

This week at the UK regulators

Thirty second guide: The week in overview

This week the FCA set out its objectives for the year ahead, detailing a number of thematic reviews intended to address potential issues in firms' conduct. The thematic review into the treatment of long standing customers in life insurance products continues to attract the most attention: the FCA has written to the Chancellor of the Exchequer confirming an independent external inquiry into the circumstances leading to the announcement of the review. The Chancellor has made it clear that he expects the independent inquiry to answer questions of senior accountability. The FCA also assumed responsibility for the regulation of consumer credit this week and promptly announced that it would undertake a thematic review into credit cards by the end of the year.

Further afield, the Home Office and HM Treasury are seeking the contributions of the regulated sector in putting together the UK's National Risk Assessment of money laundering and terrorist financing.

FCA issues its Business Plan and Risk Outlook for 2014/2015

This week the FCA published its Business Plan and Risk Outlook for 2014/2015.

The FCA's Business Plan sets out a number of thematic reviews anticipated for 2014/2015 intended to address potential issues in firms' conduct, including:

- how firms can reduce the risk of traders manipulating key benchmarks
- how firms effectively control the conflicts of interest that can exist between their obligations to clients and sales and trading positions they take
- how firms effectively ensure that the significant confidential information they receive in one part of the business is not used by another business area in an abusive way
- how distribution chains in firms that operate in wholesale insurance markets function and their impact on retail and small commercial customers
- how firms manage the performance of employees and whether sales pressures increase the risk of mis-selling

<http://www.fca.org.uk/your-fca/documents/corporate/business-plan-2014-2015>

<http://www.fca.org.uk/your-fca/documents/corporate/fca-risk-outlook-2014>

FCA undertakes to conduct independent inquiry

This week the FCA has been in correspondence with the Chancellor of the Exchequer following disruption to the financial markets after a newspaper leaked its intention to look in detail at the treatment of long standing customers in life insurance products.

On 1 April, the FCA wrote to the Chancellor stating that an independent inquiry would be undertaken into the circumstances leading to the statements being published and that the terms of reference would be agreed with an external law firm reporting independently of the FCA executive.

The Chancellor's response later that day set out a number of questions it is expected that the inquiry would answer, including where senior accountability should lie and what disciplinary action should be taken.

<http://www.fca.org.uk/news/firms/letter-to-chancellor-on-supervisory-work-on-fair-treatment-of-long-standing-customers-in-life-insurance>

<http://www.fca.org.uk/news/fca-statement-fair-treatment-life-insurance>

A matter of fees

The FCA published for consultation its proposals in respect of regulatory fees and levies covering the FCA, the Financial Ombudsman Service and the Money Advice

Service for 2014/2015. The PRA also issued for consultation its fees and levies proposals.

Both proposals remain open for comment until 30 May 2014.

<http://www.fca.org.uk/your-fca/documents/consultation-papers/cp14-6>

<http://www.bankofengland.co.uk/pr/Pages/publications/fee-sandleviescp814.aspx>

FCA confirms intention to undertake a competition review into the UK's credit card market

The FCA is set to integrate consumer credit into its activities as it took over responsibility for this from the Office of Fair Trading (OFT) this week (1 April).

Its first action was to announce a competition review into credit cards which will take place at the end of this year and will pay particular focus on how the industry works with those already in difficult financial situations. FCA Chief Executive Martin Wheatley announced the review after the FCA conducted primary research looking at the attitudes towards, and use of, credit for people on the lowest incomes.

<http://www.fca.org.uk/news/credit-cards-competition-review>

<http://www.fca.org.uk/your-fca/documents/research-papers/consumer-credit-consumers-vulnerable-circumstances>

FCA warnings

Name of firm	Date of warning	Details
Wagelender	4 April 2014	Not authorised http://www.fca.org.uk/news/warnings/wagelender-cc
Stanford Crown Partners	3 April 2014	Not authorised http://www.fca.org.uk/news/warnings/stanford-crown-partners
Baron Group Limited	2 April 2014	Not authorised http://www.fca.org.uk/news/warnings/baron-group-limited
Kingston Financial Group	1 April 2014	Not authorised http://www.fca.org.uk/news/warnings/kingston-financial-group
ACP Retirement Advisors	31 March 2014	Clone firm http://www.fca.org.uk/news/warnings/acp-retirement-advisors-clone

Further Afield

The Home Office and HM Treasury have invited firms in the regulated sector to contribute to the UK government's '*National Risk Assessment of money laundering and terrorist financing*' exercise (NRA) by completing an online survey. The Government is seeking detailed information on how UK firms in UK firms implement the current AML/CTF regime. It is anticipates that the Government will use the survey responses how to assist in developing, guiding and

how to assist in developing, guiding and delivering the NRA and will host a number of sessions after the submission deadline to discuss initial findings with stakeholder.

The survey is open until 23 April 2014.

Contacts

Roger Best
Partner

E: roger.best
@cliffordchance.com

Helen Carty
Partner

E: helen.carty
@cliffordchance.com

Carlos Conceicao
Partner

E: carlos.conceicao
@cliffordchance.com

Dorian Drew
Partner

E: dorian.drew
@cliffordchance.com

Jeremy Kosky
Partner

E: jeremy.kosky
@cliffordchance.com

Rae Lindsay
Partner

E: rae.lindsay
@cliffordchance.com

Kelwin Nicholls
Partner

E: kelwin.nicholls
@cliffordchance.com

Martin Saunders
Partner

E: martin.saunders
@cliffordchance.com

Luke Tolaini
Partner

E: luke.tolaini
@cliffordchance.com

Judith Seddon
Director of Business Crime
& Regulatory Enforcement

E: judith.seddon
@cliffordchance.com

Editor

Jodi Griffiths
Senior Associate

E: jodi.griffiths
@cliffordchance.com

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ
© Clifford Chance 2013

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi ■ Amsterdam ■ Bangkok ■ Barcelona ■ Beijing ■ Brussels ■ Bucharest ■ Casablanca ■ Doha ■ Dubai ■ Düsseldorf ■ Frankfurt ■ Hong Kong ■ Istanbul ■ Kyiv ■ London ■ Luxembourg ■ Madrid ■ Milan ■ Moscow ■ Munich ■ New York ■ Paris ■ Perth ■ Prague ■ Riyadh* ■ Rome ■ São Paulo ■ Seoul ■ Shanghai ■ Singapore ■ Sydney ■ Tokyo ■ Warsaw ■ Washington, D.C.

*Clifford Chance has a co-operation agreement with Al-Jadaan & Partners Law Firm in Riyadh.