Annual Public Meeting 2025 – responses to unanswered questions

Subjects listed alphabetically and answers grouped where appropriate

AI

1. **Given the focus on closing the advice gap through TS And the focus on data, tech and AI how will the FCA be able to ensure that under represented groups like women are protected from the bias in data and ai so they can benefit from these innovative ways to ensure better financial futures for all?**

While AI models can help to identify and support different consumer segments, we also know that biases can arise or be exacerbated by their use, particularly for vulnerable and underrepresented groups such as women.

Whether using AI or not, our monitoring expectations under the Consumer Duty still apply and firms should be able to evidence to us that any differential outcomes represent fair value. Firms also have obligations under the Equality Act.

To understand the issues inherent in this space, we have conducted and published several thought leadership research notes examining bias in AI systems. These studies highlight different techniques that can be used to measure and mitigate bias in models in order to support industry consideration of this challenge.

We continue to look closely at issues around bias and vulnerability as part of our work on the Advice Guidance Boundary Review (AGBR) and are practically supporting firms in adopting AI safely and responsibly through our AI Lab.

2. **Are you concerned about technological development in customer communication (AI tools, AI generated responses) may cause an access barrier for vulnerable consumers or provide misleading guidance resulting in bad consumer outcomes?**

Under the Consumer Duty, we expect firms to be able to identify when particular groups of customers, such as customers with characteristics of vulnerability or customers who share specific protected characteristics, under the Equality Act 2010 or equivalent legislation, receive systematically poorer outcomes.

While AI models can help to identify and support different consumer

segments, we also know that biases can arise or be exacerbated by their use. Whether using AI or not, our monitoring expectations under the Duty still apply and firms should be able to explain the reasons behind any differential outcomes and evidence these are compatible with the Consumer Duty and their obligations under the Equality Act.

We have been clear that firms should not reduce access to appropriate products and services or use AI in ways that embed or amplify bias. Where AI leads to worse outcomes for certain groups, firms may breach the Consumer Duty unless those outcomes are objectively justified.

In March, we published the findings of our review of firms' treatment of customers in vulnerable circumstances. We found examples of positive actions taken by firms across sectors - including where adopting AI has helped to better identify vulnerability and support the customer journey - as well as some areas for improvement particularly around products and services and outcomes monitoring. We will continue to engage with industry to support the delivery of good outcomes for customers.

3. How we can best use AI to improve credit decisioning & approvals beyond the credit score to improve the borrowers customer journey, financial well being and financial security?

Firms are exploring innovative ways to use AI to enhance the consumer journey and support better financial decision-making. Examples include:

- Real-time AI speech analytics to help frontline staff identify vulnerable consumers and offer proactive support.
- Agentic AI to extract key information and accelerate application processes.
- Large language models (LLMs) to simplify products and services and provide tailored guidance to consumers.

Ultimately, firms must decide which technologies best serve their business and customers. To encourage responsible innovation, we've introduced the AI Supercharged Sandbox and AI Live Testing, giving firms a safe environment to experiment with AI. Our outcomes-based regulatory approach sets clear expectations - such as delivering fair value under the Consumer Duty - while creating space for innovation.
For credit lenders, we require regular reviews of creditworthiness policies and procedures, with any deficiencies addressed in line our regulations.

4. What levels of AI compliance do you think tech companies should be aiming for beyond GDPR?

Where firms use AI systems that process personal data, they will also need to consider obligations under data protection legislation, including the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. The Information Commissioner's Office (ICO) has responsibility for overseeing compliance with data protection requirements and its guidance related to AI is available on its website.

We work closely with the ICO bilaterally and through the Digital Regulatory Cooperation Forum (DRCF) to support safe and responsible AI adoption, and our AI Update sets out how key elements of existing FCA regulatory frameworks apply to firms' use of AI (e.g. Consumer Duty, Senior Managers & Certification Regime).

5. Do you think there will be a time, when the legislation will allow, AI agents to handle sensitive use cases such as financial planning guidance?

Firms can consider using agentic AI systems, but they must ensure any application of AI meets regulatory requirements, which vary by use case. Our principles-based frameworks, such as Consumer Duty and Vulnerability Guidance, provide protections for consumers and markets, and we continue to monitor developments. We also work closely with the ICO on data protection compliance where our responsibilities intersect.

Through the FCA's AI Lab, we are seeing more agentic AI use cases emerging in financial services, though most remain in early stages and are focused on back-office functions. Adoption is expected to grow as firms explore where AI can deliver benefits such as efficiency and improved customer service. Given the pace of change, predicting specific developments is challenging, but safe and responsible deployment is essential, particularly for sensitive data or high-impact use cases.

To support this, we are taking practical steps. The AI Lab offers a safe environment for experimentation through initiatives like the Supercharged Sandbox and provides regulatory guidance via AI Live Testing. These measures aim to help firms innovate while ensuring AI use in UK financial markets remains secure and aligned with regulatory expectations.

Anti-Money Laundering

6. What is FCA's attitude towards outsourcing the clerical aspects of AML compliance to reduce the cost of compliance?

The UK's Money Laundering Regulations allow a firm to rely on a third party to conduct customer due diligence (CDD), but the firm is ultimately responsible for any failures in that process. To rely on a third party, the firm must have a written agreement ensuring the third party is regulated

or subject to equivalent anti money laundering rules, and that they will provide the requested due diligence documentation immediately. The third party must also agree to retain copies of the data and documents used for due diligence.

