Annual Public Meeting 2018: pre-submitted questions

Name: **Stephen Gore**

Question: The new SMR regime seems to say all the right things but its success will only be proved if FCA really uses the powers it has. Does not the lenient treatment afforded to the Chief Executive who tried to identify and punish a whistle blower suggest that FCA are not willing to use their full powers against the really powerful?

The FCA is willing to take action against senior management under the Senior Managers Regime, but any enforcement action that we take for breaches of SMR and the penalty imposed will always be dictated by the evidence. The case of Jes Staley is in fact an example of the FCA taking robust action under the SMR.

Mr Staley breached Individual Conduct Rule (ICR) 2 – he failed to act with due skill, care and diligence in relation to his handling of an anonymous letter.

The sanction imposed on Mr Staley was not lenient, but was proportionate to the seriousness of his misconduct. The evidence did not support a breach of ICR 1 (integrity) or show Mr. Staley to lack fitness and propriety. As such the FCA could not prohibit him from being CEO of Barclays and the financial penalty was calculated in accordance with our published policy.

Name: **Sam Sheen**

Question: Guidance was passed some time ago here in the UK in relation to domestic PEPs. Will the FCA be producing a report on the outcome / application of the measures introduced to see whether they are having the intended effect? i.e. are PEPs who feel they have been unfairly treated (treated as high risk and subject to enhanced due diligence information requests) actually accessing the ombudsman with complaints?

We have no plans to produce a report on the application of our guidance on the treatment of PEPs that was published in July 2017. And we have not received any complaints from any politician, family member or known close associate of a politician about the way in which firms were applying AML rules to them since the new Money Laundering Regulations came in to force on 26 June 2017.

Since the Financial Ombudsman Service was given jurisdiction to consider complaints on 1 April 2018 we are not aware of any complaints being made.

However, as part of our supervision of all firms we do continue to focus on how they treat higher risk customers including foreign PEPs to ensure that firms continue to focus on the areas of greatest risk of money laundering, terrorist financing and corruption.

Our findings from all of our supervisory programmes in 2017/18 were published in the FCA's Anti-Money Laundering Report published in July 2018. We continue to stress to firms the importance of an effective yet proportionate risk based approach.

Name: **Nawaz Inam**

Company: **Issufy**

Question: To what extent during the course of the rest of 2018 will member firms be tested or audited on their adherence to the MiFID II rules that came in force on January 3rd 2018.

In the Business Plan we said that our Supervision work will focus on ensuring that firms are complying with the changes the Markets in Financial Instruments Directive (MiFID) II introduced.

There are a number of pieces of supervisory work that are being undertaken this year linked to MiFID II, including on equity market structure, research unbundling and underwriting.

We will decide in due course how best to communicate the results of the different pieces of work we are undertaking on compliance with MiFID II.

Name: **David Phan**

Question: One of the areas of PSD 2 was the banning of retailers charging consumers for the use of debit charges yet larger organisations have overcome this by changing to 'service charge'. How are you addressing this?

You're right to point out that the relevant Consumer Rights Regulations relating to surcharges were amended by the Payment Service Regulation. This changed the rules on retailers charging a fee for using a means of payment (eg. Debit card, credit card, e money account).

We're responsible for looking at what regulated firms do regarding payment rules. However, we aren't responsible for supervising how merchants charge their customers. Responsibility for considering misuse of surcharges falls to trading standards, or the Department for Enterprise in Northern Ireland.

It prevents them charging more than the direct cost borne by them for use of that type of payment.

The Department for Business, Energy and Industrial Strategy has guidance on the updated surcharge regulations, including consumer rights. Local trading standards authorities have a duty to consider complaints made about unlawful surcharges.

Name: **Valeria Gallo**

Question: To what extent do you think your support of FinTech has helped you achieve your competition objective?

Our FCA Innovate department plays a major role in supporting new innovative firms entering the market, disrupting established incumbents and bringing new and innovative products and services to consumers. We believe that this promotes better competition in financial services, and is a significant contributor to achieving the FCA's competition objective.

We launched Innovate in 2014 to support new and established businesses to bring genuinely innovative products and services to the market. We have supported over 500 firms through our various functions including Direct Support, Advice Unit, Sandbox, and RegTech.

New products and services can promote competition by driving efficiency in systems and controls, cutting out inefficiency from the value chain and reducing costs. Innovation can also contribute to improvements in consumer engagement and understanding, risk management, and offer products and services to broader market, and in some cases, may help to address segments of society where consumers are particularly vulnerable or financially excluded.

