



# 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**

And in CC to other key stakeholders, including some of those also able to formally hold the Financial Conduct Authority to account:

- Emma Reynolds MP, Economic Secretary to the Treasury.
- Helen Charlton, Chair of the FCA's Financial Services Consumer Panel.
- Mel Stride MP, former Chair of The Treasury Committee.
- Ashley Alder, Chair of the Financial Conduct Authority.
- Nikhil Rathi, CEO of the Financial Conduct Authority.
- The Rt Hon. Lord Forsyth of Drumlean, Chair of the Lords Financial Services Regulations Committee.

**Tuesday 25th March 2025, by Email only.**

## **THE FINANCIAL CONDUCT AUTHORITY'S HANDLING OF THE WOODFORD SCANDAL**

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](#), with other key stakeholders in CC.

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 interest to us. The APPG is publishing today its second instalment of its Supplementary Report on the FCA. The second instalment of the APPG’s Supplementary Report is available through [this link](#) and starting at page 30 you will see the object of this communication to you - the APPG’s case study on the Woodford Scandal.

The Woodford Scandal has been of interest to your Treasury Committee in the past, and we are hoping that because so much is yet to be resolved, and because so many important questions have remained unanswered, your Committee will open an inquiry into the scandal.

[Mel Stride MP](#), acting in his then capacity as Chair of the Treasury Committee wrote to FCA CEO Nikhil Rathi about the Woodford scandal in January 2022.

His letter included this comment:

***I note that you are “conscious of the public interest in this matter” and that “it remains a priority for the FCA”. It remains a matter of keen interest to the Committee. I expect the FCA to ensure that this investigation and any regulatory action which follows is resourced to ensure as swift as possible a conclusion, and that the FCA will take every opportunity (within the confines of the law) to update the Committee as the investigation progresses.***

Mel Stride MP’s letter chasing up the FCA back in January 2022 is available through [this link](#).

Yet over three years later the FCA is yet to publish its full report on the matter, having now been investigating it for over five years, leaving over 500,000 people in the dark about what went on.

The APPG’s knowledge of the Woodford scandal has been informed through the testimony we have received from harmed investors who are members of [The Woodford Campaign Group](#) which at the time of writing has 464 members. But please note that for every one member of the Woodford Campaign Group there are about nine other harmed investors, for up to 500,000 investors have suffered as a direct consequence of what went on.

Based on what we now know, there are many important questions that ought to be asked about how the FCA has been handling the affair; questions such as:

1. Why has the FCA taken so long to complete its investigation?

2. Why did the FCA not act meaningfully and promptly in response to the red flags reported to it by credible individuals, when the scandal was in its nascency, in 2015?
3. Is there any substance to the belief that many investors have, that the FCA deliberately issued a misleading statement suggesting that harmed investors would get “77p in the pound” on their losses?
4. Did the FCA knowingly preside over a conflicted, unfair and inappropriate voting framework for the proposed Scheme of Arrangement that numerically disadvantaged ordinary retail investors, causing informed investors to feel the vote was rigged?
5. To what extent was the FCA’s true motivation for developing and endorsing the Scheme of Arrangement, about it being a means through which claims on the Financial Ombudsman Service and the Financial Services Compensation Scheme could be prohibited, so as to avoid there being calls for the FCA to be abolished?
6. Is the FCA concerned that there may be an impact arising from the removal of the once inviolable statutory protections enshrined in the Financial Services and Markets Act 2000, through the mechanisms of the Financial Ombudsman Service and the Financial Services Compensation Scheme, on investors' trust and confidence in the UK investment industry, which may in turn jeopardise the prospects for economic growth in the sector?

There are many other public interest questions to be asked, and we believe that the Committee’s stated interest in the Woodford scandal, alongside the testimony and evidence in [our Woodford Scandal case study commencing at page 30](#), makes a compelling case for you to announce the opening of an inquiry into the FCA’s handling of the Woodford scandal.

This letter to you is our respectful formal request that you do so, please.

We stand ready to assist in any way that we can, and given the large number of victims impacted by the Woodford scandal, and many similar scandals, some of whom may have thoughts they would like to share through our [‘Make your Voice Heard’ questionnaire to gather public opinions on The Financial Conduct Authority](#) we are sure this is and will remain a major public interest issue for quite some time.

We look forward to hearing from you soon.

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.**