FINANCIAL CONDUCT AUTHORITY

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Dame Meg Hillier MP
Treasury Committee
House of Commons
London
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30 June 2025

Dear Dame Meg Hillier,

Thank you for your letter of 16 June 2025 following our recent evidence session. I have answered your questions in turn below.

1. *How many prosecutions the FCA has initiated over the last five years (Q295)*

We have commenced prosecutions relating to a wide range of criminal offences including fraud, insider dealing, breach of the general prohibition, and breaches of the money laundering regulations. The table below sets out the number of prosecutions initiated by the FCA, and the number of defendants charged in those prosecutions, in the past five years.

Year	**Number of prosecutions**	**Number of defendants charged**
1 June 2020 – 31 December 2020	4	5
2021	4	8
2022	4	12
2023	6	16
2024	8	26
1 January 2025 – 20 June 2025[1]	7	8
Total	**33**	**75**

2. *An outline of the powers available to the FCA regarding finfluencers and the persuasive powers regarding social media companies (Q300)*

If individuals issue financial promotions as defined in Section 21 of the Financial Services and Markets Act 2000 ('FSMA'), without appropriate

[1] These figures include 3 prosecutions relating to 3 defendants where the FCA has taken the decision to charge and is in the process of applying for summons.

approval or authorisation, whether through their social media accounts or paid for ads (or any other medium), they will be committing a criminal offence. This includes financial promotions made by persons who are not in the UK but where their promotions are capable of having an effect in the UK.

Where an offence has occurred, we have powers to require information and documents, commence civil or criminal proceedings, including both FSMA and non-FSMA charges, and obtain injunctions requiring activities to stop. However, because it can take several years for a criminal matter to be heard in court, this option is generally taken only in the most serious of cases.

For this reason, we will typically issue an alert on our website in relation to the unlawful content and request that domain name registrars and social media platforms remove it on a voluntary basis.

We do not have powers to require social media platforms to remove content. When we ask for content to be removed, we will explain to platforms how that content breaches their own terms and conditions, as well as UK law, in order to encourage them to take action and remove it promptly.

3. *Information on the consumer groups, firms and trade bodies the FCA is engaging with, or has engaged with, on potential motor finance redress (Q324)*

As part of our work in scoping out what we would need to consider if we were to introduce a redress scheme, we are keen to hear from as broad a range of stakeholders as possible.

There is no formal panel on a potential redress scheme, akin to our statutory ones, but we have titled our roundtables as 'Consumer Redress Scheme Design Panel' for the purpose of inviting industry and consumer groups to attend meetings to discuss a potential scheme and important issues we want to get views on. We have also held a number of further engagement roundtables, as well as bilateral meetings with lenders and other stakeholders that have requested them, to inform our next steps.

We are engaging now because we want to act quickly once the Supreme Court has made its judgment, so we can start to bring greater certainty for affected consumers, firms and investors. We will confirm within 6 weeks of the Supreme Court judgment whether we're proposing to introduce a redress scheme. If so, we will then set out timings for when we would issue a formal consultation. This would set out detailed proposals for how a redress scheme would work in practice alongside draft rules, including the proposed timings for when a redress scheme would be implemented. It would also include a cost benefit analysis (CBA) scrutinised by our CBA Panel of external experts.

4. *What work the FCA has done on those with cancer or mental health conditions paying higher travel insurance premiums (Qq328-329)*

Consumers with pre-existing medical conditions (PEMCs), including those with cancer and mental health conditions, can often face higher travel insurance premiums, reduced cover, or be refused cover entirely. For many such individuals, travel may aid their recovery or wellbeing, and we have heard from many individuals and charities about the distress resulting where the cost of insurance has deterred them. This is a serious issue, and one that we have done, and continue to do, a great deal of work on.

In 2021, we introduced rules to improve access to travel insurance for consumers with medical conditions, including through mandatory signposting of consumers to directories of specialist insurers, under certain conditions. We reviewed these rules in 2024, and as part of this review, we engaged with various charities and consumer organisations, including those focused on mental health and cancer. We found that our existing rules had had a positive impact on the market, with our intervention resulting in an estimated additional 21,000 policy sales. Our most recent Financial Lives Survey also found that in 2024, 75% of adults who looked for a travel insurance policy to cover a serious medical condition successfully managed to take out a policy that covered their condition – up from 66% in 2022. However, in some cases we have found that consumers with serious PEMCs may continue to face travel insurance premiums they feel are unaffordable.

Whilst insurers can face high costs to provide cover for consumers with PEMCs, in practice our rules mean that there must be a reasonable relationship between the price a customer pays and the service that they receive. In addition to this, under the Consumer Duty we have introduced rules to ensure that vulnerabilities are considered throughout the whole product lifecycle, and that the needs of consumers with characteristics of vulnerability are met. Facilitating access to insurance for consumers with characteristics of vulnerability, including those with cancer or mental health conditions, continues to be a key priority for us, including through the Access to Insurance subgroup of HMT's Financial Inclusion Taskforce. We continue to meet with mental health and cancer charities to discuss this and other issues.

5. *What outcomes the FCA assesses in relation to bias, discrimination and financial exclusion within firms (Q340)*

We recognise that some consumers may be excluded from financial services due to their particular characteristics, circumstances, or perceived risk. While consumers do not have an automatic right to receive products and services, we know that a lack of access can cause consumer harm and we are concerned where markets do not provide access to certain types of service, or to particular groups of consumers. We therefore actively gather insights from a range of sources, including firms and consumer organisations, to inform our understanding, and act where we can.

The Consumer Duty supports our work by setting higher standards of consumer protection in retail financial markets, including for those with characteristics of vulnerability. It requires firms to monitor whether particular groups of customers are experiencing different outcomes and to take action where appropriate if disparities are identified. Under the Duty, we also introduced new guidance for firms to help customers who are declined access to a product or service to understand their options and access appropriate products instead. We also remind firms of their existing legal obligations under the Equality Act.

We published our review of firms’ treatment of customers in vulnerable circumstances in March 2025. We saw a renewed focus among firms on delivering good outcomes for consumers in vulnerable circumstances as a result of the Duty but areas for improvement remain. We will continue to work with firms to drive improvements in outcomes for consumers in vulnerable circumstances.

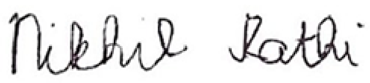
We recognise that we do not have all the tools to address financial access and inclusion. This means we need to work in partnership with others, including Government and HM Treasury as part of the Financial Inclusion committee. We are committed, as set out in our new 5-year strategy, to helping consumers navigate their financial lives and to work with others as needed in support.

Alongside our work on financial inclusion, we have recently clarified our expectations on bullying, harassment, and violence to deepen trust in financial services.

Too often when we see problems in the market, there are cultural failings in firms. So, behaviours like bullying or harassment going unchallenged is a red flag - a culture where this occurs can raise questions about a firm’s decision making and risk management. On 2 July, we will set out new rules to align the rules across financial services, reflecting previous widespread support for the FCA extending these rules beyond banks, to 37000 other financial services firms.

Serious, substantiated cases of poor personal behaviour will also need to be shared through regulatory references, in the same way financial misconduct currently is, making it harder for individuals to avoid consequences by moving from firm to firm.

Yours sincerely,



Nikhil Rathi
Chief Executive