For more information, see the legislation - https://www.legislation.gov.uk/uksi/2017/692/regulation/39

APM

7. If you are truncating online questions, doesn't this contradict Nikil's earlier suggestion that the APM treats online and those in attendance the same

We welcome all feedback on our annual public meeting and suggestions for how it can be improved. This year, we moved to an online and in person format in response to feedback received last year. We seek to ensure that questions submitted online are accurately put to the Chair and Executive team while also seeking to make the most efficient use of the time.

8. Under the Financial Services and Markets Act, the FCA must give notice of this Annual Public Meeting and that notice must be published by the FCA to make the public aware of it.

With that in mind, please provide details of what the FCA has done to meet its obligation to make the public aware of this meeting, and in particular please advise whether the FCA did or didn't do the following:

1. **Issue press statements through all your media channels, including social media.**
2. **Display a prominent notice about the Meeting on its website Home Page.**
3. **Contact members of the public that had previously been in touch with the FCA for any reason that indicated they would be happy to receive future marketing material as per GDPR.**

And if any of these things haven't been done, please explain why.

We promoted the APM through various public channels to ensure interested audiences were aware.

A summary can be found below:

- Published on website – 10 July
- Included in 3 Regulatory Round-up e-mails (63,514 recipients) - 24 July, 28 August and 25 September
- Posted on LinkedIn (401,307 followers) on 18 August
- Posted on X twice (72,500 followers) – 28 August and 15 September
- Further social media on the Annual Report, which linked to the page where people could register
- Email to our full Events Update signup list (2,478 recipients) – 9 September
- Two operational notes that go to the full press release distribution list (1,900 recipients)
- E-mailed press attendees about the press conference

We did not publish the event on our home page. This typically focuses on information for consumers and firms, and latest news articles. We will consider adding a banner to our home page in future.

As set out during the meeting, our intention is to ensure that as many people who want to can attend, either in person or online. That's why this was the first hybrid meeting we've ever done. If we can improve the way in which we publicise the meeting, we will do so.

9. **Earlier in the meeting, you stated *"I have no doubt there will be more questions than time allows."***

Is that an admission that this Annual Public Meeting is not long enough?

And if so, will you now commit to not making the same error next year, i.e. having too short a meeting?

The fact that you prohibited Mr Carlier from asking the follow up questions he wanted to ask, is proof that the FCA is failing to provide the opportunity for discussion that the FCA is tasked by Parliament, through FSMA, to provide. I have very deliberately used the word discussion because that is the word used in the obligation. And obviously, a discussion goes beyond a Q&A.

No other regulator provides a similar opportunity for consumers and firms to ask questions directly of the Chair, Chief Executive, Executive Directors and members of our Board. The APM ran for over two hours, followed by a one-hour press conference. This is in line with best practice for events of this nature. Each year, we consider the format of the meeting. For

example, this year we provided a hybrid format in response to feedback received last year.

The comment in the meeting was intended to emphasise the importance of ensuring fairness and balance in how a range of issues that different individuals wanted to raise was addressed.

We provided ample opportunity to Mr Carlier in the meeting to cover his points in significant detail and we have answered his outstanding questions subsequently.

10. Is there a risk that the remarkably low attendance in this auditorium, which I estimate is about two thirds empty, makes it look like the FCA doesn't really want to be held to account by the public?

It may perhaps seem that the FCA wants to do just enough to get a tick in the box that it has held an annual public meeting, but no more than the very bare minimum.

As set out during the meeting, we value the APM as a key part of our accountability, allowing us to hear directly from consumers and firms across the UK. We are also committed to engaging with consumers and firms throughout the year, for example through our regional visits.

11. The FCA is to be commended for using hybrid public meetings and sets an example that can rightly be described as good governance and best practice. Would you describe those organisations that use the restrictive online-only meetings as exemplars of best or worst practice? Q2 - The FCA document "Annual Public Meeting 2024 - Response to unanswered questions" gave responses but not necessarily answers. Can future documents of this type provide answers please?

The rules around public meetings are matter for the Financial Reporting Council who are custodians of the corporate governance code. However, there has been commentary globally as more and more companies move to either hybrid or just virtual events. We can only comment on the FCA and say that we are one of the most, if not the most, scrutinised regulators and our APM is a key part of our accountability. We listened to feedback after last year and have moved to a virtual event which we believe is the most appropriate for us.

12. The FCA document "Annual Public Meeting 2024 - Response to unanswered questions" gave responses but not necessarily answers. Can future documents of this type provide answers please?

We aim to answer all the questions to fullest but there may be circumstances such as when we are investigating or that the information is sensitive the means we have to limit some of the answers.

Assessment of Value

13. Can the FCA provide an update on its simplification of Assessment of Value reporting requirements for asset managers and on what changes it is considering passing through?

The FCA recently published new rules simplifying the assessment of value reporting requirements in Handbook Notice 133. The new rules came into force on Friday 3rd October 2025.

The new rules streamline Assessment of Value (AoV) reporting requirements by removing the need to report on each of the seven AoV criteria. Now, AFMs need only report a summary of the overall AoV assessment.

The summary must include the AFM's assessment of whether charges to units are justified given the overall value delivered to unitholders, and remedial action taken because of this assessment.

However, AFMs may include more detailed information about the assessment of value in the annual report (as set out in a new guidance provision).

Unauthorised account access

14. Yes I ask why someone had access to my bank I'd like to know the answer now also my housing situation and my benefits no answer all I wanted to know is anyone been appointed or authorised to have an any access regarding me

We are sorry to hear about your experience.

