

Regulation round-up



January 2014

Insurance (life & general) // Financial advisers
Investment managers // Banks & building societies
Mortgage brokers & lenders // Credit unions



Welcome to the January issue
of *Regulation round-up*

Christopher Woolard, Director of Policy, Risk & Research

*'...generating
more
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In this first issue of the new year, we're asking you for your views on our website (see the hot topic below), as well as bringing you the key regulatory news and information for your sector.

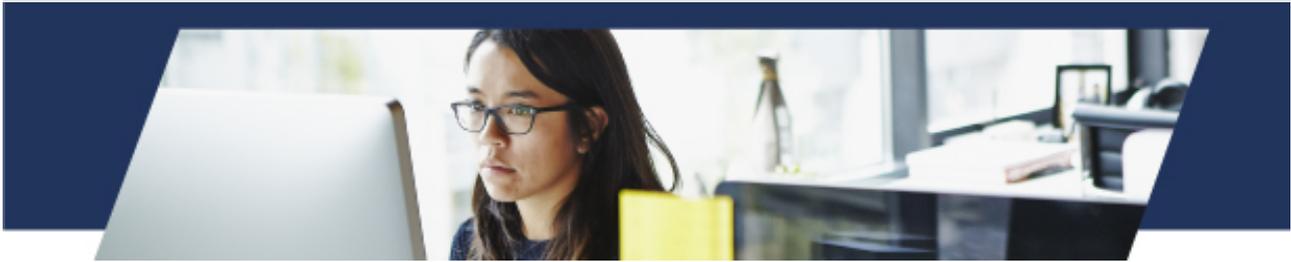
As the director responsible for our competition remit, I'd first like to share our thoughts on what this means for you.

Promoting effective competition is one of our key objectives. Markets where firms compete effectively lead to cost efficiencies, lower prices, greater choice and innovation, all of which work in the interest of consumers. We have a strong mandate to promote competition, but we're not just waiting for problems to occur - we're being proactive about how we encourage competition. As part of this, we've launched some [market studies](#), which you may be affected by, to examine competition issues in the markets we regulate.

So what does this mean for you? You might not think the FCA's competition objective is directly relevant to your firm. However, by promoting more competitive markets, we will be generating more opportunities for you to expand and grow your businesses.

You can help us deliver this new competition mandate. If you're aware of obstacles for innovative new business models or products, we'd like to hear from you. If you think there are unfair barriers to competing in a market, [we want to hear about it](#).

More competitive markets in financial services aren't just good news for consumers - they are good news for efficient and fair-dealing businesses and, as a result, the wider UK economy too.



Hot topic: Tell us what you think about our website



We want to make our website and other digital channels more effective for you - our users. To do this, we need to know what you need and how you'd prefer to communicate with us.

We're asking for your views on the digital channels we already use - like our [website](#) and our twitter account [@TheFCA](#) - and we want to know which other social media you think we should use. How would you like to engage us online?

Please tell us using this short [online questionnaire](#). It's for consumers and firms and takes no more than five minutes to complete.

Thank you.

[Take survey](#)

Insurance (life & general)

Finalised guidance on inducements

We have published guidance making it clear that financial advisers and product providers share the responsibility for managing potential conflicts of interests when receiving and making payments under service and distribution agreements.

Financial advisers

RDR one year on

We will be undertaking a post-implementation review this year and aim to publish our second cycle of thematic work by the end of Q1 2014.

Finalised guidance on inducements

We have published guidance

The guidance follows a thematic review that found payments were still being made that could result in advisory firms favouring one product provider over another, undermining the aims of the Retail Distribution Review (RDR).

making it clear that financial advisers and product providers share the responsibility for managing potential conflicts of interest.

UCIS rules in force

New rules aim to improve retail consumer outcomes by limiting the promotion of UCIS and close substitutes. Deciding not to advise on a UCIS because you deem it unsuitable for your customers will not affect your independent status.

Investment managers

CRD IV rules in force

Affected firms should have received a communication from us stating whether we expect your firm to comply with the new CRD IV rules or remain on the CRD III rules.

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Banks & building societies

Firms appointed to review RBS

We have appointed two independent firms to review Royal Bank of Scotland's treatment of business customers in financial difficulty.

Co-op Bank investigation announced

We have announced that we will be undertaking enforcement investigations into events at the Co-operative Bank.

Interest rate hedging update issued

Compensation paid has nearly doubled to over £150 million since we published the previous monthly figures. May is still the target for all offers to be sent out.

Mortgage brokers & lenders

MMR webcast and FAQs for intermediaries

Further support is available, with the publication of the **FAQs** from the nationwide workshops held late

Credit unions

Regulating consumer credit for credit unions

Our factsheet outlines the implications for credit unions when we take over the regulation

last year. We will shortly be making the second MMR webcast available. It focuses on the topics intermediaries said they wanted more support on.

Notice of Undertaking: Kensington Mortgage Company Limited

We have published a Notice of Undertaking from Kensington Mortgage Company Limited, who have agreed not to rely on a number of terms in their mortgage conditions, which we believe were likely to be unfair.

of consumer credit from the Office of Fair Trading (OFT) in April 2014. We also explain how credit unions can find further information on our detailed proposals for our consumer credit regime.



January news round-up

Updated EMIR presentation

Three arrested in FCA boiler room investigation

CP14/1 Financial Services Compensation Scheme - Management expenses levy limit 2014/15

Events

More dates for Positive Compliance workshops

 In January and February, we are running more Positive Compliance workshops focusing on pension switching and income drawdown. Locations include London, Solihull, Cheshire and the East Midlands.

[Click here to book](#)



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