

THIS WEEK AT THE UK REGULATORS 24 SEPTEMBER 2018

FCA takes no action against life insurance companies

On 19 September, the FCA announced that it has closed its remaining investigations concerning the treatment of longstanding customers in the life insurance sector. It announced that the investigations in relation to Abbey Life, Old Mutual, Prudential and Countrywide Assured, which arose from a thematic review published in March 2016, will not lead to any enforcement action.

Investigations concerning Police Mutual and Scottish Widows, which also stemmed from the FCA's thematic review, were discontinued on 7 September and 15 June 2018 respectively.

<https://www.fca.org.uk/news/press-releases/fca-announces-outcome-investigation-4-life-insurance-companies>

<https://www.fca.org.uk/news/thematic-reviews/tr16-02-fair-treatment-of-long-standing-customers-in-the-life-insurance-sector>

FCA fines and bans an individual for pension switching advice failings

On 20 September, the FCA imposed a financial penalty of £60,000 and a prohibition order on Mr Alistair Rae Burns, a former director of TailorMade Independent Limited. The Final Notice issued gave effect to the decision of the Upper Tribunal, handed down on 31 July 2018. The FCA's action related to breaches by Mr Burns of Statement of Principle 7 of the Statements of Principle for Approved Persons through failures to ensure that TMI gave adequate personal recommendations to customers in relation to the transfer of their pension benefits into Self Invested Personal Pensions (SIPPs) and failures to manage fairly and clearly disclose conflicts of interest.

For further information, see This week at the UK regulators (6 August 2018).

<https://www.fca.org.uk/publication/final-notices/alistair-rae-burns-2018.pdf>

<https://www.cliffordchance.com/briefings/2018/08/this-week-at-uk-regulators-6august2018.html>

Other enforcement notices

On 21 September, in separate cases, the FCA cancelled the permissions previously granted to each of the firms and individuals listed below. Action was taken following failures to be open and cooperative with the FCA and, in some cases, failure to meet the suitability threshold condition.

- William Dighton
- Barot Bros (Bhupatsinh Barot trading as)
- James Price

Thirty second guide: The week in overview

The main enforcement development last week was the confirmation by the FCA that it will not take enforcement action against any life insurance companies in respect of issues relating to treatment of longstanding customers identified in a 2016 thematic review. It also concluded long running proceedings against an individual associated with an advisory firm in respect of failings connected with pension switching.

Away from enforcement developments, the FCA and PRA sent letters to the CEOs of banks and insurers reminding them that they should be taking action to prepare for the transition away from LIBOR to other benchmark rates.

The FCA issued consultation papers on new rules and guidance on the revised Payment Services Directive and the application of the Senior Managers and Certification Regime (SMCR) to claims management companies. The PRA issued a consultation paper making some revisions to proposed rules and guidance relating to the extension of the SMCR for insurers.

- Robert Hyde
- Kelly Lewis
- Maddison Cars (John Maddison trading as)
- Hendon Motors Limited
- Resource IMS Limited
- Ian Quartermaine (Jeweller and Goldsmith) Limited
- Brett Andrew Billings
- Blackstones Services Ltd
- Internet Anywhere Limited
- Midland Reprographics Limited
- East Pennine O E
- M and M Supplies (Willas McAdam trading as)
- Vitality Optical Care Ltd

<https://www.fca.org.uk/publication/final-notices/william-dighton-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/barot-bros-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/james-price-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/robert-hyde-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/kelly-lewis-2018.pdf>

https://www.fca.org.uk/publication/final-notices/maddison_cars-2018.pdf

<https://www.fca.org.uk/publication/final-notices/hendon-motors-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/resource-ims-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/ian-quartermaine-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/brett-andrew-billings-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/blackstones-services-ltd-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/internet-anywhere-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/midland-reprographics-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/east-pennine-o-e-2018.pdf>

https://www.fca.org.uk/publication/final-notices/m-and-m-supplies-2018_.pdf

<https://www.fca.org.uk/publication/final-notices/vitality-optical-care-ltd-2018.pdf>

Regulators ask banks and insurers about LIBOR transition plans

On 19 September, the FCA and PRA wrote to the CEOs of large banks and insurance companies seeking assurances that firms' Senior Managers and boards understand the risks associated with the transition away from LIBOR and are taking appropriate action now ahead of the move to alternatives by the end of 2021. The regulators have asked the firms they have contacted to provide, by 14 December, a board approved summary of firms' assessments of key risks associated with the discontinuation of LIBOR and how those risks will be mitigated. They have also requested that firms identify the Senior Manager(s) who will oversee the response to its letter and who will implement transition plans.

<https://www.fca.org.uk/publication/correspondence/dear-ceo-letter-transition-from-libor-banks.pdf>

FCA warnings

Name of firm	Date of warning	Details
Superior Finance UK Limited / Superior Finance Services Limited	17 September 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/superior-finance-uk-limited-superior-finance-services-limited
Hakopa, Williams and Partners	17 September 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/hakopa-williams-and-partners
Easy Cheap Loans	17 September 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/easy-cheap-loans
Tier One Capital Ltd	19 September 2018	Clone firm https://www.fca.org.uk/news/warnings/tier-one-capital-ltd-clone

Policy developments

	FCA	PRA
	Proposed developments	
Consultation papers	<p>On 17 September, the FCA published a consultation paper (CP 18/25) on proposed new rules and guidance reflecting the final Regulatory Technical Standards published by the European Banking Authority in relation to the revised Payment Services Directive (PSD2).</p> <p>Deadline for responses: 12 October 2018</p> <p>https://www.fca.org.uk/publication/consultation/cp18-25.pdf</p>	<p>On 17 September, the PRA published a consultation paper (CP 20/18) setting out proposals for some minor changes to the rules relating to the application of the Senior Managers and Certification Regime (SMCR) to insurers.</p> <p>The paper should be read together with the PRA's earlier consultation paper 18/18 (published on 31 July 2018) in relation to the extension of the SMCR for insurers.</p> <p>Deadline for responses: 17 October 2018</p> <p>https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/consultation-paper/2018/cp2018.pdf?la=en&hash=E395061D50CA08A512AEA51CDC5A9A87E0E7705C</p> <p>https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/consultation-paper/2018/cp1818.pdf?la=en&hash=146B514AB06F3D7D528865CAB94CAC4C2BF95F0C</p>

FCA	PRA
<p>On 20 September, the FCA published a consultation paper (CP 18/26) setting out its proposals about how the SMCR should apply to claims management companies (CMCs).</p> <p>The FCA will assume responsibility for regulating CMCs with effect from 1 April 2019.</p> <p><i>Deadline for responses: 6 December 2018</i></p> <p>https://www.fca.org.uk/publication/consultation/cp18-26.pdf</p>	

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