



Investment Fraud & Fairer Financial Services

Open Letter from:

The All-Party Parliamentary Group on Investment Fraud and Fairer Financial Services

To:

Dame Meg Hillier DBE MP
Chair of the Treasury Committee
The Palace of Westminster
London SW1A 0AA

Plus other key stakeholders in Cc, namely:

- Emma Reynolds MP, Economic Secretary to the Treasury;
- The Rt Hon. the Lord Forsyth of Drumlean, Chair of the Lords Financial Services Regulations Committee;
- Helen Charlton, Chair of the FCA's Financial Services Consumer Panel.

Friday, 21 February 2025, by Email only.

VOCIFEROUSLY WAVING A RED FLAG ABOUT THE FCA'S PLAN TO DELETE EMAILS

Dear Dame Meg Hillier DBE MP,

We write to you in our capacity as Officers of the [All-Party Parliamentary Group on Investment Fraud and Fairer Financial Services](#), in relation to your role as [Chair of the Treasury Committee](#).

The APPG's Purpose Statement 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 work of the Financial Conduct Authority is of great interest to us.

We are writing to respectfully request you ask the FCA to abandon a planned change that we believe would unnecessarily harm the rights of consumers, the efficacy of the regulator, and the reputational integrity of the UK's financial sector.

The context is that a leaked announcement on the FCA's intranet has revealed that the FCA has told employees that, *with effect from 1 April this year*, it will reverse its policy of retaining emails so that all such messages will be automatically deleted after a year unless staff take specific steps to preserve them.

We are concerned that this policy would have the following, damaging effects:

- Consumers, campaigners and journalists would be frustrated in their attempts to hold the organisation to account by requesting disclosures under the Freedom of Information Act ('FoI');
- Whistleblowers and others who have interacted with the organisation would be unlikely to uncover the totality of the information the regulator has received about them, and what its employees have said about them, through Data Subject Access Requests ('DSARs');
- In cases where the FCA is suspected of having failed to secure a reasonable degree of protection for consumers, any attempts by the Treasury to initiate inquiries under the [Financial Services Act 2012](#) would be undermined by the systematic and wholesale destruction of crucial evidence;
- Individuals and civil society groups minded to litigate against the FCA or secure a judicial review of one of its decisions would be likely to find the process non-viable due to the paucity of relevant correspondence disclosures;
- The regulator would be at risk of impeding its own efficacy as a result of the deletion of emails containing valuable information or evidence, the significance and value of which might come to light only after the auto-delete date.

A practical example of how the new policy might impact the work of your Treasury Committee would be where any inquiries it undertakes about the FCA might be frustrated by the absence of source material held by the FCA more than 12 months old.

Furthermore, this move means the FCA is opening itself up to criticism from the [73,921](#) firms it regulates, who would understandably question why the FCA is imposing such a poor governance standard on itself that it would never allow them to get away with.

You can almost hear the shouts of ‘double standards!’ and ‘hypocrisy!’

When challenged by the media, the FCA has claimed that only ‘unnecessary’ emails would be destroyed and that those subject to FoI requests would be preserved.

However, the organisation and its staff cannot possibly anticipate with complete accuracy which emails may be needed in the future, whether for FoI or DSAR requests, Treasury Committee and HMT inquiries, litigation, judicial review - or its own supervisory and enforcement activities.

The FCA’s planned automatic deletion of emails therefore presents inevitable, illogical and irrational risks to its performance and accountability.

We cannot think of any other statutory body that employs such a Draconian and opaque policy in respect of its email correspondence; and we believe the proposed change would make the FCA a noticeable outlier, deviating from established good governance standards.

With the cost of data storage falling precipitously in recent years, it is difficult to see a legitimate rationale for the proposed change,

Indeed, in the intranet announcement of the new policy to staff, we note that the FCA was candid about its true intention, namely that it ‘reduces the legal and reputational risk we face’ - which would seem to suggest the FCA’s underlying motive is to delete evidence that it might find problematic, if ever exposed.

And we wonder if there is a particular reason why the FCA is looking to introduce the measure now, when [its performance and conduct is being roundly criticised](#).

A transparent and accountable financial regulator is, it seems to us, an essential prerequisite for raising the standards of regulation and hence conduct and consumer outcomes; and it is only by improving consumer outcomes that confidence in the industry can be rebuilt and the sector’s growth prospects re-invigorated.

With this in mind, we wonder if you would agree to issue a public statement at the earliest opportunity to oppose the proposed policy and to write to the FCA asking for an undertaking to not deviate from the standard, good governance practice of retaining emails, please?

We believe this matter is not just important, it is also urgent, because under some interpretations of the proposed policy, almost all emails held by the FCA that pre-date April 2024 will be deleted on or around 1 April this year, unless the policy is reversed before that date.

For this reason, we are vociferously waving a red flag, not just to you but also to:

- Emma Reynolds MP, Economic Secretary to the Treasury;
- The Rt Hon. the Lord Forsyth of Drumlean, Chair of the Lords Financial Services Regulations Committee;
- Helen Charlton, Chair of the FCA's Financial Services Consumer Panel.

....who may all also want to take preemptive action to avert what might become a disaster.

Collectively, you have a few weeks to stop what we, and clearly many others [including regulatory lawyers](#), believe would be an irresponsible, imprudent and irreversible error of judgement by the FCA's leadership team.

Given that this 'initiative' seems to have been launched secretly and without any consultative engagement with external stakeholders whatsoever, we are curious as to whether the FCA's Non-Executive Chairman and/or any of the Non-Executive Directors provided any internal challenge to what many are seeing as a dubious, disreputable and dangerous policy endeavour.

To help you all consider the issues involved and the range of serious concerns being expressed, please see a sample of recent news articles on the issue:

- [Auto-deleting emails forces us to ask, what is the FCA trying to hide](#)
- [FCA could be 'destroying evidence' by deleting year-old emails](#)
- ['Imagine if a bank announced this': Lawyers hit back against FCA email deleting plan](#)
- [FCA's plan to delete staff emails after 12 months raises accountability concerns](#)
- [FCA to delete emails from staff inboxes after a year - report](#)
- [FCA staff emails to auto-delete after one year](#)
- [FCA to delete most emails after 12 months](#)

Despite the date of the proposed change, this is a serious matter that we hope you can pick up on swiftly; this is no April Fools' Day joke.

Or is it?

We look forward to hearing from you shortly.

Yours sincerely,

Bob Blackman CBE MP, APPG Co-Chairman.

Dr. Sam Rushworth MP, APPG Co-Chairman.

Sarah Bool MP, APPG Vice Chair.

Lord Bryn Davies of Brixton, APPG Vice Chair.