If you are concerned about someone accessing your bank account without authorisation, this is something you should discuss this with your bank. You can also contact Action Fraud (or Police Scotland if you live in Scotland). If you are concerned about discrimination you may also wish to contact Equality Advisory & Support Service.

If you require further information, you can contact our Consumer Helpline

on 0800 111 6768, while general advice on options for consumers can be provided by Citizens Advice.

Bias

15. Please can my question on bias be included in the report on unanswered questions as the response did not deny or agree any bias nor did it make any reference to or give any explanation for Trustpilot reviews which give a rating of only one star out of five?

We are clear that our purpose is to enable fair and thriving financial services for the good of consumers and the economy. Recent examples of action we have taken to help consumers include requiring motor insurers to pay £200 million in compensation to around 270,000 motorists after identifying widespread underpayments on claims for stolen or written-off vehicles. We have also made it easier and faster for borrowers to remortgage, reduce their mortgage term, and access advice when needed. On savings rates, we introduced a 14-point action plan requiring banks and building societies to pass on interest rate rises more quickly, improve customer communications, and ensure savings products offer fair value under the Consumer Duty.

We value all forms of feedback, including reviews and personal experiences, and we are committed to improving our services for both consumers and firms. The FCA was established to act in the public interest, and we remain dedicated to upholding this principle in all aspects of our work.

Blackmore Bonds

16. The FCA has a catalogue of missed opportunities to 'nip' fraudulent activity 'in the bud', but consistently fails to act, for example the Blackmore Bonds Scandal, or when enlightened to the breaches of regulations in the case of the Woodford Equity Fund. Why is this? Why do you allow mismanagement and misadventure flourish on your watch, and let the very people that you are claiming to protect, bear the cost, when everything falls apart?

We sympathise with investors who lost money through Blackmore, but it is incorrect to say we failed to act. Our powers were limited because Blackmore was not a regulated firm and issuing mini-bonds is not a regulated activity. We did share intelligence with other agencies from 2017 and we focused on financial promotions, where we do have powers. We shut down a website promoting Blackmore products and, in March

2019, secured the withdrawal of approval for Blackmore's latest promotions, preventing further marketing of its mini-bonds.

Mr. Woodford and WIM disagreed with our initial findings and gave detailed arguments to the Regulatory Decision Committee (a panel which operates separately from the rest of the FCA), which we reviewed carefully. They have exercised their right to take the case to a separate court called the Upper Tribunal, which can overturn or change our decision.

17. Can Ms Chambers explain why the FCA has never once mentioned Lonsdale Insurance Brokers in the context of the FCA investigation of Blackmore Bond despite them being an FCA authorised and regulated insurance broker who arranged the utterly inappropriate insurance product with Costa Rican insurers and via employees of that insurer who were known insurance criminals? A product that falsely guaranteed investors their money back if any of the risks mentioned in the Investment Memoranda arose and was the reason almost all investors committed to invest.

The FCA has explored the role played by firms known to have been involved in the issuing of the six series of Blackmore Bonds and were appropriate for the FCA to look into. However, due to legal requirements around confidentiality, we are limited in the information that we can provide. It is public knowledge that Lonsdale was an insurance broker involved in placing the capital guarantee scheme.

<u>Consumer Credit</u>

18. How does the FCA monitor whether firms are properly applying Section 56 joint liability in consumer credit agreements, particularly where linked products such as warranties are missing or misrepresented? It seems this area creates uncertainty for consumers and inconsistency in redress.

Our supervisory approach in the credit space relies on a flexible, risk-based framework. We use data and intelligence to identify potential areas of harm (including where linked products like warranties may be misrepresented or missing), and, of course, make use of the Consumer Duty.

HMT is currently consulting on reforms to the Consumer Credit Act, including on section 56. Whilst we don't yet know what policy will be taken forward in this area specifically, the future regime in general is likely move in the direction of principles-based regulation. Our Consumer

Duty will be a cornerstone here to ensure both consumer protection and proportionality for firms.

19. Are you able to update on the FCA's CONC 3 review of rules relating to advertising consumer credit (as per April Regulatory Initiatives Grid)? And can you update on the latest timetable to incorporate into the FCA Handbook new consumer credit provisions consequent to the Government's review (and partial repeal) of the Consumer Credit Act?

We intend to consult on updating financial promotion rules for credit (including seeking views on APR and cost disclosure) in Q2 2026.

On the consumer credit review, the Government is continuing to consult with stakeholders on the reform of the CCA and will then require primary legislation to implement those reforms. The timing of this legislation is a matter for Parliament. We will then develop our policy approach once the Government has determined what aspects of the CCA are to be repealed or amended.

Consumer Duty

20. A question for Nikhil Rathi: when the FCA decided to proceed with the Consumer Duty you told the Treasury Committee that it would not initially be accompanied by a private right of action, despite the majority of consumer responses to the consultation favouring it and, crucially, despite that right being an integral part of the legal definition of a duty of care, which is what Parliament required the FCA to introduce, and which you told us the Consumer Duty would constitute. You told the Committee that the FCA would revisit the issue of a private right of action once the Consumer Duty had been implemented. When will this take place - and do you accept that a Private Right of Action is required?

As we stated in last year's responses to unanswered questions, we are confident that we met the requirements of the Financial Services and Markets Act 2023, when implementing the Duty.