There are several examples where our various services have contributed positively to competition in a sector. For example, in the Sandbox we have supported firms that are seeking to develop alternatives to high cost credit. In the Advice Unit we have supported firms developing automated advice or guidance models that have the potential to significantly lower the cost of advice and improve consumer engagement and understanding.

Innovate is also able to identify areas where the regulatory system needs to adapt in order to foster innovation to the benefit of consumers – helping the FCA as a regulator to lead the way internationally in responding to innovation. We have already identified some challenges we want to tackle to support innovation, notably 14 firms in our Regulatory Sandbox include an element of Distributed Ledger Technology (DLT) which is able to inform our policy work in this area.

Name: **Clem Geraghty**

Question: Culture in financial services firms seems to be a hot topic. It would be interesting to hear what the FCA thinks are good and bad examples of culture.

As a firm's culture is influenced by many different factors, we do not attempt to prescribe what it should be; firms and their management are responsible for their own cultures and preventing any harm those cultures may cause – there is no 'one size fits all'.

At a high level a 'good' culture can be viewed as one that leads to fair and appropriate outcomes for consumers and markets, while a 'bad' culture is likely to eventually cause harm. However, exactly what this means may differ from firm to firm and so we do not provide examples of 'good' or 'bad' culture as it is not the FCA's role to dictate a firm's culture any more than it would dictate its business model or strategy.

However, recently we commissioned several pieces (published in a Discussion Paper in March), some of which considered whether there is a 'right' culture in financial services. Authors agreed that there is no one culture for firms to aspire to. However, they believe that healthy cultures do have some specific characteristics that reduce harm, for example, openness, ability to speak up and learning from mistakes.

Although we do not prescribe the cultures of firms or what 'good' looks like, we have set out minimum standards of behaviour in the form of 5 Conduct Rules, which sit at the heart of the Senior Managers & Certification Regime (SM&CR). These basic standards of personal conduct should run through firms, underpinning and influencing the decisions made every day.

Name: **David Bowden**

Question: In February 2016 the FCA issued its Call for Input: Review of retained provisions of the Consumer Credit Act calling for evidence on what to do with what was left of the CCA. 2 years later on 2 August 2018 the FCA issued its Discussion Paper DP18/7 Review of retained provisions of the Consumer Credit Act: Interim report for 3 months consultation.

On the whole this paper ducks all the difficult questions and merely proposes that nothing be changed.

1. Will the FCA accept that this is not an acceptable position for the FCA as regulator of consumer credit to be in with large parts of the rules in the CCA and regulations made under it over which it has no control? and

2. Does the FCA agree that the time has come, on the golden jubilee of Lord Crowther being appointed to look at consumer credit originally, for a

new independent Committee - Crowther 2, to be appointed to simplify the unduly complex patchwork quilt of rules that consumer credit firms have to operate under?

The CCA review is not intended to recreate the work of the Crowther Committee. Its remit is far more limited. The legislation that requires the review (SI 2014/366) sets out that the FCA must consider whether the repeal (in whole or part) of CCA provisions would adversely affect the appropriate degree of protection for consumers. In doing so, we must consider which provisions could be replaced by FCA rules or guidance, and the principle that burdens placed on firms should be proportionate to the benefits.

The call for input published in February 2016 asked for input from stakeholders into the planning stage of the review. This helped define our approach to the review, and a summary of feedback received is included in the interim report.

The interim report sets out our initial views on the statutory question, and goes further in identifying issues with CCA provisions that may need addressing, whether the provisions stay in legislation or transfer to the FCA Handbook.

Our initial views include that, in principle, most of the information requirements could be transferred to the FCA Handbook. This would also provide an opportunity to amend or update the requirements. We have also proposed that, where sanctions are retained, their application should be focused on breaches likely to cause material harm to consumers.

We have said in the interim report that as a principle we see advantages in provisions being moved into the FCA's Handbook, where possible, provided that this does not adversely affect appropriate consumer protection.

The interim report is currently open for responses until 2nd November.

Name: **Sam Caiman**

Question: The FCA has recently admitted handing out pin badges to staff in 2017 with the motto 'bring it on' to coincide with its PPI deadline. Is this the conduct expected of an independent public regulator?

This issue was referred to the Complaints Commissioner. Having considered the matter after the Complaint Commissioner's decision, we accept that issuing the badges was unwise.

