

Press Release from The All-Party Parliamentary Group on Personal Banking and Fairer Financial Services

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[Peter Gibson MP](#), Chair of the All-Party Parliamentary Group on Personal Banking and Fairer Financial Services is calling for a Parliamentary debate to discuss what’s needed to get the Financial Conduct Authority fit for purpose.

Peter Gibson, Member of Parliament for Darlington and Chair of the newly-formed [APPG on Personal Banking and Fairer Financial Services](#) believes the two reports about the FCA that were published last week provide irrefutable evidence that the FCA is failing to regulate effectively.

The first of the two highly scathing independent reports, by Dame Elizabeth Gloster into [the collapse of LCF](#) concluded the FCA failed to properly regulate LCF and suggested the watchdog may have contributed to losses by dropping the ball so badly.

The second damning report by Raj Parker into [Connaught](#) is equally troubling, showing the FCA’s failure to respond adequately to tip-offs over the years — including concerns from a fellow financial regulator, and the CEO of the bridging loan company involved.

Gibson states:

“Parliament has given the FCA clear statutory objectives which include [protecting consumers from harm](#). It’s all well and good having an apology from the [FCA’s current Chair, Charles Randell](#) and the [former Chief Executive, Andrew Bailey](#) for what the FCA has done, or more accurately for what it has failed to do; but what we actually need is timely and targeted transformation aimed at ensuring we have a conduct regulator that works - it’s obvious to all observers that we don’t yet have that.

The reports show that there are many serious and interconnected problems that continue to dog the FCA including weak governance, insufficient expertise, ineffective leadership and perhaps most worrying of all a culture at the top of dismissiveness, denial and delay.

The fact that a very recent decision by Chief Executive Nikhil Rathi to appoint one of the individuals responsible for what has happened, [Megan Butler](#), to be [in charge of transformation](#) shows that the FCA's senior leadership still does not grasp the nature of the problem.

The Purpose Statement for the newly-formed APPG that I lead is:

*'To identify aspects of personal banking and financial services where the service providers **or regulators** have not delivered, or are not delivering, excellence and appropriate consumer protection; to facilitate and encourage all stakeholders to work together to resolve past and present shortcomings, and to bring about positive changes.'*

The situation is very simple - Parliamentarians and the public at large expect the FCA to regulate effectively; but there can be no doubt it is failing. Back in February 2016 there was [an important debate in parliament](#) about the future of the FCA; the question to be debated now is not *whether* the regulator is unfit for purpose but, rather, 'What's it going to take to get the FCA fit for purpose?'

I will be liaising with all the relevant Parliamentary bodies and many Parliamentary colleagues over the coming weeks to ensure an appropriate inquiry is organised that ensures all stakeholders are spoken to, including the authors of the two reports, those responsible for the FCA's poor performance and groups representing consumers that have been harmed, to ensure the current crisis in confidence about the FCA's capability is turned into something positive and truly transformational.

It is of systemic importance, particularly post-Brexit, that the UK can have confidence in those responsible for regulating our strategically-important financial sector.

Nothing should be off the table at this point, especially as the reports show that had the FCA acted properly on the intelligence it was given, the LCF, Connaught and even the Woodford scandals need not have happened at all."

[Kevin Hollinrake MP](#), a member of Peter Gibson's APPG on Personal Banking and Fairer Financial Services; and also Co-Chair of the APPG on Fair Business Banking is equally convinced of the need for an inquiry.

He comments:

"I've had many reasons to question the competence of the FCA's leadership over recent years on a range of matters that have caused great public detriment, particularly to people running businesses. The conclusions that Dame Gloster and Raj Parker have expressed in their highly critical reports should be shocking to me. Unfortunately however, they are merely in keeping with the conclusions I have come to over a significant period of time - that there is something seriously wrong with the FCA".

Another APPG member is taking the opportunity to speak out, feeling strongly about the issue and recognising the importance of the FCA having sufficient integrity for the public to have confidence in it. [Paul Howell MP](#) says:

"The FCA should be a foundation of financial integrity and for it to find itself on the wrong end of reports like these undermines public confidence. It is imperative that this is investigated fully and integrity restored".

Ends.

Notes to Editors:

- For a full list of the Parliamentarians involved in the APPG see [here](#).
- For a full list of the APPG's Secretariat Committee members see [here](#).
- The APPG's Purpose Statement is:

"To identify aspects of personal banking and financial services where the service providers or regulators have not delivered, or are not delivering, excellence and appropriate consumer protection; to facilitate and encourage all stakeholders to work together to resolve past and present shortcomings, and to bring about positive changes."

- The initial point of contact regarding the APPG on Personal Banking and Fairer Financial Services is the Chair of its Secretariat, Andy Agathangelou, who can be reached through andy.agathangelou@transparencytaskforce.org