We have committed to conduct a post-implementation review of the Duty in future, to understand how firms have implemented the Duty, whether it is having the intended effect and whether it is leading to any unintended consequences.

21. Now that Consumer Duty has been in place for a while, how will the FCA judge whether firms are really delivering better

outcomes for customers, rather than just treating it as a box-ticking exercise?

We've seen improvement but there's more to be done. We are working across sectors to test firms' implementation and embedding, take action against firms not adhering to the rules, and we will continue to share good practice to support the industry and ensure consumers have good outcomes.

Some of the key indicators that will help us measure if consumers are receiving good outcomes include:

- Our Financial Lives survey - we have questions to understand how well customers understand the information and communications from firms, and how easy it is for them to switch, close or cancel products, or raise a complaint with their provider. We ask about the extent to which their financial products work as expected when they were first taken out, and how much consumers feel firms provide products and services that meet their financial and communication needs, and whether they are seen to provide fair value. We continue to monitor levels of confidence and trust in the industry, and the types of problems experienced by product holders, and their impact.
- FOS complaints data – we'll be particularly interested in complaints relating to things like fees and charges, administration and customer service, as these relate to novel areas covered by the Consumer Duty.
- We will collect data from firms to assess their compliance with the Duty and identify practices that cause poor customer outcomes. Firms should expect us to ask for the results of testing, outcomes monitoring, and their Board reports, and provide details of how they measure that consumers are receiving good outcomes.

We are committed to carrying out a post-implementation review of the Duty to understand how firms have implemented it and whether it is having the intended effect. At the moment, we are not keen to burden the industry on this.

22. What does the future look like for Consumer Duty and how can firms truly embed it in their culture?

The Duty is central to our 2025 -30 strategy vision to deepen trust in financial services. We're seeing a significant number of firms across all sectors reflecting on the requirements of the Duty, and acting genuinely within its spirit, to change things. Culture is at the heart of this, and we have seen firms altering their company purpose to signal to staff that

good customer outcomes matters to them, and aligning incentivisation structures to the aims of the Duty. These sorts of steps have a tangible impact on culture and staff behaviour, and place consumers at the heart of everything a firm does.

Looking to the future, we've seen improvement but there's more to be done. We are working across sectors to test firms' implementation and embedding, take action against those not adhering to the rules, and will continue to share good practice to support the industry and ensure consumers have good outcomes.

The high standards and flexibility of the Duty also give us an opportunity to look again at our wider expectations of firms. We want to find opportunities to streamline the rest of our Handbook, reducing barriers to innovation, and last month we published an update on our forward programme of work which focuses on clarifying how the Duty applies to firms in distribution chains, providing clearer guidance on the scope of the Duty, and improving consistency. We also shared our areas of focus for the year ahead.

Consumer Network

23. Nikhil Rathi referred to the need for more transparency, and referenced Andy Agathangelou's comments about the need for discussion. On this basis, can the FCA now agree that Transparency Task Force should be admitted to the FCA's Consumer Network?

The FCA has carefully considered TTF's requests for membership and weighed up the nature and function of the organisation, the breadth of perspectives and expertise already represented within the Network, and the appropriateness of alternative engagement channels. We have concluded that they should not be included in the network. We will continue to engage with the organisation to ensure TTF's views are heard and considered.

24. Many of the questions discussed at the Annual Public Meeting came from members of Transparency Task Force. This is inevitable given that TTF has become the organisation that consumers and whistleblowers harmed by the industry and good actors from the sector determined to drive change gravitate toward. Given the organisation's clear leadership in the field of identifying regulatory shortcomings and providing constructive remedies, would the FCA reconsider its decision to refuse to admit the organisation to its Consumer Network?

The FCA has carefully considered TTF's previous requests for membership and set out as recently as 15 September that we would not be including them in the network. We reached that decision having considered the nature and function of the organisation, the breadth of perspectives and expertise already represented within the Network, and the appropriateness of alternative engagement channels. Our position hasn't changed. We will continue to engage with the organisation to ensure TTF's views are heard and considered.

25. It's clear from listening today that there are many individuals - such as Paul Carlier and others directly affected by financial scandals - who possess valuable first hand insight into the failings and consequences of misconduct in the financial sector. Why does the FCA not actively engage with, listen to, or involve these individuals in its work to understand what went wrong and to shape better regulatory outcomes? Doesn't it seem inhumane and counterproductive to overlook those whose experiences could genuinely help restore trust and accountability?

We recognise that the insights and perspectives of consumers with direct experience of financial misconduct are invaluable in helping us understand the real-world impact of misconduct and in shaping effective regulatory responses. While we do not routinely meet with individual victims of financial wrongdoing, this does not mean victims' experiences are ignored. We regularly hear and receive feedback from a wide range of stakeholders, including consumers and industry experts, to ensure external insight, including lived experience, informs our approach.

We do this through:

- Independent Panels: Including the Consumer Panel, which provides expert insight into consumer interests, and the Wider Implications Framework, which brings together financial services bodies to address issues with significant consumer impact.
- Public Consultations and Forums: We invite feedback through consultation papers, discussion documents, and our Annual Public Meeting, where consumers and organisations can raise questions directly with FCA leadership.
- Direct Outreach and Research: We conduct extensive consumer research, including the Financial Lives Survey and targeted interviews, to understand financial behaviours, vulnerabilities, and risks.
- Consumer Duty and Vulnerability Guidance: Our rules require firms to design products and services that meet the needs of their

customers, including those in vulnerable circumstances. We expect firms to embed fair treatment into their culture and operations.

