

Minutes

Meeting: FCA Board
Date of Meeting: 28 August 2020
Venue: Meeting held via Skype

Present: Charles Randell (Chair) Richard Lloyd
Catherine Bradley Alice Maynard
Liam Coleman Sam Woods
Bernadette Conroy Christopher Woolard
Sarah Hogg Tommaso Valletti
Jeannette Lichner

In attendance: Set out in Annex A

1 Quorum and declarations of interest

- 1.1 The meeting **noted** there was a quorum present and proceeded to business.
- 1.2 Liam Coleman declared an interest in item 5.2(i) as the person concerned used to work for him at the Co-operative Bank. In view of this, it was agreed that Mr Coleman would not participate in the decision being asked of the Board. No other interests in relation to the items to be discussed were declared.

2 Annual Report and Accounts of the Payment Systems Regulator

- 2.1 The Board received and **approved** the Annual Report and Accounts of the Payment Systems Regulator Ltd.

3 Annual Report and Accounts

- 3.1 The Board was presented with a final draft of the 2020 Annual Report and Accounts and their attention was drawn to key features of the report. It was noted that, in accordance with a new legal requirement, the FCA had included a s172 report, which details how the Board has had regard to the interest of stakeholders in promoting the success of the regulator.
 - 3.2 The Board was briefed on the status of the audit, which was reaching its closing stages. The proposed timetable for finalising the accounts, and laying the report before Parliament, was outlined.
 - 3.3 The Chair of the Regulatory Decisions Committee presented and summarised his Annual Review to the Board.
 - 3.4 The Director of Human Resources introduced the draft Diversity Report. The Board discussed its contents and commented on the report. The Board noted the pay gap information that
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was disclosed in the report, noting also that, as an aid to greater transparency, additional detailed information was provided on the FCA's website.

- 3.5 The Board **approved** the Annual Report and Accounts, subject to any minor amendments to be agreed by the Chair and Interim Chief Executive.
- 3.6 The Board **authorised** the Chair and the Interim Chief Executive to sign the Annual Report and Accounts on its behalf and to arrange for the report to be laid before Parliament. The Board also **authorised** other officers to sign relevant reports to accompany the Annual Report as required.

4 Re-prioritisation

- 4.1 The Board was briefed on the progress in forming a flexible group of staff that could be deployed to meet the most urgent needs of the organisation arising as a result of the Covid-19 pandemic. The Board noted that currently approximately one-third of the FCA's employees were working on Covid-19 related activities and the purpose of the pool, was to provide meaningful impact in areas as required. It was not expected that the whole pool would be drawn on at any one time.
- 4.2 It was explained that the purpose of the pool was to enable a genuine rebalancing of FCA activity as required. A large group of people had already been deployed to focus on pre-resolution supervision, to protect consumers through allowing firms at high risk of failure to fail in an orderly way. The Board discussed the circumstances in which a call on the pool would be made and noted the executive directors' estimate of the impact on existing operations that would stem from a call on the pool. It was agreed that it was for the Executive Committee to manage these trade-offs, but the Board would need to be made aware of the risks to strategic or business plan objectives.
- 4.3 The Board also considered the cultural impact of the pool; in particular, how it may be perceived by those not included. The Board suggested that managers throughout the organisation should be encouraged to change the way their teams work with the aim of becoming more agile.

5 Decisions of the Board

- 5.1 The Board **approved** the minutes of the meetings held on 22 and 23 July 2020.
- 5.2 The Board **approved** the following appointments as non-executive directors of the Financial Ombudsman Scheme:
- i. Heather Lauder for a three-year term, with effect from 1 September 2020. Liam Coleman did not participate in this decision due to his declared conflict of interest.
 - ii. Graham Brammer CBE for a three-year term with effect from 1 September 2020

6 Any other business

- 6.1 The Board was briefed on the consultation relating to the Complaints Scheme.
- 6.2 The Board was briefed on the progress of the Independent Investigation into the FCA's regulation of London Capital & Finance plc.
- 6.3 The Board was briefed on the progress of discussions with HM Treasury regarding the approach to the recovery process for the Government's Bounce Back Loan Scheme (BBLs).

The Board requested an analysis of the number of regulated firms that have taken out loans under the scheme.

6.4 There being no further business, the meeting closed

Charles Randell
Chair

ANNEX A: Attendees*

Attending for all, or substantially all of the meeting:

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| Jonathan Davidson | Executive Director, Supervision – Retail & Authorisations (from item 3) |
| Nausicaa Delfas | Executive Director, International |
| Sheree Howard | Executive Director, Risk and Compliance Oversight |
| Karen Levinge | Head of Department, General Counsel’s Division |
| Simon Pearce | Company Secretary |
| Mark Steward | Executive Director, Enforcement and Market Oversight |
| Beverley Walker | Manager, Central Secretariat |
| Andrew Whyte | Director, Communications |

Attending for the following items:

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| 2 | David Godfrey | Finance Director |
| | Jane Gosling | Manager, PSR Communications & Operations |
| 3 | Stephen Humphreys | Head of Department, Corporate Communications |
| | David Godfrey | Director, Finance & Business Services |
| | Keren Oser | Head of Department, Finance |
| | William Hague | Director, Transformation & Human Resources |
| | Joe Genova | Manager, Finance & Business Services |
| | Tim Parkes | Chair, Regulatory Decisions Committee |
| 4 | Deborah Jones | Director, Life Insurance & Financial Advice |
| | Richard Monks | Director, Strategy |

* Relevant associates and professional support staff were also in attendance.