

## **Protect – Written evidence (EGC0011)**

### **Introduction**

Protect, the UK whistleblowing charity, was established in 1993 and has individually advised more than 50,000 whistleblowers to date. Protect aims to protect the public interest by helping workers to speak up to stop harm and wrongdoing. We support whistleblowers by providing free and confidential legal advice (every year we advise around 3,000 new callers). We support employers to implement effective whistleblowing arrangements. We campaign for legal and policy reform to better protect whistleblowing.

We believe that announcing investigations and updates will increase the FCA's regulatory effectiveness by increasing whistleblower confidence in the process and by encouraging more people to come forward.

Whistleblowing is a vital component of financial services regulation as it provides regulators with crucial, often otherwise inaccessible information about misconduct and malpractice within organisations. Whistleblowers act as an early warning system, highlighting issues that might not be detected through standard regulatory processes.

### **Encour**

Publicising investigations represents a pivotal next step in bolstering whistleblower confidence and encouraging disclosures. Analysis of callers to Protect's advice line in 2023 found that 33% of those who raised concerns to a prescribed person reported that their concerns had been ignored.

It is important to remember the immense risk that whistleblowers take on by speaking out. In 2023, 73% of the whistleblowers we advised reported victimisation after raising concerns. When raising concerns to a regulator, this figure rose to 83%. Without confidence that something will be done, this fear stops many people speaking out. Announcements of action being taken have the potential to give a hesitating would-be whistleblower the encouragement to come forward.

The FCA has a pivotal role to play in fostering a robust culture of whistleblowing in financial services, as both a receiver of concerns and the regulator responsible for setting and enforcing whistleblowing standards in the industry. It is therefore essential that the FCA upholds high standards of transparency and demonstrates that whistleblowing is effective. Futility—the fear that blowing the whistle will not achieve any meaningful results—is one of the key reasons why potential whistleblowers stay silent.

For whistleblowers to continue to raise concerns with the FCA, it is vital that the regulator is seen to be acting. This was the rationale for the introduction of the Prescribed Persons reporting duty in 2017: to reassure whistleblowers that action will be taken if they come forward by requiring regulators to publish information on disclosures received and action taken as a result. The FCA has been at the forefront of promoting transparency in this regard, and the agency's reporting on whistleblowing disclosures goes above and beyond the duty.

However, there is more to be done. The FCA's own research shows that whistleblowers continue to be disappointed with the outcomes of their disclosures<sup>1</sup>, and that this is disincentivising whistleblowers from coming back. Despite their proactive stance under the reporting duty, many whistleblowers feel ignored, which poses a significant barrier to reporting misconduct.

### **Catalysing Further Disclosures**

Moreover, publicising investigations has the potential to catalyse further disclosures. The knowledge that regulatory action is being taken instils confidence in individuals who have relevant information but have hesitated to come forward. This ripple effect can lead to the identification and mitigation of systemic wrongdoing, ultimately strengthening the integrity of the financial sector.

### **Maintaining Confidentiality**

Confidentiality is paramount to whistleblowers, so FCA announcements must not compromise whistleblower anonymity or disclose the origin of the investigation. Steps should be taken to assess and mitigate confidentiality risks, ensuring that whistleblowers feel secure in coming forward with information without fear of reprisal or exposure.

### **Conclusion**

In conclusion, we support the FCA's proposal to publicly announce investigations where it is safe and appropriate to do so. By embracing transparency and empowering whistleblowers, we can collectively foster a culture of accountability and ensure the integrity and stability of the financial markets.

Thank you for considering our input. We remain committed to collaborating with all stakeholders to advance whistleblower protection and regulatory effectiveness.

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<sup>1</sup> In the [2022 Whistleblowing Qualitative Assessment Survey](#), Eight out of the 9 individuals who had received final feedback were dissatisfied with the outcome.

*1 October 2024*