- Support for Victims of Misconduct: Individuals impacted by financial misconduct can report concerns directly to us. Where investigations are opened, we provide support throughout the process and work with partners such as the Financial Ombudsman Service and FSCS.
- Direct engagement with impacted consumers: We have also heard directly from individuals impacted by the collapse of Philips Trust, and have engaged with the dedicated APPG, input from which has been valuable in assessing our approach.

Consumer Protection

26. Consumer protection: With more people struggling with the cost of living, how is the FCA making sure financial firms are treating vulnerable customers fairly in practice?

We expect firms we regulate to treat vulnerable customers fairly. Under our Consumer Duty, firms are required to support good outcomes for customers, which includes customers in vulnerable circumstances, and we continue to embed consideration of outcomes for vulnerable customers across all our Consumer Duty work. To help firms meet these obligations, in March 2025 we published case studies and examples highlighting areas where further support for vulnerable and financially less resilient customers may be needed. Our commitment extends beyond regulation, as we work collaboratively with partners to help consumers strengthen their financial resilience.

Additionally, we are driving forward a range of initiatives to promote financial inclusion, such as improving access to banking services, enhancing workplace savings, and undertaking market studies in areas like premium finance. These actions are central to ensuring that vulnerable consumers receive fair treatment and have access to the financial support they need.

Corporate matters

27. Paul Carlier's questions about car finance have revealed that he sent correspondence and evidence to Nikhil Rathi and Ashley Alder but that they did not see it. Is this because the correspondence was handled by Executive Casework? There are concerns that having Executive Casework handle senior executives' correspondence results in the leadership team being deprived of valuable information, and may also deprive people who engage with the FCA of the ability to demonstrate that senior executives were sighted on matters yet chose not to

act. On that basis, does the FCA believe that its senior leadership team should handle such correspondence itself, rather than entrusting it to Executive Casework?

Significant information that we receive in correspondence is shared with senior leadership if appropriate. We receive tens of thousands pieces of correspondence a year from stakeholders, consumers and firms. The executive casework team works with colleagues across the FCA, including senior leadership, to ensure we can respond effectively and efficiently to this large volume of correspondence.

28. People are posing as your workers, how are you handling this and how do I as a customer verify that this person is valid?

We are aware of fraudsters impersonating the FCA – nearly 5000 reports already this year. We have warned consumers via the press (release on 27 August), our social media channels and on our website. To be clear - we will never ask consumers to transfer money or for sensitive banking information such as account PINs and passwords. We don't use WhatsApp or other messaging services, and we don't use automated calling systems. If you're suspicious about a call, just hang up. You can check to make sure a call from us is genuine by contacting us on 0800 111 6768.

The FCA's consumer helpline helps victims, they reassure people and help them to identify whether it is a scammer impersonating the FCA. If they have fallen victim to a scam, we let them know where they should report it to, including Action Fraud (or Police Scotland if you live in Scotland) and their bank.

29. What lessons has the FCA learned from the past year, and how are they being applied going forward?

The past year has provided valuable lessons for the FCA, particularly in the areas of consumer protection, complaints handling, and market resilience. We have made changes to our Complaints Scheme, acted on recommendations from the Complaints Commissioner, and improved our processes for handling complaints and whistleblowing intelligence.

Our new strategy to 2030 was developed through extensive engagement with colleagues, industry representatives, consumer groups, and fellow regulators. We identified four strategic priorities: helping consumers, fighting crime, supporting growth, and being a smarter regulator. We have built adaptability into our approach, so we can respond to changing market dynamics, technological disruption, and evolving consumer needs.

We are measuring our success through clear metrics, including consumer

outcomes, market integrity, and operational effectiveness. Lessons learned from the previous strategy have informed our current priorities, and we are committed to reviewing and adjusting our approach as new challenges arise.

30. In 2019 the FCA confirmed to me in writing that all of the work I did, be it the pro bono work I undertook for victims of wrongdoing or the paid work I undertook for law firms bringing claims against banks and financial firms on behalf of multiple claimants did not constitute a regulated activity or Claims Management Company activity and that neither I nor my company needed to be FCA authorised, and because there was never a commercial agreement between myself and any of the victims or claimants. I was never paid by any party other than a law firm.

The relevant laws and rules have not changed and indeed FSMA confirms that even an expert being paid to investigate and directly testify in Court on direct behalf of claimants is not undertaking the regulated activity of 'investigating a claim'. So none of my work which is way further removed could ever be considered such an activity.

The FCA claims to offer firms a service whereby they can ask the FCA if they need to be authorised and obviously will investigate firms accused of conducting regulated activity with the necessary authorisation.

HOWEVER, the FCA has repeatedly refused to provide me and my firm that clarity, and has refused to clarify to law firm Scott and Scott and Litigation funders Woodford that the allegations made by Scott and Scott as to work we carried out at their instruction on the billion pound car finance class action that was based upon the evidence I presented to them is not the regulated activity of 'investigating a claim' as they have alleged and used as a means to refuse to pay the substantial fees we are owed for that work, as per the FCA's own conclusions in 2019 that I have shared with Scott and Scott but they refuse to accept.

Furthermore, when I called the FCA on two occasions (and I have recordings of both calls) the FCA employee I spoke to confirmed that of course it is a service the FCA offers to firms whereby they can ask the FCA if they need to be authorised and began the process. However, no sooner had they asked me for my name and entered into the FCA systems did they pause, then tell me they had to speak to a manager and then returned to the phone claiming this was not a service the FCA offered!!

