.

57. **Q11 - Qualified agreement.** We accept that the IDD remuneration rules at COBS 6.1ZA.15B-15J are prescriptive and that the Consumer Duty addresses fair value and incentives. Our reservation is one of consistency: the FCA's rationale for removal is that a general outcomes standard can substitute for a specific disclosure requirement. That is exactly the reasoning we contest regarding price comparability. We would ask the FCA to be explicit about where it considers the Duty a sufficient substitute for prescription and where it does not, and why - because at present the paper applies the substitution argument to remuneration disclosure while, at paragraph 1.7, expressly rejecting it for the three CCI comparability metrics. We think the CCI reasoning is the correct one and should be extended, not narrowed.

58. **Q12 - Disagree in part.** We understand the rationale for carving pensions largely out of scope given COBS 13, but we are concerned by the proposal at paragraph 4.11 to maintain the status quo of no post-sale cost disclosure requirement for pensions. Pensions are the largest, longest-duration and most cost-sensitive holdings most consumers will ever own, and the compounding effect of charges is greatest precisely where the time horizon is longest. A regime that requires a consumer to be told the pounds-and-pence cost of a £10,000 ISA but not of a £300,000 pension is difficult to defend on consumer-protection grounds.

59. **This is also, and more sharply, a distributional question.** Pensions are the single largest driver of the gender wealth gap: the gender pension gap has widened to £113,000, or 32%, leaving women on track for a retirement income of £13,000 against £19,000 for men, with 36% of women on course for poverty in retirement. The product in which women are most exposed to the long-term effects of cost is the one the FCA proposes to leave entirely outside the post-sale cost disclosure regime. We set out the mechanism at Annex A, paragraphs A7 to A10. We recommend that the FCA either bring pensions within the post-sale requirement in COBS 6A or publicly commit, in the Policy Statement, to a dated review of COBS 13 to achieve equivalence.

60. **Q13 - Agree.** Consolidating the client asset disclosure requirements into COBS 6A and deleting CASS 9.4 is sensible tidying with no adverse consumer consequence.

Question 14: Do you agree with the proposed requirements on disclosures for professional clients and eligible counterparties?

61. **Agree.** Retaining a high-level transparency obligation while permitting bespoke agreement is proportionate. Professional clients can negotiate; retail clients cannot. This is the correct place to reduce prescription, and it strengthens rather than weakens the case for prescription at the retail end. We note the interaction with CP25/36 and emphasise that the value of this flexibility depends entirely on rigorous client categorisation.

Questions 15 and 16: Transition period and CCI transition changes

62. **Agree,** with one request. We support the coordinated approach and understand the reasons for the 18-month transition to June 2028. We share the FCA's acknowledgement at paragraph 4.33 that consumers using more than one firm will face inconsistent presentations during the transition - which is, in miniature, the exact problem we are asking the FCA to solve permanently.

63. Because the Fee Label requires no new data, no new methodology and no new template fields - every input already exists under the proposals and the EMT/EPT changes described at paragraphs 4.26–4.27 - it can be adopted within the existing timetable

without extending it. We would ask the FCA to align the Fee Label with the cash interest disclosure commencement in June 2027, where firms are able, and with the wider COBS 6A commencement in June 2028 at the latest.

Part C - Cost, proportionality and the FCA's objectives

64. **Incremental cost is marginal.** The CBA estimates £20.1m of one-off direct costs across roughly 5,300 firms, of which £4.3m is IT change and £6.5m documentation change. The Fee Label adds no new calculations or data fields; it standardises the arrangement of figures firms will already produce and places them where firms already place cost information. It is a specification applied to a build that is happening anyway. The marginal cost of doing so at the same time as the CP26/24 build is a small fraction of the marginal cost of retrofitting comparability after 2028 - which is what will be required if the flexibility experiment does not deliver.

65. **Breakeven.** The CBA calculates breakeven at approximately £380 per firm per year. The FCA considers that plausible from compliance savings alone. If a standardised label produces even a marginal improvement in consumers' ability to identify better value - and OP32 suggests the effect is not marginal - the proposal comfortably clears that threshold.

66. **Consumer protection objective (s.1C).** The 30% figure at paragraph 2.3 is not a legacy statistic; it is the current state under a regime that already requires aggregated totals. Removing the aggregation without adding a standard risks that the figure will rise rather than fall.

67. **Competition objective (s.1B(4)).** Price comparability is the precondition of price competition. A market in which every participant may present its price in its own format, in its own place, at a moment of its own choosing does not exhibit the "effective competition in the interests of consumers" the FCA is under a duty to promote - because the consumer cannot execute the comparison on which competition depends.