Although issuing the badges was an internal matter aiming to motivate a small number of staff who had worked hard to ensure the PPI deadline would achieve our objectives, viewed from outside the organisation, the badges could give the impression that the FCA would not approach its PPI policy in a balanced and professional manner.

We would not accept, however, that issuing the badges had the potential to impact the FCA's decision-making around PPI. The decision to go ahead with the deadline was thoroughly researched and consulted upon.

Name: **Hannah Doherty**

Company: **HD Legal & Compliance**

Topic: **Secured Energy Bonds**

Question: In Issue 8 of the Data Bulletin (the February 2017 edition), an 'Emerging Issue' was noted, concerning the responsibilities of firms approving financial promotions in relation to non-regulated bonds. Is there any update on this, in light of the recent FOS decisions against Independent Portfolio Managers Ltd in relation to bonds issued by Secured Energy Bonds plc?

Our financial promotions team, in collaboration with supervision, is targeting a number of authorised firms responsible for approving financial promotions for the purposes of s.21 FSMA for unregulated issuers of non-standard investments, such as mini bonds. These products pose a high risk of harm to consumers and our targeted work is looking to improve the quality of financial promotions for these products and set standards for the level of due diligence undertaken by authorised firms approving promotions.

With respect to IPM, as you may be aware we took a number of steps up to and including cancelling the firm's permission.

On 6 October 2016, the firm signed a VREQ to cease all regulated activities.

On 12 April 2018, the Authority issued a Warning Notice to IPML proposing to cancel its permission.

On 2 May 2018, the Authority issued a Decision Notice to IPML stating that it had decided to cancel IPML's permission.

On 21 June 2018, the Authority issued a Final Notice to IPML, cancelling its permission.

Name: **William Few**

Question: When hiring a car in the UK and overseas it seems to me that the Excess has increased beyond what is reasonable. Indeed AVIS want me to run the first £2,500 on a medium hire car in Australia this autumn. I believe that this is a scam to force consumers to purchase very expensive insurance that serves only the hire companies and their staff who get commission on such sales and insurers who pay out very little on whatever premium is left. When will the FCA involve itself in sorting out this awful scam?

On 1 October 2018 we introduce new rules to implement the Insurance Distribution Directive. These rules will apply to firms selling insurance, including Car Hire Excess cover, to retail customers in the UK. They will require firms to "…act honestly, fairly and professionally in accordance with the best interests of [their] customer[s]" (ICOBS 2.5.-1). This will reinforce the existing requirements on firms that they must ensure their products are appropriate for their customers.

When you hire a car, any legally required motor insurance is typically included in the cost of your hire. However you are generally responsible for reimbursing the hire company for any costs it incurs to reinstate or repair loss or damage to the vehicle during the hire period. Often hire car companies provide waivers, under which the hire company waives some of your liability for these costs. However the limit of your liability may still be high, and is often over £1,000. To reduce your liability further you can purchase Car Hire Excess insurance which insures your liabilities to the hire company. This is frequently sold by car hire companies at point of sale (where it may prove very expensive) but appropriate cover is usually available from other independent suppliers and it may benefit consumers to shop around and/or to buy this cover in advance of travelling.

The waivers offered by car hire companies are not usually part of an insurance product and are therefore not within the FCA's perimeter, particularly where these relate to hiring cars abroad. Any requirements hire car companies have for demonstrating that you can cover any amounts for which you may be liable are also outside the FCA's perimeter. However Car Hire Excess policies sold in the UK (which can be used to cover car hire excesses throughout the world) are regulated by us and may provide a suitable alternative to assuming the liability risks or purchasing additional insurance cover at the car hire location.

Name: **Morten Frisch**

Question: Based on my personal experience and supported by numerous reports in the media, the financial service industry fails to provide a safe, reliable and cost effective service to private pension investors as well as investors in general. This is at least in part a result of the Financial Ombudsman Services (FOS) failing to deal with independent financial advisors (IFA) and the providers of the investment products IFA's recommend to their clients, when the IFA and sometimes also the provider of investment products in co-operation with the IFA, has acted in breach of applicable laws and regulations.

How can the FCA help and support a pension investor when the FOS as part of a complaint against an IFA has failed, and continue to fail, addressing evidence showing beyond doubt that the IFA has acted in breach of the Financial Services Act 2012 and also the Fraud Act 2006, and the FOS in its Final Decision in a complaint itself has acted in breach of the Financial Services Act 2012?