Can the FCA please explain why I was deprived of this service and why the FCA has refused to investigate the allegations made by Scott and Scott against me and our company that I self reported to the FCA, and

on the basis that you don't investigate 'self-reported' allegations of that nature only allegations of that nature made by a third party.

Scott and Scott refuse to report the allegations to the FCA and because they know the allegations to be false and intended to cause me and my family financial harm.

We acknowledge the concerns raised regarding the alleged lack of clarity from the FCA. The FCA's statutory role is to provide general guidance on the regulatory perimeter rather than issuing binding determinations on individual disputes. While the FCA can explain what constitutes regulated activity, it does not typically intervene in contractual disagreements or confirm positions in private litigation.

In complex cases, such as whether certain work falls within the definition of "investigating a claim"—the FCA's approach is to advise firms to seek independent legal advice or pursue formal authorisation where uncertainty exists. This reflects the FCA's published guidance and its remit under the regulatory framework.

The FCA's decision not to provide definitive clarification should not be interpreted as agreement with any allegations. Rather, it reflects the limits of its role in adjudicating private disputes.

More broadly, under this published guidance referenced above, and in certain circumstances, persons may seek individual guidance in line with SUP 9 requirements. It is not clear if this process is what is being described in the question.

Cost of regulation & competition

31. Cost of regulation & competition: How does the FCA balance protecting consumers with making sure regulation doesn't stifle competition, especially for smaller firms and new entrants?

We recognise that regulation has an important part to play in the competitiveness and growth of the UK. To achieve both requires system-wide coherence - public and private sector in partnership - an open discussion about systemwide risk appetite (including metrics), particularly with the Government and Parliament, and a willingness on the part of industry and consumers to take properly informed risks as the regulatory environment evolves. Growth and consumer protection can be mutually reinforcing. Protecting consumers, keeping markets clean and promoting competition all contribute to building trust and confidence in financial services which can in turn spur growth.

A lack of growth within the financial sector and the wider economy can harm consumers through stifled innovation or less consumer choice, for

example, fewer investment opportunities. An example of our work on this front includes working with Government to explore how regulatory 'cliff edges' might be smoothed (as recommended in paragraph 147 of the House of Lords Financial Services Regulation Committee Report). Thresholds in FCA rules lessen the regulatory costs for smaller firms but we have been thinking about how to mitigate the impact on firms approaching thresholds.

Flexibility for small and growing firms is also a key focus of the FCA's current work on the Consumer Duty Requirements Review. We will also pilot additional support for small firms in implementing outcomes-based regulation to provide more certainty. We recently proposed making it simpler for new entrants and for existing firms to grow with our call for input on future regulation of alternative investment fund managers (AIFMs).

Crypto

32. Yesterday the ban against Crypto ETNs for retail investors lifted, what has changed since 2021 that made the FCA reconsider its previous decision, considering they remain largely unregulated and speculative investments?

Since we took the decision to ban retail access to Crypto ETNs in 2021, cryptoasset markets have continued to evolve. As far as possible, we have also strengthened our regulatory remit for cryptoassets, including under the Money Laundering Regulations (MLRs), and the financial promotions regime in January 2020 and October 2023 respectively.

We have used our powers under the MLRs and financial promotions regime to keep firms unable to meet financial crime standards out of the UK, support consumers in protecting themselves against misleading or unfair marketing in relation to cryptoassets, and warn of the risks of investing in cryptoassets.

The cryptoasset market continues to evolve, and unregulated or high-risk cryptoasset linked products have increasingly become available to retail consumers. These products may not be subject to the same level of regulatory oversight or consumer protection as listed cETNs, which had previously only been available for professional investors.

Given the changing market and the developments to strengthen the FCA's regulatory remit for cryptoassets, we believe that now is the right time to lift the ban. This will help to create the right environment for UK firms to grow and innovate, while ensuring consumers are adequately protected.

33. What is the FCA's current view on the potential roles of stablecoins and broader cryptoassets within the UK financial services sector? How does the FCA balance potential benefits such as innovation with risks like on-chain AML challenges, and does the FCA foresee moving towards a dedicated licensing framework for such activities?

As noted in our CP on stablecoin issuance, we recognise that stablecoins can be used for multiple uses cases both the retail and wholesale space. Stablecoins continue to mainly be used for cryptoasset trading, but we have seen interest in firms using stablecoins for retail payments and cross-border payments. Furthermore, within our Digital Securities Sandbox work and wider fund tokenisation, we have seen the potential for stablecoins to be used as the 'cash leg' for settlement. We are keen to work with industry to make sure our final rules for stablecoins supports all these potential use cases.

In our 10 December letter to the Prime Minister, we set out ambitious new growth measures for 2026 including supporting UK-issued stablecoins to provide faster and more convenient payments. To enable firms to experiment with the issuance of stablecoins, we will open our regulatory sandbox for safe testing and to support innovative policy development.

Data

34. Given the ongoing issues with transaction and trade data quality under EMIR, MIFIR as well as other regulatory regimes and the slow pace of remediation, is the FCA planning more proactive action — perhaps through greater enforcement or collaboration with industry experts to improve reporting standards?

Transaction and post-trade reports are critical for the work we do to support market integrity. We work closely with firms to improve the quality of data we receive, for example helping firms to learn from our experiences through observations we share in our Market Watch newsletter. We also provide tailored support to improve the effectiveness of firms' systems and controls for reporting data. Where errors or omissions are identified, we require firms to correct and resubmit affected reports. This has led to an improvement in data quality since the MiFID, EMIR and SFTR regimes were implemented.