68. **Secondary international competitiveness and growth objective (s.1B(4A)).** We share the FCA's ambition for a thriving retail investment culture. We would put it this way: consumers do not withhold participation because disclosure is too long. They withhold it because they suspect they are being charged more than they can see. Trust is the growth constraint, and verifiable, comparable pricing is how trust is built. We would add that the largest single pool of latent participation in the UK is women: there are now 11 million male investors and 7.4 million female investors, a gap of 3.6 million people which widened again this year. A growth strategy that does not address that gap is not a growth strategy.

69. **Public sector equality duty (s.149 Equality Act 2010).** The consumers who benefit most from a fixed, findable, all-in figure are those with lower financial capability and numeracy - the group the CBA identifies at paragraph 21 as least able to interpret inconsistent disclosures. We note, respectfully, the CBA's conclusion in the same paragraph that disproportionate impacts on vulnerable consumers are not anticipated "as they do not make up the main consumer base for these products."

70. **We ask the FCA to reconsider that reasoning,** which we do not think can be right. A policy programme whose stated purpose is to widen participation cannot assess its distributional effects solely against the consumers who already participate. Doing so builds exclusion into the assessment: the groups currently outside the market are excluded from the analysis precisely because they are outside it. The disclosure regime should be designed for the consumers the FCA is trying to attract, not only for those already present. Annex A sets out what that means in practice for one such group.

Part D - Recommendations

71. **In summary, we ask the FCA to:**

1. Introduce a Fee Label - a standardised, prescribed-format, prescribed-placement presentation of the all-in annual cost of investing, in pounds and percentage, on both a personalised and a common £10,000 basis, shown before the point of purchase (Part A).
2. Retain a single all-in pre-sale total at the head of the label, above the disaggregated components the FCA proposes (Q1).
3. Elevate the paragraph 2.22 example from illustration to specification.
4. Adopt a generic, fixed-assumption cost-impact line in place of the removed cumulative effect illustration, following the FCA's own OP32 Figure 3 (Q5).
5. Require machine-readable publication of the label's fields, giving effect to paragraph 1.13 (Q2).
6. Mandate review-screen placement of cost information pre-transaction, per OP32 (Q2).
7. Retain the aggregated post-sale total including explicit transaction costs and prescribe the gross-to-net reconciliation basis (Q3, Q6).
8. Safeguard the 'reasonable estimate' concession with disclosure of estimation, a cooperation precondition, and committed monitoring (Q4).
9. Bring cash onto the label and require disclosure of the firm's remuneration on cash balances plus a 12-month published rate history (Q7).

10. Close the pensions gap on post-sale cost disclosure or commit to a dated review of COBS 13 (Q12, Annex A).
11. Publish a distributional assessment of the final rules, including their effect on the gender wealth gap, and revisit the equality analysis at CBA paragraph 21 (Part C, Annex A).
12. Consumer-test the Fee Label before the Policy Statement, including with consumers who do not currently invest, and publish the results.

72. We are grateful for the opportunity to respond and would welcome the chance to discuss the Fee Label proposal with the Consumer Investments Distribution Policy Team, including sharing our own disclosure practice and testing materials. We are happy for this response to be published in full.

Gina and Alan Miller of SCM Private LLP - trading as SCM Direct and MoneyShe, and the True & Fair Campaign

Annex A — Supplementary evidence from MoneyShe: the distributional case for a Fee Label

A1. MoneyShe is SCM Direct's female-focused brand, founded by Gina Miller to address the gender investment and pension gap. We submit this annex because we do not believe the distributional effects of CP26/24 have been assessed, and because we believe they run in one direction.

A2. The FCA's stated aim is a thriving retail investment culture with more people participating. The largest under-participating group in the UK is women. There are now 11 million male investors and 7.4 million female investors - a participation gap of 3.6 million people, which widened again this year despite a 10% rise in the number of women investing. Among adults aged 18 to 44, 38% of men invest compared with 22% of women.

A3. We set out three respects in which these proposals bear differently on women, and one further consideration.

The cash proposals are, in practice, a gender-equity measure

A4. We strongly support Chapter 3. We ask the FCA to recognise what it is doing. Women hold materially more of their money in cash than men: female investors hold around 29% of assets in cash against 25% for men; over a million more women than men subscribe to Cash ISAs; and only 29% of women direct ISA contributions into stocks and shares, against 41% of men. Where interest rates fall, cash is the asset class women are most likely to say they would increase.

A5. It follows that the consumers most exposed to opaque cash terms - an unexplained rate, a tiered structure that cannot be estimated in advance, a fee levied on a balance whose interest is retained - are disproportionately women. The FCA's decision to codify the ban on double-dipping is therefore not only a fair value measure. It is one of the more consequential things this consultation does for the gender wealth gap.

A6. This strengthens each of the three recommendations in paragraphs 49 to 51 of our response: that cash terms appear on the Fee Label; that firms disclose the basis on which they are remunerated for cash balances, rather than merely how the rate is set; and that a 12-month rate history be published. It also bears on the reduction in the Cash ISA subscription limit for under-65s from April 2027, which will move a predominantly female cohort of cash savers toward investment products for the first time, precisely when comparable pricing matters most.

