

THIS WEEK AT THE UK REGULATORS 12 NOVEMBER 2018

Upper Tribunal upholds fine and ban of Keydata officers

The Upper Tribunal issued a judgment on 6 November 2018 upholding the FCA's decision to fine and ban the former CEO and sales director of Keydata Investment Services Limited.

The Tribunal ruled that Stewart Ford (the former CEO) and Mark Owen had acted without integrity and had failed to deal with the FSA (as it then was) in an open and co-operative way. The Tribunal directed the FCA to fine Mr Ford £76 million and Mr Owen £3,240,787 and agreed with the FCA that both men should be prohibited from performing any role in regulated financial services.

<https://www.fca.org.uk/news/press-releases/upper-tribunal-upholds-fca-decision-fine-and-ban-former-keydata-executives>

https://assets.publishing.service.gov.uk/media/5be1a3aee5274a0eea4c2be5/Stewart_Owen_Ford_and_Mark_John_Owen_v_FCA.pdf

FCA discusses maintaining market confidence

The FCA has published a speech by Nausicaa Delfas, Executive Director of International, titled "*Maintaining market confidence: an update on Brexit*" which was delivered at the City and Financial: 3rd UK Financial Services Brexit Summit on 5 November 2018. Ms Delfas said that the FCA was working to ensure a robust regulatory framework and a smooth and orderly transition for firms and their customers if there is a no-deal Brexit. She also said that the FCA welcomes commitments from the EU to resolve the remaining issues, that the financial markets of the UK and the EU would remain heavily interconnected and that the FCA remains committed to close co-operation with its counterparts in the EU and the rest of the world.

<https://www.fca.org.uk/news/speeches/maintaining-market-confidence-update-brexit>

FCA sets out its vision for the mortgage market

The FCA has published a speech by Christopher Woolard, Executive Director of Strategy and Competition, titled "*Fairness, flexibility and the long-term view: the FCA's vision for the mortgage market*" which was delivered at the UK Finance Annual Mortgage Conference on 6 November 2018. Mr Woolard said that the interim findings from the FCA's Mortgage Market Study have shown a market largely working well, but that there were challenges. "Mortgage prisoners" are one example, and there were also concerns about long-term and lifetime lending.

<https://www.fca.org.uk/news/speeches/fairness-flexibility-and-long-term-view-fcas-vision-mortgage-market>

Thirty second guide: The week in overview

The Upper Tribunal issued a judgment on 6 November 2018 upholding the FCA's decision to fine and ban the former CEO and sales director of Keydata Investment Services Limited.

On 9 November 2018 the Treasury Committee announced an inquiry into consumers' access to financial services, focusing on the interaction between vulnerable consumers and financial services firms.

FCA speaks about the role of regulation in encouraging good culture

The FCA has published a speech by Chief Executive Andrew Bailey titled *"The role of regulation in encouraging good culture"*, delivered at the Investment Association Culture Conference on 6 November 2018. Mr Bailey said that the effectiveness of communication with consumers is, in his experience, a test of culture, and that an industry which enables the support of patient capital and innovation, and of ethical investment and social responsibility, will be one where trust will be deeper and stronger and the culture will prosper.

<https://www.fca.org.uk/news/speeches/role-regulation-encouraging-good-culture>

FCA welcomes Cost Transparency Initiative

On 7 November 2018 the Cost Transparency Initiative ("CTI") was launched. The CTI is an independent group which aims to improve cost transparency for institutional investors, to improve governance and help investors make informed decisions. It will progress the work already done by the Institutional Disclosure Working Group. The FCA noted that it had been asked to join as an observer.

<https://www.fca.org.uk/news/statements/fca-statement-launch-cost-transparency-initiative-cti>

<https://www.plsa.co.uk/Policy-and-Research-Investment-Cost-Transparency-Initiative>

Enforcement notices

The FCA has cancelled the permissions granted to the following firms:

- Lakeland Spas & Log Cabins Limited (5 November 2018)
- Raja Cars Coventry Limited (5 November 2018)
- ISM Car Sales Limited (5 November 2018)
- Sharpview CCTV Limited (5 November 2018)
- Mobay Autos (5 November 2018)

<https://www.fca.org.uk/publication/final-notices/lakeland-spas-log-cabins-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/raja-cars-coventry-ltd-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/ism-car-sales-limited-2018.pdf>

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

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

FCA warnings

Name of firm	Date of warning	Details
Signature Cards/Gem Finance Cards/Easy Cash Cards	5 November 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/signature-cards-gem-finance-cards-easy-cash-cards

Name of firm	Date of warning	Details
Reg Investment Bank	6 November 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/reg-investment-bank
National Refund Group	6 November 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/national-refund-group
Blairford Consultancy	6 November 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/blairford-consultancy
Fin-TechPrime	6 November 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/fin-techprime
Invest Conseils (Group AIM LTD)	9 November 2018	Clone firm https://www.fca.org.uk/news/warnings/invest-conseils-group-aim-ltd-clone-authorized-firm
Asic Trader/Hellax Corp	9 November 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/asic-trader-hellax-corp
Citi Security Finance	9 November 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/citi-security-finance

Policy developments

	FCA	PRA
	Proposed developments	
Consultation papers	<p>On 7 November 2018 the FCA published Consultation Paper CP18/33 on "<i>Regular premium PPI complaints and recurring non-disclosure of commission – Feedback on CP18/8, final guidance, and consultation on proposed mailing requirements</i>".</p> <p>The CP relates to rules and guidance made by the FCA following the Supreme Court decision in <i>Plevin v Paragon Personal Finance Limited</i> [2017] UHSC 23. The new guidance deals with an uncertainty that has emerged since the FCA's original guidance and clarifies that firms should assess PPI commission disclosures not only at the point of sale but on an on-going basis, and that this should be assessed under the FCA's general (non-PPI specific) complaint handling rule, DISP 1.4.1R. The consultation part of the CP relates to mailing requirements for previously rejected complainants. The CP proposes that lenders be required to tell complainants that they</p>	

	FCA	PRA
	<p>can make a new complaint in light of recurring non-disclosure of the existence of, or level of, commission and/or profit share and remind them of the 29 August 2019 deadline for complaining.</p> <p>Deadline for responses: 7 December 2018</p> <p>https://www.fca.org.uk/publications/consultation-papers/cp18-33-regular-premium-ppi-complaints-recurring-non-disclosure-commission</p>	
	Finalised policy and guidance	
Policy statements		<p>On 9 November 2018 the PRA issued Policy Statement PS27/18 on "<i>Strengthening accountability: Implementing the extension of the SM&CR to insurers (Part 2)</i>". It provides the final set of rules for the implementation of the extension of the Senior Managers and Certification Regime to insurers.</p> <p>Implementation/effective date: 10 December 2018</p> <p>https://www.bankofengland.co.uk/prudential-regulation/publication/2018/strengthening-accountability-implementing-smcr-insurers-part-2</p>

FURTHER AFIELD

Treasury Committee investigates consumers' access to financial services

On 9 November 2018 the Treasury Committee announced an inquiry into consumers' access to financial services, focusing on the interaction between vulnerable consumers and financial services firms. The Committee will scrutinise whether certain groups of consumers are excluded from obtaining a basic level of service from financial services providers and whether vulnerable consumers pay more for financial services products. The Committee has asked for evidence by 14 December 2018.

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/news-parliament-2017/consumer-access-to-financial-services--inquiry-launch-17-19/>

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