Email Deletion

35. Jessica Rusu says that the result of the FCA's investment in better information management is not to lose records but to make them easier to search for. Emails that are deleted are lost for good, and cannot be searched for. This being so, would you accept that your stated goals are better served by reversing your email deletion policy?

There is no change to our policy of what constitutes a record and how long it should be saved for. Many of our records are already stored in a secure, shared repository. We want to make sure the same goes for all emails which may be records, for example, those which explain how a particular decision was reached. These need to be saved centrally so they can be accessed if we need to find the information in response to a request.

Email is one of our biggest sources of information – but our inboxes can also accumulate lots of non-essential items. We currently have over 70 million emails stored in FCA inboxes. Searching through this volume of emails is like trying to find a specific grain of sand on a beach. Moving information to where it can be better managed, searched and retrieved using advanced tools will support our goal to be a smarter, more efficient regulator.

We have also built in safeguards. Essential operational processes are run through shared mailboxes, which have a longer retention period/preservation hold. In specific circumstances select staff will also have access to deleted emails for an extended period. The changes we are making will help us comply with our obligations under GDPR and the Data Protection Act, so that we aren't retaining information inappropriately or for too long. Equally important, it helps us to improve the use of data.

E-money institutions

36. FCA's approach towards authorisation and supervision of small e-money institutions.

UK e-wallet and payment app providers are regulated as either Small E-Money Institutions (SEMIs) or Authorised E-Money Institutions (AEMIs). SEMIs face strict limits (€5m in e-money, €3m monthly transactions) and no fixed capital requirement, while AEMIs have no such limits but must hold €350,000 in capital.

To improve quality, the FCA expanded its Pre-Application Support Service (PASS) to all payments and e-money firms.

Supervision remains rigorous, focusing on governance, financial crime controls, leadership, and consumer protection. SEMIs benefit from some prudential exemptions but share safeguarding and conduct obligations with AEMIs. All issuers are supervised under the FCA's strategy, which prioritises areas of greatest harm.

Financial Education

37. Will you support a national drive for financial education?

Yes, we are supportive of efforts to improve financial capability in the UK. As members of the HMT-convened Financial Inclusion Committee, we welcome the Government's national Financial Inclusion Strategy, and the focus on improving financial education and capability.

Our Financial Lives Survey sets out the scale of the problem. In 2024, 12 % (6.5 million) of UK adults self-reported low levels of financial capability and 22% had low confidence in managing their money.

In our strategy published earlier this year, we said that we will work with partners as they lead work to address low financial capability, which holds people back from accessing the financial services that could support them in managing their financial lives. We already work to support consumers in avoiding fraud, scams and illegal lending, and we expect our work on targeted support in pensions and investments will also contribute, but wider collaboration will be needed to have impact and keep pace with technology developments.

Financial Promotions

38. Ashley Alder and Nikhil Rathi cited consumer protection as a high priority, including policing the regulatory perimeter and cracking down on misleading financial promotions. In Quarter Four of 2024 I notified the FCA's Supervision Hub of several dozen clearly misleading promotions from an unauthorised boiler room called Investment Habit. The FCA failed to close it down, and the outfit continues to operate with impunity. Would the joint heads of Supervision care to explain why this is - and would they agree that the FCA ought to compensate those who've lost money as a result of the regulator choosing not to use its statutory powers to shut it down?

Fighting financial crime continues to be a fundamental pillar of the FCA's strategy to protect consumers and we will continue to police our complex remit and work with partners to disrupt crime, including scams and illegal financial promotions. In 2024 we significantly ramped up our

interventions on financial promotions, leading to nearly 20,000 amendments or withdrawals by authorised firms (double the figure from 2023) and over 2,200 public alerts about unauthorised or scam entities.

The FCA recognises the devastating impact that scammers can have on consumers financial lives and we consider every notification of potentially unauthorised business we receive (20,781 reports were received in 2024). Whilst we cannot comment on the specifics of any individual action we may take, we take these reports seriously. We also encourage people to report any suspected criminal activity separately to Action Fraud, which is part of the National Fraud Intelligence Bureau (NFIB).

Firm Engagement

39. Would the FCA look at connecting firms to the policy teams working on their issues more directly ?

We recognise the importance of meaningful engagement with firms as we develop policy. We publish a large amount of Consultation Papers every year and work closely with trade bodies, consumer groups, and industry panels to ensure that policy is informed by real-world challenges and opportunities. For example, our Advice Guidance Boundary Review, involved extensive engagement with firms to explore how advice and guidance could be delivered more effectively. Our innovation pathways, including the Digital Sandbox, allow firms to test propositions and interact with regulatory teams in a structured environment.

We welcome feedback on how we engage with firms, as well as other stakeholders, to ensure our regulatory approach remains proportionate, transparent, and effective.

FOS

40. Working closely with FOS - what does that mean - collusion?

No. The FOS is operationally independent of the FCA and we have no role in deciding the outcome of individual financial services complaints.

Both organisations are required to cooperate with each other under section 415c of the Financial Services and Markets Act (FSMA) 2000. In July we updated our Memorandum of Understanding (MoU) with the FOS to: improve our approach to co-operation in order to achieve more complementary and consistent approaches; and consult each other at an early stage.