The pensions carve-out falls hardest on those with the largest gap

A7. We set out our concern in paragraphs 58 and 59 regarding the proposal in paragraph 4.11 to maintain the status quo of no post-sale cost disclosure requirement for pensions. We add the following.

A8. Pensions are the single largest driver of the gender wealth gap. That gap has widened to £113,000, or 32%, up from 30% the previous year: a median private pension at retirement of £173,000 for women against £286,000 for men, leaving women on track for a retirement income of £13,000 against £19,000 for men, with 36% of women on course for poverty in retirement.

A9. The mechanism matters for this consultation. Women are twelve times more likely than men to take a career break for childcare, and by age 55 one in four women have been out of the workforce for five or more years. A five-year break at age 35 is modelled as costing around £69,380 in final pension savings - a figure that reflects not only missed contributions but lost compound growth. Separately, some 2.5 million employed women earn below the auto-enrolment threshold, and around 79% of all workers below that threshold are women.

A10. The consequence is straightforward. Where there are fewer years for growth to compound, the drag of charges is proportionately harder to recover from. The product in which women are most exposed to the long-term effects of cost is the one the FCA proposes to leave entirely outside the post-sale cost disclosure regime. We do not believe that outcome is intended, and we ask the FCA to correct it.

The arithmetic burden will differentially exclude the consumers the FCA wants to attract

A11. At CBA paragraph 61 the FCA accepts that consumers "may face a burden in reaching the total cost of investing figure on their own." At CBA paragraph 21 it concludes that disproportionate impacts on vulnerable consumers are not anticipated "as they do not make up the main consumer base for these products."

A12. We repeat here, in this specific context, the observation at paragraphs 69 and 70 of our response. Half of women still report that investing "is not for them." Among the barriers women themselves identify are lack of knowledge, fear of loss, choice paralysis and - notably for a disclosure consultation - trust in the financial sector. A regime that requires unaided mental arithmetic, in a format that varies between firms, will differentially exclude exactly this group.

A13. We would put a further point directly, because we think it has gone unexamined. The industry has spent five years measuring women's confidence and almost none of it measuring its own clarity. An analysis published in October 2025 of more than 80 UK industry reports and campaigns on women and investing, published between 2020 and 2025, found that 57% framed women's confidence in negative and often patronising terms; one in five women said that framing put them off investing altogether, and a further 17% said it left them less motivated.

A14. We do not think the gap is best understood as a deficit in women. A consumer cannot be confident about a price they cannot see, cannot find in a standard place, and are expected to calculate for themselves. A standardised Fee Label does not ask the consumer to be braver. It asks the industry to be clearer. In our view, that is the correct allocation of the burden, and it is also the one the FCA is uniquely placed to require.

One further consideration

A15. We raise one point briefly and without elaboration, because it is serious. Consumers who take control of finances they did not themselves arrange - following bereavement, separation, divorce, or the ending of a financially controlling relationship - need to be able to look at an account and establish what it costs without having to ask anyone. A figure in a prescribed place, in a prescribed format, is what makes that possible. A bespoke disclosure embedded in a firm-designed journey is what makes it hard. We ask the FCA to weigh this among the benefits of standardisation.

A note on the evidence

A16. We have deliberately not cited a single headline figure for the size of the gender investment gap. Published estimates vary widely because they measure different things, and we do not think a contested aggregate assists the FCA. The participation and pension figures above are drawn from the sources listed below and, we believe, are the most robust available.

A17. MoneyShe is currently conducting primary research among UK women on awareness of investment costs, the ability to locate and compare charges, and preferences between disclosure remedies. Fieldwork will not be complete before this deadline, and we should be clear that no findings from it are relied on anywhere in this response. We expect to be able to share results in the autumn, well ahead of the FCA finalising its rules, and will supply them to the Consumer Investments Distribution Policy Team in case they are of assistance.

Sources

- Boring Money, UK Gender Wealth Gap Report, 2026 — investor participation numbers and the 3.6 million gap.
- Boring Money — proportion of assets held in cash by female and male investors.
- HMRC ISA statistics, analysed by AJ Bell Money Matters, 2025 and 2026 — Cash ISA and Stocks & Shares ISA subscription by sex; barriers to investing.
- Scottish Widows, Women and Retirement Report, 21st edition, November 2025 — gender pension gap, career break modelling, retirement income projections.
- NOW:Pensions / Pensions Policy Institute, Gender Pensions Gap Report, 2024 — auto-enrolment threshold exclusion.
- eToro, analysis of 80+ UK industry reports on women and investing 2020–2025, published October 2025 — framing of women's confidence and its effect.
- FCA, Financial Lives Survey 2024 — low financial capability; awareness of platform charges; cash holdings.
- HM Treasury / HMRC — Cash ISA subscription limit reduction for under-65s from 6 April Disclosure2027.