

This week at the UK regulators

Thirty second guide: The week in overview

The main enforcement related development last week was the conclusion of action taken against a small firm for suitability failings relating to the marketing of high risk products.

The FCA also released various statistics, including some showing a reduction in the total number of complaints and the proportion relating to PPI.

Further afield, the Hong Kong Securities and Futures Commission has re-appointed its Chairman for a further three years.

Enforcement Notices

In a Final Notice issued on 30 September 2015, the FCA has imposed on John Joseph Financial Services Limited ("JJFS") a financial penalty of £20,000 in respect of its failure to take reasonable care to ensure the suitability of its recommendations of high risk products to 29 customers. The FCA found that JJFS breaches Principle 9 (Customers: relationships of trust) of the principles for businesses and rules set out in the Conduct of Business Sourcebook and Senior Management Arrangements, Systems and Controls Sourcebook. The FCA regarded these failures as being particularly serious as many customers were approaching or already in retirement and the systemic weaknesses across systems and controls affected all aspects of the sales process. The penalty imposed was reduced as JJFS settled at an early stage of the FCA's investigation.

<http://www.fca.org.uk/your-fca/documents/final-notices/2015/john-joseph-financial-services-ltd>

FCA publishes Handbook Notice

The FCA has (on 2 October) published its Handbook Notice regarding changes made by the FCA Board under its legislative powers to the Handbook and other material, and rules made by the Financial Ombudsman Service. The Notice provides information about publications relating to the Handbook.

<http://www.fca.org.uk/your-fca/fca-handbook-notice-25>

<http://www.fca.org.uk/your-fca/documents/form-and-content-of-uk-dlg-liquidity-support-undertakings>

FCA publishes Commentary on the aggregate complaints data

The FCA has (on 30 September) published its half-yearly aggregate complaints data (i.e. data relating to products, types of firm and causes of complaints) covering all reported complaints by firms with a reporting period end-date between 1 July and 31 December 2014. The report shows that the number of complaints recorded has reduced by 12 percent against the corresponding period last year, and that for the first time, complaints about PPI account for less than half of those recorded.

<http://www.fca.org.uk/your-fca/documents/commentary-on-the-aggregate-complaints-data-2014-h2>

FCA publishes its Data Bulletin and underlying data for October 2015

The FCA has (on 2 October) published its Data Bulletin and underlying data for October 2015. The bulletin includes an update regarding communications with the FCA, including the 'Innovation Hub', core statistics about the volumes of letters received from Members of Parliament, information requests made under the Freedom of Information Act, and complaints received and upheld and statistics about how the FCA review and act on certain financial promotions. It also includes attestation statistics showing that seven attestations were requested during the first quarter of 2015/16. Finally, it sets out data on the Skilled Person Reports commission during the same period and on the authorisation process for consumer credit firms as at 30 June 2015.

<http://www.fca.org.uk/your-fca/documents/data-bulletin/data-bulletin-issue-4>

<http://www.fca.org.uk/your-fca/documents/data-bulletin/underlying-data-issue-4>

FCA publishes Credit Card Market Study Infographic

The FCA has (on 1 October) published an infographic depicting its research to establish a detailed picture of the UK's credit card market. The research is intended to understand whether the credit card market is working well for consumers and has been undertaken with industry, consumers, consumer groups, UK and international bodies.

<http://www.fca.org.uk/your-fca/documents/ukla/sponsor-list>

<http://www.fca.org.uk/your-fca/documents/credit-card-market-study-infographic-our-research>

FCA publishes List of Sponsors

The FCA has (on 1 October) published its list of sponsor firms that are approved to advise premium listed companies on their obligations under the listing regime.

FCA warnings

Name of firm	Date of warning	Details
Campbell & Partners Ltd	2 October 2015	Not authorised http://www.fca.org.uk/news/warnings/campbell-partners-ltd
Kenmar Securities/ Kenmar Securities LP	2 October 2015	Not authorised http://www.fca.org.uk/news/warnings/kenmar-securities-lp
Hedges Capital Group	1 October 2015	Not authorised http://www.fca.org.uk/news/warnings/hedges-capital-group
RK Trading/ Roland Kemeny	1 October 2015	Clone firm http://www.fca.org.uk/news/warnings/rk-trading-clone
Smart Lenders LLC	30 September 2015	Clone firm http://www.fca.org.uk/news/warnings/smart-lenders-llc-clone
Axis Capital Group	28 September 2015	Not authorised http://www.fca.org.uk/news/warnings/axis-capital-group
Britt Finance	28 September 2015	Not authorised

		http://www.fca.org.uk/news/warnings/britt-finance-cc
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Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Consultation papers	<p>The FCA has (on 1 October) published its Consultation Paper setting out its expectations regarding the operation of the pensions existing rules, explanation of its proposed changes, and request views and consult on further work. The areas for consultation are aimed to secure appropriate protection for consumers, promote effective competition and ensure markets work well. A list of questions is annexed to the paper.</p> <p>http://www.fca.org.uk/your-fca/documents/consultation-papers/cp15-30</p>	4 January 2016	
Finalised policy and guidance			
		Implementation date	
Policy statements	<p>The FCA has (on 28 September) published its Policy Statement finalising the rules to ban opt-out selling across financial services and supporting informed decision-making for add-on buyers. The ban on opt-out selling is designed to improve competition in the market around add-on sales and prevent the exploitation of customer biases, which can lead</p>	<p>The rules and Handbook guidance set out in Appendix 1 to the paper will come into force on 1 April 2016</p> <p>Changes</p>	

	<p>to customers purchasing products they do not need and overpaying for those products. This publication follows the related market study, in which the FCA concluded that the add-on market was not effective and not working in the best interest of customers, and the publication of rules relating to issues identified in the GAP insurance market.</p> <p>http://www.fca.org.uk/your-fca/documents/policy-statements/policy-statement-ps15-22</p>	<p>required to sales journey must be made by 30 September 2016</p>		
	<p>The FCA has (on 28 September) published its Policy Statement dealing with the issues relating to credit broking, lending, financial promotions and debt. (See FCA's response on issues relating to the Mortgage Credit Directive published in July 2015.) Since taking over credit regulation from the Office of Fair Trading (OFT) in April 2014, the FCA has made a number of changes to their rules and guidance and has stated that it will continue to monitor the market, which may require further changes.</p> <p>http://www.fca.org.uk/your-fca/documents/policy-statements/ps15-23</p> <p>https://www.fca.org.uk/static/documents/policy-statements/ps15-20.pdf</p>	<p>Majority of changes will come into force on 2 November 2015.</p> <p>Changes to COND, DISP, PERG, CONC 7.6 and CONC 8.3 come into force on 28 September 2015.</p>		
	<p>The FCA has (on 2 October) published its policy development update setting out recent publications, information about recent developments (Handbook related and otherwise), other publications (consumer publications, guidance consultations and finalised</p>	<p>Various – see publication for details.</p>		

	<p>guidance) and an updated timetable for forthcoming publications.</p> <p>http://www.fca.org.uk/your-fca/documents/handbook/policy-development-update-issue-26</p>			
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Further Afield

SFC re-appoints Chairman

On 2 October, the SFC has re-appointed Mr Carlson Tong as its Chairman for a term of three years effective from 20 October 2015. Mr Tong has served as Chairman since 2011.

<http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=15PR91>

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