



Investment Fraud & Fairer Financial Services

London, Monday 15 April 2024

FOR IMMEDIATE RELEASE

The APPG welcomes the publication on 11 April by the Financial Conduct Authority of the Final Notice relating to Link Fund Solutions Limited, but is concerned about the Warning Notice against Woodford Investment Management ('WIM') and Neil Woodford released on the same date.

Its principal concern about the Warning Notice is that the criticisms of WIM and Neil Woodford appear to be focused on the narrow issue of the mismanagement of the liquidity of the Woodford Equity Income Fund ('WEIF'). There is little, if any, reference to the much broader and, for his customers, financially more damaging alleged misconduct, namely that of the misallocation of client monies.

WEIF was a retail equity income fund, marketed to mainstream, 'Middle England' investors. It should have invested in vanilla, dividend-paying, listed companies, not cash-consuming 'moonshot' start-ups and early-stage businesses, the founders and investors in many of which were, it is alleged, associates of Mr Woodford. The lion's share of investors' losses flowed from the fund manager's decision to allocate much of their money to high-risk investments that they believe had no place in the Fund. They deserve compensation for these losses.

The APPG is also concerned that the Warning Notice contains no indication of the amount of redress - if any - that the FCA is seeking from WIM and Neil Woodford. We ask that the FCA publishes this information at the earliest opportunity. If, as we fear, that sum is grossly inadequate, it is surely preferable that it be challenged now, because it will be too late to do so once the FCA has formalised its claims before the Regulatory Decisions Committee and, if necessary, the Upper Tribunal. If the alleged wrongdoers are allowed to see and challenge the regulator's proposed remedies, their victims should surely be afforded the same rights.

Bob Blackman CBE MP, Co-Chair of the APPG commented:

“There have been serious concerns about the performance of the FCA in relation to its handling of the Woodford Scandal, including the length of time it is taking to conclude matters.

“This latest development is merely one of many issues that have caused Parliamentarians and Woodford victims to be concerned about whether the FCA is willing and able to provide an appropriate degree of consumer protection, as tasked by Parliament to do so.

“The general pattern the APPG has seen, in this and several other alleged regulatory failure cases, is that the FCA does too little, too late, and is far too opaque.”

Further information: contact Andy Agathangelou, Chair, Secretariat Committee to the All-Party Parliamentary Group on Investment Fraud and Fairer Financial Services: andy.agathangelou@transparencytaskforce.org; +44 7501 460308

The publicity photo of the Parliamentarian mentioned is available below:

Bob Blackman CBE MP: <https://members.parliament.uk/member/4005/portrait>