



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

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Nikhil Rathi
Chief Executive
Financial Conduct Authority
Via email

13 November 2020

Dear Nikhil,

Thank you for providing evidence to the Committee on 4 November alongside the Chair of the FCA, Charles Randell CBE. In that session, a number of commitments and requests were made to provide further evidence to the Committee. They were:

- On regulatory fees and costs, and in particular on those levied by the FSCS, the actions that might be expected in a shorter space of time, up to 18 months, as well as those that can be expected in the more medium term.
- On phoenixing, the Committee would appreciate your estimate of the scale of the problem, and how you intend to counter it.
- The timescale for the inquiry into Premier FX, and any further details you are able to provide at the present time, given that it is an ongoing inquiry
- Any data, analysis or projections on the use of pension drawdown in the face of the pressure Covid is placing on people's finances
- Why the FCA has failed to provide guidance as required by the Financial Guidance and Claims Act 2018?

As well as this, given that time was short, the Committee would welcome answers to the following questions:

- How did you make sure that everyone who might have a legitimate interest in the Complaint Scheme consultation got to see it? For example, did you ensure that users of the Scheme were contacted for comments?
- The Complaints Commissioner's response to your consultation notes his concern that you do not expect compensatory payments to cover the full loss caused by regulators. Why wouldn't you fully compensate people for any harm you have done?
- Your complaints scheme consultation pre-empts the outcome of reviews into LC&F, Connaught and Interest Rate Hedging Products. Is that a worry?
- How is the Woodford investigation progressing? When should the Committee expect a resolution?
- Is the FCA continuing its work on Authorised Corporate Directors? What are your main concerns for that part of the market?
- Could the FCA update the Committee on the work it has done to combat the 'loyalty penalty' (where customers who stay with the same provider can end up paying significantly more for the same products as newer customers) in different markets, such as mortgages and insurance, and also outline what further work it intends to do?
 - Will any remedies the FCA propose for the loyalty penalty include compensation to affected customers?

For ease of reference, the transcript from the evidence session, can be found on the Committee's website:

<https://committees.parliament.uk/work/741/work-of-the-financial-conduct-authority/>

I would welcome your response by 27 November 2020. This letter, and your reply, will be placed in the public domain.

With best wishes

Yours sincerely,

A handwritten signature in blue ink that reads "Mel Stride". The signature is written in a cursive style and is positioned to the left of a vertical line.

Rt Hon. Mel Stride MP
Chair, Treasury Select Committee