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# Investment Fraud & Fairer Financial Services

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3rd FEBRUARY 2025

## PRESS STATEMENT WITH ATTRIBUTABLE QUOTES FROM PARLIAMENTARIANS

The All-Party Parliamentary Group on Investment Fraud and Fairer Financial Services is publishing a Supplementary Report about the Financial Conduct Authority's poor performance in relation to its consumer protection remit.

The new report is being produced due to the APPG's disappointment with how the FCA responded to [its November 2024 report](#). That report was based on widespread criticism of the regulator from a range of independent sources, including external reports on the poor handling of the London Capital & Finance, Connaught, Interest Rate Hedging Product and British Steel Pension Scheme scandals; plus the testimony of many stakeholders who had interacted with the FCA, including scam victims and FCA employees, past and present.

The [November 2024 report](#) set out these serious concerns about the regulator:

- The FCA is seen by some as 'incompetent at best, dishonest at worst.'
- A significant number of respondents believe the FCA sometimes acts in bad faith.
- The FCA's treatment of whistleblowers and their evidence is alarming.
- There is a defective organisational culture at the FCA, driven from the top.
- The FCA lacks transparency and accountability.
- The FCA's Transformation Programme has not worked.

Bob Blackman CBE MP, Co-Chairman of the APPG explained why the new supplementary report was needed:

*"The Purpose Statement of our APPG is:*

*'To advocate for the victims of financial misconduct, crimes, scandals, frauds and regulatory failures, by driving positive, progressive, and purposeful reforms that achieve a fair, trusted and just system*

*...where the service providers, regulators and government agencies provide appropriate protection and deliver good outcomes, including redress for historical wrongs.'*

*As such, the conduct and performance of the FCA is of great interest to us. When we were working on the original report we had no intention of producing a supplementary report shortly after, but doing so has proven necessary because of the unconstructive way the FCA has responded to our original report.*

*When I delivered [my speech in Parliament to launch our November 2024 report](#), I mentioned a nagging concern I had, that despite the best endeavours of the APPG to produce a report the FCA would take seriously and engage with positively, there was always the chance the regulator might respond in a disappointing, dismissive, and defensive way; and if so, that would point once again to it being in a continued state of denial - seemingly unable to absorb evidence-based criticisms being made of it.*

*For the record, I wish to respectfully state that I am disappointed with the FCA's response, for several reasons:*

- *Very disappointingly, the FCA has not responded at all to our polite requests to meet with them to discuss our report and the many issues it raised. The regulator seems unwilling to engage with genuinely concerned Parliamentarians, many of whom have constituents who feel very strongly that they have been let down terribly by the FCA.*
- *The FCA has failed to meaningfully challenge any of the many claims and allegations made about it in the report by the 174 people who stepped forward to give their testimony. If it does not accept the criticisms made by those who gave testimony to be true, why has it not challenged them? But if it does accept the criticisms, why has it not made a public apology for how the respondents were treated by the FCA, and more importantly why has it not taken action to put things right with them?*
- *The FCA's response to the [widespread media coverage about our original report](#) was that the report dealt with historic issues that had already been remedied through its Transformation Programme. But new evidence that the APPG has received since our first report was published means we were right to be unconvinced that true transformation has taken place at the regulator.*
- *Through [disclosures achieved through a Freedom of Information Request](#), it has been discovered that the FCA is claiming that '85% of FCA stakeholders (including consumer groups and politicians) agree the FCA achieves its objective of protecting consumers,' but we have been unable to find anything to back up that FCA claim; a claim that is in stark contrast with our assessment of the FCA. This makes us wonder*

*if research has been undertaken by the FCA that is being kept secret. If in fact research findings about a public body are being kept secret by that public body, why?*

*For all these reasons we feel duty bound to continue to work in the public interest to shine a light on the FCA's lacklustre consumer protection performance. We'll be doing that through publishing our Supplementary Report and I expect those that read it will fully understand why we are continuing to wave a red flag that the FCA remains in dire need of transformation; a topic that will no doubt be the subject of debates in Parliament in due course because we believe the FCA needs to be made fit for purpose, becoming an organisation that safeguards and protects consumers in full compliance with its mandate."*

The Supplementary Report will be issued in instalments. Instalment #1 sets the scene and each subsequent instalment will be a study of how the FCA has handled a particular recent scandal where it is felt there has been regulatory failure, with an emphasis on what the FCA's decisions and actions have been, and how those decisions and actions have adversely impacted consumers and the reputational integrity of the sector, thereby harming trust and confidence in the UK's financial industry and consequently acting as a brake on economic growth.

Because the case studies will be on recent scandals such as Woodford, Wealthtek, Philips Trust Corporation and Car Finance, the FCA won't be able to hide behind the claim that the issues raised are historic.

APPG Vice Chair Sarah Bool MP added:

*"There is no doubt the FCA has a difficult job to do. This we understand. However, it does raise the question as to whether the FCA just has simply too much to do. Even if the FCA's sole role was just to deliver on consumer protection alone, that would be a big exercise - especially given how large and complex the UK's financial sector is. As [some recent media coverage suggests](#), maybe the solution is that the FCA needs to be broken up for the benefit of all."*

Sam Rushworth MP, Co-Chairman of the APPG commented that:

*"Our Supplementary Report includes an analysis of the number of meetings the FCA's Leadership Team has had with consumer-orientated organisations, showing that the regulator has relatively little engagement with consumer bodies - for every one meeting with a consumer body there are almost five with the industry. That ratio excludes all the meetings the FCA has with regulated firms, so the overall picture is even worse."*

*It's therefore doubtful the consumer voice is being properly heard at the FCA, and it makes you wonder if the FCA, or some other entity, ought to be given a sole pro-consumer role, as per [the USA's Consumer Financial Protection Bureau](#) which does not have the conflicted and competing interests the FCA has. Unlike the FCA it is not being continuously pulled in different directions."*

Lord Davies of Brixton, APPG Vice Chair stated:

*"It's critically important that the UK has a financial regulatory framework that upholds market integrity and gives consumers good reason to place their trust and confidence in it. But all the time the FCA proceeds from one scandal to another the adverse publicity that inevitably follows undermines trust and confidence, and thereby the prospects for economic growth.*

*Our APPG is merely stating that the evidence shows the FCA has problems that need addressing. The red flag we are continuing to wave vociferously should not be ignored; and we'll keep waving it until it isn't."*

### **Notes to Editors:**

Instalment #1 of the APPG's Supplementary Report on the FCA [is available here](#).

**The official portrait publicity photos of the Parliamentarians mentioned are available here:**

- Bob Blackman CBE MP: <https://members.parliament.uk/member/4005/portrait>
- Sarah Bool MP: <https://members.parliament.uk/member/5355/portrait>
- Sam Rushworth MP: <https://members.parliament.uk/member/5108/portrait>
- Lord Davies of Brixton: <https://members.parliament.uk/member/4893/portrait>

### **Further information:**

- As well as the USA's Consumer Financial Protection Bureau being a state-supported organisation that works exclusively to protect consumer interests, Canada has [Fair Canada](#) and the EU has [Better Finance](#).
- For general information on All-Party Parliamentary Groups see here: <https://www.parliament.uk/about/mps-and-lords/members/apg/>
- The APPG's website is here: <https://www.appgiffs.org/>

- The APPG's Officers and Members are shown here; there have been several new joiners since the APPG's November 2024 report was published:  
<https://www.appgiffs.org/about-us/members>
- For any queries, in the first instance please contact Andy Agathangelou, Chair, Secretariat Committee to the APPG:  
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