HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Rt Hon Mel Stride MP
House of Commons
London
SW1A 0AA

23 April 2021

Dear Mel,

Thank you for inviting me to appear at the Treasury Select Committee on Wednesday as part of your inquiry into the Financial Conduct Authority's Regulation of London Capital & Finance plc. I hope that you and the Committee found my evidence helpful.

I wanted to follow up to clarify a few points discussed during the session. Firstly, further to Dame Angela's questions, I would like to draw the Committee's attention to the Freedom of Information Act request that was published yesterday, which provides further detail on my interactions with Greensill[1]. I want to be clear that these releases do not cover the communications sent by David Cameron, as they were made by David Cameron in his capacity as an employee of Greensill, and with an expectation of confidence. The Treasury consider that these communications are exempt from disclosure under section 41(1) of the FOI Act (information provided in confidence). Section 41 is an absolute exemption and does not therefore require a consideration of the public interest.

Secondly, at the start of the discussion on Wednesday, you asked me several questions about decisions made by the FCA on personnel, as part of both the FCA response to Dame Elizabeth Gloster's report and the ongoing transformation programme.

As I set out, under the Financial Services and Markets Act 2000 (FSMA), the Treasury is responsible for appointing the Chair and Chief Executive of the FCA as well as the Non-Executive Directors on the Board. Other senior management roles are the responsibility of the FCA. The Treasury does not make those appointments, and it would not be appropriate for the Treasury to intervene in the staffing decisions taken by the FCA Board. In responding to your questions, I was keen not to stray into commentary on matters beyond the Treasury's statutory responsibilities, which I believe is unhelpful and risks undermining the important operational independence of the FCA.

That said, I want to make clear that I fully stand behind the FCA leadership, and have full confidence in the Chairman, CEO, and the Executive Team at the FCA to implement their ambitious programme of reform.

[1] https://www.gov.uk/government/publications/hm-treasury-ministers-communications-with-david-cameron-regarding-greensill

As I have set out previously, including in my letter to the Chief Executive of the FCA in December 2020, I welcome that wide-ranging package of reforms, which builds on the FCA's continuous programme of change over recent years.

Yours sincerely,

John P. Glen

JOHN GLEN