Since the FOS fails to deal with pension investment complaints and investment complaints in general in a proper and effective manner, it is not possible to provide for consumers a safe and effective regulation of the financial services industry. How can the FCA change this unacceptable situation?

The FOS is operationally independently from the FCA and the FCA cannot intervene in the handling and outcome of individual cases. The FOS may refer the case to the FCA for enforcement action against a firm for a rule breach, however this may not result in the consumer obtaining redress.

If a consumer wishes to make a complaint about a firm to the FOS, the FOS will ask the firm to explain what it thinks happened and then decide whether to uphold the consumer's complaint. The FOS's role is to be impartial and investigate the dispute between the consumer and the firm.

Once the FOS has made a decision on a complaint, the decision is final. The consumer can choose whether or not to accept the FOS's decision. If the consumer accepts the decision, it is binding on both the consumer and the firm. If the consumer does not accept, they can take their case against the firm to court.

If a consumer is not happy with the way the FOS has dealt with their case or with the level of service provided, the FOS operates a special procedure to handle complaints about their service. This procedure involves an independent assessor who will review the way the FOS have handled the consumer's case.

Name: **Zaccheus Gilpin**

Question: Will brexit create more or less jobs in the financial sector?

Would the answer be different if new labour was in office?

We haven't assessed how EU Withdrawal could affect employment in the financial sector.

This is because the impact will depend on the outcome of the negotiation and the terms of the UK's exit from the EU.

It's impossible to speculate on what might happen in hypothetical circumstances but we are confident the UK will remain a key financial centre.

We're working closely with the Government, providing them with technical advice and assistance, in order to support a positive outcome that maintains the benefits of open markets.

Name: **Nigel Harper**

Question: Why have the FCA NOT suspended the RBS and Lloyds Banking Group shares from the Stock Market listings?

It is clear that all Chairmen and Executive Directors have Breached the FCA Principles of Business thereby breaching their Banking Licence by being fined!

By breaching their Banking Licence, Listing Regulations and Stock Exchange Compliance Regulations the Chairmen and Board cannot be men of integrity or skill.

Why then are the junk shares permitted into trade on the exchange?

The question of whether a company's shares should be listed is an entirely separate one to the question of whether the company should have a banking licence and, if so, what conditions the authority should attach to it.

An orderly market in the two company's shares is not dependent on their adherence to rules such as treating customers fairly. Issues around this would need to be dealt with through our supervisory and enforcement processes, not the listings authority.

Name: **Neil Mitchell**

Question: Will Mr Andrew Bailey resign as CEO of the FCA over the FCA's Collusion with RBS and HM Treasury to both Cover Up the true level of Management Misconduct regarding RBS GRG and for Mr Bailey's own misrepresentation of the Summary of the S166 Report to the Treasury Select Committee in November 2016 in comparison to the leaked version which in itself is a sophisticated sabotaged whitewash of the true scale of this atrocity committed against British & overseas businesses.

The FCA has not colluded with RBS to cover up management misconduct in relation to RBS GRG. Given the serious concerns that were identified in the independent review we launched a comprehensive and forensic investigation to see if there was any action that could be taken against senior management or RBS. It is important to recognise that the business of GRG was largely unregulated and the FCA's powers to take action in such circumstances, even where the mistreatment of customers has been identified and accepted, are very limited. Taking action was therefore always going to be difficult and challenging but after carefully considering all the evidence we concluded that our powers to discipline for misconduct do not apply and that an action in relation to senior management for lack of fitness and propriety would not have reasonable prospects of success.

We consulted with independent, external leading counsel who confirmed that the FCA's conclusions are correct and reasonable.
On 31 July 2018 we published a Statement on the Financial Conduct Authority's further investigative steps in relation to RBS GRG. Recognising the significant public interest in this matter we will publish as much detail as we can, to the extent permitted by the law and after allowing for any 'Maxwellisation' process (consistent with the recommendations of Andrew Green QC dated November 2016) as may be required.

The fact that we can't take action in no way condones the behaviour of RBS.

Name: **Harold Tillman**

Question: When are the FCA going to prosecute criminals in banking for destroying viable SME Businesses?

The evidence at Lloyds Bristol is overwhelming. Yet you do nothing?

Commercial lending to SME businesses is largely unregulated and the FCA's powers to take action are very limited even where there are allegations of mistreatment of customers.

