



Treasury Committee

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Nikhil Rathi
Chief Executive
Financial Conduct Authority
via email

14 June 2023

Dear Nikhil,

FCA investigation into Odey Asset Management

You will have read the deeply troubling article in the Financial Times, regarding accusations of highly inappropriate behaviour at Odey Asset Management by Robin Crispin William Odey (henceforth Mr Odey).¹

Culture in financial services, and the experiences of women in the industry, have been ongoing concerns of the Treasury Committee. The FT paints a deeply negative picture of one powerful individual's conduct regarding those two Committee priorities and is potentially damaging to the reputation of the entire sector.

I would welcome the FCA's responses to the following questions:

Odey Asset Management and the conduct of Mr Odey

- What has been the nature and intensity of your supervision and engagement with Odey Asset Management over the last five years? To what extent has that engagement been driven by the allegations such as those in the Financial Times article?
- According to the Financial Services Register, on 3 November 2020 Mr Odey moved from holding a role as Chief Executive (SMF 1) at Odey Asset Management, his personal suitability for which required FCA approval, to a role in which his suitability was certified by his firm. What reason was supplied by Odey Asset Management for this change? Did the FCA suspect any attempt to escape direct FCA oversight? Was any particular work undertaken by the FCA into this change at the time?
- In late January 2021, the FT article suggests that the FCA was sent written communication from the then Executive Committee of Odey Asset Management, regarding the conduct of Mr Odey. Did the FCA receive that communication? If so, what steps were taken by the FCA? Did the FCA place Mr Odey or Odey Asset Management under any form of investigation or heightened supervision at that point? A final written warning about Mr Odey's conduct was allegedly also given to him by Odey Asset Management at that time. Did the FCA have any role in that final written warning? Did the FCA have sight of that warning and, if so, what action did the FCA take?
- Did the FCA receive any reports about the conduct of Mr Odey prior to the written communications from Odey Asset Management's Executive Committee in January 2021? If so, what was the nature of those reports and what action did the FCA take in relation to them?
- The FT reported that, in late 2021, the then Executive Committee of Odey Asset Management attempted to take further disciplinary action against Mr Odey, including regarding potential breaches of the FCA's fitness and propriety guidelines. Was the FCA told of these further concerns, and if so, when? If it was told, what action did it take?
- It is reported that when the Executive Committee of Odey Asset Management attempted to take further steps to discipline Mr Odey, it was 'fired' by him. Is this a description the FCA

¹ Financial Times, [How Crispin Odey evaded sexual assault allegations for decades](#), 8 June 2023

recognises? What steps did the FCA take at the time to ascertain what had happened? Is this matter being investigated by the FCA? More widely, how unusual would it be for a firm's executive committee to be dismissed, and what warning flags would this raise for the FCA about governance at the firm?

- Given the very serious conduct allegations raised by the FT, has the FCA expanded any ongoing work into this matter? Have any attempts been made to seek further evidence from Mr Odey, Odey Asset Management or persons who have worked with Mr Odey?
- The FT today² reported that Mr Odey threatened to sue the FCA over its investigation. Do you recognise that report? To what extent does the FCA take into account the litigiousness of the subject of an investigation in determining its approach? Were further resources required by any FCA investigation in the face of that threat?

Wider FCA work on non-financial misconduct

- In 2018, Megan Butler, then Executive Director of Supervision – Investment, Wholesale and Specialists Division, at the FCA, wrote to the then Chair of the Women and Equalities Committee following that Committee's report into Sexual Harassment in the Workplace.³ In that letter, Ms Butler noted that “[the FCA] view sexual harassment as misconduct which falls within the scope of our regulatory framework”. Can you assure the Committee that that remains the case?
- In that 2018 letter, Ms Butler noted that “How firms handle poor personal misconduct, including allegations of sexual misconduct, is a topic which we are increasingly discussing with firms. We will continue to give it the serious consideration it deserves throughout our work.” How did that consideration develop over time?
- From December 2019, the Senior Managers and Certification Regime applied to all firms regulated under the Financial Services and Market Act 2000. Since then, how many individuals have been investigated by the FCA for sexual harassment? In how many of those cases was the individual under investigation also accused of financial misconduct?
- What systems are in place at the FCA to deal with accusations of non-financial misconduct by individuals in financial services? To what extent is this a priority for the FCA? Has the FCA undertaken any wider work on non-financial misconduct in financial services?
- Mr Odey was also effectively owner of Odey Asset Management. Even where formal responsibilities may lie elsewhere, how does the FCA monitor the cultural impact of the behaviour of a firm owner, even in cases where they are not formally a senior manager of the firm?

I would welcome your response as soon as possible, and certainly by Wednesday 5 July.

In line with the Committee's usual practice, we will publish this letter, and in due course, your reply.

With best wishes,



Harriett Baldwin MP
Chair of the Treasury Committee

² Financial Times, [Odey threatened to sue financial watchdog over misconduct probe](#), 14 June 2023

³ FCA, [Women and Equalities Committee Report on Sexual Harassment in the Workplace \(fca.org.uk\)](#), 28 September 2018