



Sub-Committee on Financial Services Regulations

House of Commons, Committee Office, London SW1A 0AA
Tel 020 7219 5769 | Email finservsubcom@parliament.uk

Nikhil Rathi
Chief Executive
Financial Conduct Authority
via email

23 May 2024

Dear Nikhil,

Consultation Paper CP24/2: Our Enforcement Guide and publicising enforcement Investigations — a new approach

Due to the calling of a General Election on 4 July, Parliament will be dissolved on 30 May 2024. I wanted to write to you to set out some of the Committee's views on your consultation on publicising enforcement, prior to the dissolution of the Committee.

The Committee took evidence from you and the Chair of the FCA, Ashley Alder on 8 May. During that session different Members of the Committee each raised the following concerns:

1. The approach you have set out appears to be different to those of financial conduct regulators in other similar economies, such as the US, France or Switzerland.¹
2. If the bar is set too low when assessing the public interest of publicising an investigation, and large numbers of investigations are published, the consequences could be a loss of investor confidence in UK financial services markets.²
3. Investigations undertaken by the FCA can take many years, and during this time companies who have been named will have an allegation hanging over them for long periods of time. The FCA must prioritise reducing the time it takes to conclude investigations.³
4. Publicising enforcement investigations appeared to be an FCA priority, compared to other work that might have been undertaken to increase international competitiveness.⁴
5. The FCA already has the power in exceptional circumstances to publicise an enforcement investigation, which has been used when requested to by Parliament.⁵

The Committee has also been sent the views of organisations who do support the measures on the grounds of better protection for consumers, deterring poor conduct from firms, and increasing trust in enforcement against wrongdoing among the public.⁶

¹ [Q707](#) & [Q741](#)

² [Q742](#)

³ [Q708](#) & [Q743](#)

⁴ [Q726](#)

⁵ [Q708](#) & [Q709](#)

⁶ [Financial Services Consumer Panel](#), [UK Shareholders Association](#), [Money and Mental Health](#), [Money Advice Trust](#)

This may be a matter for a future Committee to consider.

I will be placing this letter in the public domain.

With best wishes,

H. Baldwin

Dame Harriett Baldwin MP
Chair of the Treasury Sub-Committee on Financial Services Regulations