The FCA is not the lead investigator/prosecutor in relation to allegations of fraud against SMEs. The FCA does however have strong working relationships with many other law enforcement agencies and we are in regular contact with those agencies through both formal and informal channels where appropriate.

Name: **Juliette Mottram**

Question: As an HBOS Reading victim who has had not one penny in compensation and has had their home stolen by fake bailiffs why has the FCA failed to address the crimes that the bank has committed *when the guilty have* been jailed therefore a proven crime.

The commercial lending in HBOS Reading is not an activity which has been designated as a regulated activity under the Regulated Activities Order made by the Treasury under Part II of the Financial Services and Markets Act 2000 (FSMA). This means that we are, and at the time of the events the Financial Services Authority (FSA) was, unable to make rules governing how banks conduct their lending to businesses. It also means that our supervisory powers in relation to the activities undertaken within HBOS Reading are constrained, and we do not have the power to require Lloyds Banking Group (LBG) to provide redress or to set the terms of the redress scheme. It is important to recognise that LBG has put forward a voluntary redress scheme which is being overseen by Professor Griggs, an independent third party. We welcome this step taken by LBG as an appropriate response and are monitoring the scheme to ensure that things are put right.

Name: **Noel Edmonds**

Question: When did the FCA learn of the crimes in HBOS London & SE Bishopsgate and LLOYDS Bristol & Gresham street and in the FCA's view when did the CEO and Chairman of LBG first learn of the Turnbull Report?

The FSA first started investigating matters relating to HBOS Reading in June 2010. The FSA investigation is into the events surrounding the discovery by HBOS of misconduct within the Reading-based Impaired Assets team of HBOS and HBOS's communications with the FSA about the initial discovery of the misconduct. Thames Valley Police approached us in 2013 and asked us to put our investigation on hold to allow them to pursue a criminal investigation into the matters which we agreed to do. During the time our investigation was paused LBG provided a copy of the Turnbull Report to us in 2014 which we shared with Thames Valley Police at the time. As you know, the Thames Valley Police investigation led to 6 people being convicted and jailed for a total of 47 years and nine months, including Lynden Scourfield who worked in the HBOS Reading office and Mark Dobson who worked in the HBOS Bishopsgate office. Following the conclusion of the criminal prosecutions we announced that we had recommenced our investigation in April 2017. Our investigation is ongoing and we are committed to completing it as soon as possible. Separately, the NCA announced on 30 April 2018 that it is conducting a pre-investigative review of allegations of fraud that fell outside the scope of the Thames Valley Police investigation. That pre-investigative review is ongoing. Clearly, we cannot comment on that work.

Name: **Adam Hunter**

Question: What has the FCA done to protect retail investors from the threat of the BitMex cryptocurrency scam, amongst others?

The FCA has made it clear in public that investors in crypto assets should be prepared to lose the entire value of their investment and that such assets have no intrinsic value.

Our view so far has been that the technology underpinning cryptoassets may have the potential to improve the quality and efficiency of financial services. However, the FCA is also aware of the risks associated with cryptoassets and the numerous conduct and market integrity concerns associated with cryptoassets. The FCA therefore supports the development of an appropriate and proportionate regulatory environment that fosters the potential of cryptoassets to improve financial services through innovation whilst ensuring that we address investor harm and threats to market integrity.

Name: **John Rawicz-Szczerbo**

Question: Does the FCA accept that Ombudsman found that IFA's were to blame for the losses clients suffered in the Connaught Income fund long after the FCA knew that Capita and Tiuta, two regulated firms, were the principal cause of such losses?

The FCA cannot comment on FOS determinations and our investigations have not looked at the conduct of IFAs who advised customers to invest in the Connaught Income Fund.

The FCA's findings against Capita do not automatically negate a FOS determination against an IFA in relation to the Connaught Income fund as much will depend on the circumstances of each case. Where the FOS looks at advice given by IFAs to their client(s) it will make determinations based on the rules which apply to the provision of advice as well as considering what is fair and reasonable in the circumstances. It is entirely possible for there to be a determination by the FOS against an IFA for unsuitable advice and findings against a fund manager, like Capita, for different reasons.

Name: **Matthew Ball**

Question: Why aren't UK regulators following the Australian approach and doing more to directly promote professionalism?

