

Lord Forsyth of Drumlean
Chair, Financial Services Regulation Committee
House of Lords
London
SW1A 0PW

7 May 2024

Dear Lord Forsyth,

RE: CP24/2: Our Enforcement Guide and publicising enforcement investigations – a new approach

Thank you for your letter of 1 May.

As a public authority, we recognise the importance of parliamentary-oversight of our activities, even more so given the recently enhanced accountability framework for financial regulators, and are fully committed to working with you and the Committee you chair.

We also recognise that the issues raised in our consultation on publicising enforcement investigations are sensitive and can be emotive. The consultation closed on 30 April. We will take several months to consider the feedback carefully and engage further with stakeholders, including the Treasury, to explore the concerns raised. We hope this will also give enough time for the Treasury Sub-Committee on Financial Services Regulations and the House of Lords Financial Services Regulation Committee, as well as other parliamentary stakeholders, to consider and share your views on the issues. Should you decide to invite the FCA to give evidence on these proposals, I would be happy to attend alongside my colleagues.

More broadly, I am of course keen to engage with you and other Committee members alongside my Executive colleagues. In the course of this Parliament since December 2019, the FCA has given oral evidence to parliamentary committees 37 times – more than any other regulator – and it is important that our whole leadership team is accountable to Parliament and supports it in its scrutiny of our work.¹ This is the expectation of our Board and mirrors our expectation of senior managers of the firms we regulate – that they can and do account to us for the areas for which they are responsible.

Consequently, it is our general practice for the Treasury Committee and its Sub-Committee on Financial Services Regulations as well as other parliamentary committees that, where appropriate, my colleagues at director-level and above sign correspondence and give evidence relating to their areas of responsibility. I, of course, stay closely sighted on this engagement and regularly personally engage with parliamentary committees and stakeholders. We discussed this approach with your clerk as the Committee was being set up. Of course, we would be happy to discuss it further.

¹<https://www.instituteforgovernment.org.uk/sites/default/files/2024-05/parliament-and-regulators.pdf>

I hope this responds to your concerns.

Yours sincerely,

Nikhil Rathi

Nikhil Rathi
Chief Executive