

This week at the UK regulators

Thirty second guide: The week in overview

The relatively quiet summer season at the regulators continued last week. The main enforcement development was the publication of a decision by the Upper Tribunal that a fine should be imposed on a former executive of a financial advisory firm and that the FCA should consider whether to impose a partial prohibition order on him in respect of failures to act with due skill, care and diligence.

The Bank of England published a report on changes it has made and proposes to make to its management of conflicts of interest, a development that drew an immediate response from the newly appointed Chair of the Treasury Select Committee.

Enforcement Notices

On 10 August, the FCA published a Final Notice in respect of Insulating Windows, a consumer credit firm. A cancellation was imposed for failures to be open and cooperative.

<https://www.fca.org.uk/publication/final-notices/insulating-windows.pdf>

Upper tribunal rules on fine and ban for former Chief Executive

On 8 August, the Upper Tribunal published a decision on a reference concerning the FCA's decision in September 2015 to impose a financial penalty of £86,691 on Mr Charles Palmer, the former Chief Executive and majority shareholder of Financial Limited and Investments Limited, and to impose a prohibition on him performing certain significant influence functions. The tribunal concurred with the FCA assessment that Mr Palmer failed to act with the requisite skill, care and diligence in carrying out his role as a director and that his failure adequately to respond to the FSA during its investigation was an aggravating factor.

Reflecting the differential in its powers in respect of disciplinary references (i.e. those relating to

the imposition of financial and other penalties) and non-disciplinary references (i.e. those relating to matters such as prohibition orders and cancellation of permissions), the tribunal made a determination that the appropriate action for the FCA to take is to impose the financial penalty of £86,691 and ruled that it is open to the FCA to ban Mr Palmer from performing particular functions.

https://assets.publishing.service.gov.uk/media/598abd3ae5274a7377b7a1b7/Palmer_v_FCA.pdf

Bank of England publishes report on conflicts of interest

On 9 August, the Bank of England published a report setting out its approach to conflicts of interest. The report was commissioned by the Court of the Bank of England and reported the findings of a review undertaken by its non-executive directors. The main change to be implemented as the result of the findings of the report will be the designation of an individual as "Conflicts Officer" with overall responsibility for conflict identification and management.

The report also makes other recommendations in relation to how the Bank should be organised

and specific ways in which technology may be used to capture and review data on relationships and potential conflicts. Some changes, including changes to processes for authorising and managing conflicts, inclusion of additional wording relating to conflicts in the annual attestation given by staff and changes relating to appointments to the Court, have already been put in place.

The publication of the report drew a quick response from the newly appointed Chair of the Treasury Select Committee, Nicky Morgan MP, who signalled that the committee is likely to wish to discuss the report and to hear from directors about how the recommendations will be implemented.

<http://www.bankofengland.co.uk/about/Documents/ieo/nedreview0817.pdf>

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/news-parliament-2017/bank-of-england-conflict-of-interest-chair-comment-17-19/>

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FCA warnings

Name of firm	Date of warning	Details
Clarion Global Group	7 August 2017	Non-authorised https://www.fca.org.uk/news/warnings/clarion-global-group
Westmount Associates	7 August 2017	Non-authorised https://www.fca.org.uk/news/warnings/westmount-associates
The Britain Loan / Britain Loans / Britt Loans	9 August 2017	Non-authorised https://www.fca.org.uk/news/warnings/britain-britt-loan
Paramount Law Boston	9 August 2017	Non-authorised https://www.fca.org.uk/news/warnings/paramount-law-boston
Money Solutions UK (clone)	10 August 2017	Clone https://www.fca.org.uk/news/warnings/money-solutions-uk-clone
Kleinwort Benson (Ventures)	11 August 2017	Clone

(clone of authorised firm)		https://www.fca.org.uk/news/warnings/kleinwort-benson-ventures-clone
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Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Consultation papers		24 October 2017	<p>On 8 August, the PRA published a consultation paper (CP16/17) setting out proposals in relation to model transaction fees, fees and FSCS levies for insurers and fees for designated investment firms.</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp1617.pdf</p>

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