Promoting professionalism within the UK financial services sector has been a focus for the FCA for a number of years. For example, through the introduction of the Senior Managers and Certification Regime (SM&CR), we require anyone with a financial services focused role that works for a deposit-taker to meet minimum standards of behaviour designed to ensure professional standards are maintained across all levels of an organisation. For the most senior individuals within these firms, or those whose role means they could have a significant impact on customers, the firm and/or market integrity, additional requirements apply. This includes ensuring these individuals are fit-and-proper to undertake their role both at the outset and on an annual basis. The underlying objective of the SM&CR is to increase responsibility and accountability and standards of conduct across the UK financial services sector. For this reason, the SM&CR is being extended to insurers (from 9 December 2018) and all other firms the FCA authorises (from 10 December 2019).

The FCA has also taken steps to increase professionalism in specific financial sectors. For example, in the retail investment market, all advisers must meet specific rules relating to their training and competence. This includes holding an appropriate qualification, undertaking regular continual professional development, holding a Statement of Professional Standing from an accredited body and meeting ethical requirements set out in our Code of Practice for Approved Persons. In January 2018, additional knowledge and competence requirements were also introduced in the sector, which extends beyond advisers to include all staff in firms that give information to customers.

Professionalism within UK financial services will remain a key focus for the FCA going forward, as part of our culture and governance business plan priority, recognising this drive behaviours that impact consumer outcomes.

Name: **Agi Gamski**

Question: I do have a question relating to push payment fraud, the Which? consumer group super complaint and what has been done since and why the FCA is so reluctant to force changes onto PSR with regards to matching names and account or other means to reduce misdirected payment (whether by fraud or fat finger mistake).

At present the weaknesses in banking system and the way state of banking is simply diabolical. Despite statistics showing fraud / scams on the rise and millions lost by innocent customers - I would like to know what has been done and why banks are not punished for allowing fraudsters to open accounts without customer due diligence. I'd like to know why banks are allowed to break money laundering regulations 2017? (Details of cases to prove my point and fines imposed since the regs came into force).

Authorised push payment fraud is a crime and can have a devastating impact on its victims. That is why the PSR is working hard to prevent these scams and reduce their impact on consumers.

One major initiative the PSR is progressing is their work with industry and consumer groups to develop a contingent reimbursement model (CRM) that is formalised into an industry code.

This Code will set out the circumstances in which banks will be responsible for reimbursing victims of APP scams and means people will have more protection than they've ever had against APP scams. The Code will set out a number of measures and processes that the banks must have, which are aimed at better preventing and responding to APP scams.

The Code will be publicly consulted on and refined from September 2018, and a final code is expected to become effective in early 2019. The Code will continue to evolve to ensure preventative measures are up to date.

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 apply to banks, building societies and credit unions. They also apply to other firms undertaking certain financial activities. These will normally include investment managers and stockbrokers, e-money institutions, payment institutions, consumer credit firms offering lending services, financial advisors, investment firms, asset managers and those providing safety deposit services. These regulations require firms to apply risk-based customer due diligence measures and take other steps to prevent services from being used for money laundering or terrorist financing.

We require all authorised firms subject to the Money Laundering Regulations to meet additional but complementary regulatory obligation to apply policies and procedures to minimise their money laundering risk. Their internal controls must effectively monitor and manage their compliance with anti-money-laundering (AML) policies and procedures. These controls need to be appropriate to the size of the firm, the products offered, the parts of the world where they do business and types of customers who use their services.

We also require that firms:

- give overall responsibility for anti money-laundering systems and controls to a director or senior manager. They should know about the money-laundering risks to your firm and make sure steps are taken to mitigate those risks effectively

- appoint a Money Laundering Reporting Officer (MLRO), who is a focus for the firm's AML activity. The MLRO supervises the firm's compliance with its AML obligations. If you are a sole trader with no employees you are not subject to this requirement

Name: **Kumar Raju**

Question: How will the FCA leverage the technology to solve the problems arising out of Brexit?

Ensuring that FCA staff are well equipped with up-to-date technology is a key part of our strategy to deliver – in an efficient and cost effective way – on our objectives, including managing the risks posed by EU withdrawal.

New technology delivered as part of the FCA's "Big Upgrade" is already fostering a more collaborative and flexible working environment.

Advances in technology don't just help the FCA. We're working closely with the industry, through initiatives such as the regulatory sandbox, to ensure that the benefits of new technology and innovation can be harnessed in safe way that benefits both firms and consumers.

We're excited to see what these innovations might do and how this might help with challenges that firms and consumers may face.