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THE PRIME MINISTER

8 May 2019

Dear David

Thank you for your question at Prime Minister's Questions on Wednesday 1 May about what the Financial Conduct Authority (FCA) does to regulate the companies on the Financial Services Register, and your specific concern about a company on the Register. As promised, I am writing to give a more detailed reply to your question.

As you will know, the FCA is an independent non-governmental body, given statutory powers by the Financial Services and Markets Act (2000) as amended by the Financial Services Act (2012) and financed entirely by the financial services industry.

The aim of the FCA is to serve the public interest by improving the way financial markets work and how firms conduct their business. To effectively regulate the financial sector, the FCA sets clear rules and standards that, for example, ensure that providers correctly describe the product they are selling. They also authorise firms and individuals, so that consumers can be assured that providers must abide by a common set of rules and standards, and users are confident that criminals are kept out of markets. Finally, they ensure effective access to redress, so that users are confident that if they are not treated fairly they can get compensation and know to whom they can complain.

As a focused conduct of business regulator, the FCA has, as its core purpose, protecting and enhancing consumers' confidence in financial services.

The Government has legislated to give the FCA the appropriate regulatory tools to support this approach, including:

- a product intervention power, which enables the FCA to ban products or restrict features of them, including with immediate effect;
- powers of disclosure to publish details of warning notices issued in relation to disciplinary action;

- a power to take formal action against misleading financial promotions and disclose the fact it has done so; and
- a power to accept super-complaints from consumer bodies about competition and consumer problems in financial services, as well as referrals from the Financial Ombudsman Service and the firms concerned on issues of widespread detriment.

The FCA Mission explains its approach to regulation in more depth, including its approach to supervision, enforcement, consumers, competition, and authorisation. These documents can be accessed on the FCA's website: <https://www.fca.org.uk/publications/corporate-documents/our-approach>.

If you have any concerns related to a specific company on the Financial Services Register, I would encourage you to raise them with the FCA directly.

As you will be aware, HM Treasury is the government department responsible for the regulatory framework for financial services. The Economic Secretary to the Treasury, John Glen, would be happy to meet you to discuss any broader concerns you may have relating to financial services regulation. His office can be contacted via email at EST.Action@hmtreasury.gov.uk.

I hope that this answers your question.

Yours sincerely

David

P.S. Do take up the idea of a meeting with John Glen and you can then explore in more detail how the FCA checks companies it authorises.

Mr David T C Davies MP