

This week at the UK regulators

Thirty second guide: The week in overview

Although last week did not see any published enforcement developments emerge from either regulator, the Upper Tribunal did publish two judgments (one of which was handed down several weeks ago), one refusing an application for authorisation to carry on various consumer credit activities and the other striking out a reference in connection with the cancellation of an individual's approval.

In other news, the FCA for the first time published data on the number of complaints reported by firms, showing 3.04 million complaints reported by firms in the second half of 2016. The figures show that payment protection insurance is the most complained about product, attracting almost 900,000 complaints. The FCA also announced the appointment of an additional two members to its Regulatory Decisions Committee.

The PRA published a new UK Money Markets Code, which sets out the standards and best practice expected from participants in the deposit, repo and securities lending markets. As part of its interest rate benchmark reform agenda the PRA also recommended the Sterling Overnight Index Average rate ("SONIA") as the sterling near risk-free interest rate benchmark.

Away from the regulators, the Criminal Finances Bill - which introduces a new criminal offence of failure to prevent the facilitation of tax evasion and makes important amendments to anti-money laundering arrangements under the Proceeds of Crime Act 2002 - received Royal Assent.

Upper Tribunal publishes two judgments

On 27 April, the Upper Tribunal published a judgment (dated 10 April 2017) dismissing a reference pursued by Nationwide Debt Consultants Limited ("NDCL"). The Tribunal concluded that that NDCL could not satisfy it that, on the balance of probabilities, its existing and potential customers faced no risk of prejudice as a result of the failings identified by the FCA in a Decision Notice issued on 24 January 2017. The FCA had refused NDCL's application for permission under Part 4A of FSMA to carry on the regulated activities of debt adjusting and debt counselling, identifying a number of concerns including inadequate record-keeping and failure to comply with rules set out in the Consumer Credit section of its Handbook. The FCA also highlighted a concern that NDCL was sending customers misleading and unclear communications in relation to their fees.

Also on 27 April, the Tribunal published a judgment striking out a reference pursued by Mr Anthony Badaloo, a financial adviser trading as Church Hill Finance. That reference concerned a decision by the FCA to cancel Mr Badaloo's approval for reasons connected with his conviction for criminal offences including theft.

<https://assets.publishing.service.gov.uk/media/5901d019e5>

[274a06b300027b/Nationwide_Debt_Consultants_Limited_v_Financial_Conduct_Authority.pdf](https://assets.publishing.service.gov.uk/media/59005c27ed915d06ac000245/Badaloo_v_FCA_.pdf)

https://assets.publishing.service.gov.uk/media/59005c27ed915d06ac000245/Badaloo_v_FCA_.pdf

FCA publishes complaints data for the first time

Under new rules which came into force on 30 June 2016, the FCA has published data on the number of complaints reported by firms. Payment protection insurance (PPI) is the most complained about product (895,000) with current accounts in second place with around 514,000. The total redress paid to consumers in the second half of 2016 was £1.9 billion.

<https://www.fca.org.uk/news/press-releases/financial-conduct-authority-publishes-first-set-data-under-new-complaints-rules>

PRA launches new UK Money Markets Code

The PRA has (on 26 April) published a new Code setting out the standards and best practice expected from participants in the deposit, repo and securities lending

markets. The Code was prepared by a subgroup of the Bank of England's Money Markets Committee and seeks to set out how participants are expected to promote the integrity of the deposit, repo and securities lending markets. A spokesman for the Committee said that the Code has "been written by the market, for the market". The Code is expected to be embedded in the market by January 2018.

<http://www.bankofengland.co.uk/publications/Pages/news/2017/032.aspx>

PRA recommends SONIA as the sterling near risk-free interest rate benchmark

On 28 April, the Working Group on Sterling Risk-Free Reference Rates (a group of major dealers active in sterling interest rate swap markets) announced that the Sterling Overnight Index Average rate ("SONIA") is the preferred near risk-free interest rate benchmark for use in sterling derivatives and relevant financial contracts. The PRA heralded the announcement as a key step in its interest rate benchmark reform agenda that was commenced by the FSB in 2014.

The recommendation will be subject to a broad market consultation to be held in the middle of 2017.

<http://www.bankofengland.co.uk/publications/Pages/news/2017/033.aspx>

[017/033.aspx](http://www.fca.org.uk/news/press-releases/fca-board-appoints-new-members-regulatory-decisions-committee)

FCA Board appoints new members to the RDC

The FCA has announced the appointment of two new members to the Regulatory Decisions Committee ("RDC"), which decides matters relating to proposed enforcement action and applications for authorisation and approval.

Nick Lord joined the RDC in February 2017. Mr. Lord's background is in financial planning and he has acted as director of the Mortgage Code Compliance Board and adviser to the Treasury review that led to the establishment of the Money Advice Service.

Karen Johnston, who joined in March 2017, is a lawyer specialising in consumer services and consumer protection. She currently serves as deputy pensions ombudsman and vice-chair of Brighton and Hove Citizens Advice Bureau.

They join four other new members who were appointed to the RDC in 2016: Stuart McIntosh, Philip Marsden, Robin Mason and Malcolm Nicholson.

<https://www.fca.org.uk/news/press-releases/fca-board-appoints-new-members-regulatory-decisions-committee>

FCA warnings

Name of firm	Date of warning	Details
Williams & Chase Associates	28 April 2017	Not authorised https://www.fca.org.uk/news/warnings/williams-chase-associates
Stratton FX	28 April 2017	Clone firm https://www.fca.org.uk/news/warnings/stratton-fx-clone
BvB Advisory Limited	28 April 2017	Clone firm https://www.fca.org.uk/news/warnings/bvb-advisory-limited-clone

Global Marketing Online Limited / ADS Securities	25 April 2017	Clone firm https://www.fca.org.uk/news/warnings/global-marketing-online-limited-ads-securities-clone
---	---------------	---

Further Afield

Criminal Finances Bill receives Royal Assent

On 27 April, the Criminal Finances Bill received Royal Assent, becoming the Criminal Finances Act 2017. The Act introduces a new offence of failure to prevent the facilitation of tax evasion and various amendments and additions to existing anti-money laundering measures contained in the Proceeds of Crime Act 2002. For further details, see our previous Clifford Chance client briefing.

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbfGnhLNomwBI%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZe2mCRSeCwwjikOTQBZOd3TLp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=102630>

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

Michael Lyons
Partner

E: michael.lyons
@cliffordchance.com

Kelwin Nicholls
Partner

E: kelwin.nicholls
@cliffordchance.com

Judith Seddon
Partner

E: judith.seddon
@cliffordchance.com

Luke Tolaini
Partner

E: luke.tolaini
@cliffordchance.com

Editors

Chris Stott
Lawyer

E: chris.stott
@cliffordchance.com

Guy Burkitt
Lawyer

E: guy.burkitt
@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.