It is important that we work together closely to share insights, data and

analysis so that both organisations can improve their understanding of and address consumer harm. This helps the FCA to identify if supervisory action, scrutiny of regulation or investigation of potential mass redress events is required.

Together with the Government and the FOS, we are looking at ways to improve the redress system. A key proposal is that the FOS should be able to refer systemic issues with regulatory ambiguity to the FCA to seek clarity on our rules. While this is intended to improve consistency and predictability of decisions for firms in line with FCA rules, FOS will remain operationally independent and continue to determine the outcome of individual complaints.

41. Obviously, there is corruption at the FCA and FOS - what are you going to do about it? Why not talk to some of the people or consumer support groups that you have not supported?

The FCA and FOS operate under strict governance, transparency, and accountability frameworks, and there are robust systems in place to prevent, detect, and address any misconduct. Any allegations of corruption against the FCA or the FOS would be taken extremely seriously and investigated thoroughly. The FCA encourages anyone with evidence to come forward. The FCA is subject to external scrutiny by Parliament, the Treasury Select Committee, and the Complaints Commissioner, who can make recommendations for improvements.

42. Does the FCA influence or in any way get involved in FOS complaints?

The FCA has no role in deciding the outcome of individual financial services complaints which are determined by FOS as the relevant independent dispute resolution authority.

The Government consulted on FOS reforms in July. If taken forward, these would require the FOS to refer significant issues of regulatory ambiguity to the FCA for us to provide our view. The FOS may be required by legislation to take the FCA view into account to the extent that FCA rules are relevant. This will not diminish FOS's independence and the FCA will continue to play no role in determining the outcome of individual complaints.

43. I would like to know how many complaints against financial services firms were received this year, of those how many progressed to cases and how many were refused due to capacity issues Thanks

Complaints against financial services firms are primarily managed through the Financial Ombudsman Service – see more information here. We do collect data on complaints received by financial services firms and publish this every six months. [latest data here: https://www.fca.org.uk/data/complaints-data]

44. The FCA is the UK's conduct regulator—yet it routinely tells consumers it does not deal with individual cases, directing them to the Financial Ombudsman Service, whose statutory role is to resolve individual disputes, not regulate firms. Given persistent repeat breaches by FCA-authorised firms evidenced in Violation Tracker UK, how can the FCA's blanket referral of complaints to a non-regulator be squared with its statutory duty to proactively and preventatively supervise firms and to maintain public confidence? In the motor-finance scandal, recent court rulings have diverged from earlier FOS/FCA approaches, prompting Government and regulators to propose alignment measures and bolster FOS capacity—yet these are tweaks within two bodies that have different statutory remits and objectives.

Separately, has the FCA conducted a risk-assessment of potential abuse of the Land Registry charges register—namely, the registration of non-compliant charges that may then be relied on because of the register's conclusive effect—and coordinated with HM Land Registry and the judiciary to mitigate any systemic risk? Is this not uncomfortably reminiscent of the Post Office Horizon scandal, where courts initially treated system outputs as effectively conclusive—and is mortgage-related fraud the next time-bomb?

The FCA and Financial Ombudsman Service have distinct but complementary roles: the Ombudsman resolves individual disputes, while the FCA sets standards, supervises firms and enforces compliance. We do not investigate individual complaints but use insights from complaints, Ombudsman data and our own intelligence to identify misconduct and address systemic issues. Our updated Memorandum of Understanding explains how we share information and coordinate when issues affect the wider market.

Directing complaints to the Ombudsman is not a deferral of FCA responsibilities; it ensures case-by-case redress while we focus on preventing harm through rules, guidance (including Consumer Duty) and enforcement. We can also compel firms to pay redress, and under our Dispute Resolution rules (known as DISP), firms must learn from complaints and consider proactive steps to fix problems.

On motor finance, following recent court rulings, including the Supreme Court's Johnson decision, we now have sufficient clarity to consult on a Consumer Redress Scheme. The consultation sets out modelling assumptions and seeks views on the Ombudsman's role in handling complaints alongside any FCA-led scheme.

On modernising redress, our joint consultation with the Ombudsman (CP25/22) proposes reforms to improve predictability, reduce complaint surges and align approaches on wider implications.

On mortgage and land registry charges, we take risk-based action where property-related risks arise. In 2021, we obtained a High Court order to remove 625 unlawful charges from HM Land Registry registered by an unauthorised lender, protecting victims' properties. We continue working with HM Land Registry and other agencies to tackle emerging risks, including mortgage fraud.

45. I would like to find out why the FOS is systemically institutionally racist, misogynistic and corrupt; failing to follow the complaint process and misused their power to promote crimes against humanity and assist the Barclays Bank in committing serious fraud and stealing the public's home through the acts of dishonesty, deception, fraud and coercive controlling tactics with manipulative behaviour In fact, the FSO is unfit for purpose; an institution designed to conceal and cover up the criminal offence of the Barclays Bank and the criminal gangs. This is a white collar crimes and the regulators such as the FOS, the conveyances, and the Insurance companies, including the police and the legal system are all complicit. This is an organized crime committed against the lay people.

We are very sorry to hear about your experience. Without more details it is hard for us to provide a specific response. If you are able to share more details of your case this would help to inform our understanding of the issues. Ways to contact us to provide further information can be found on our website. We take all concerns raised seriously and where appropriate we can act.

We can however provide the following general information. We may be able to provide a more specific response on receipt of further details, however we are not usually permitted to share information about any action we may be taking with a firm as this is likely to be considered to be legally confidential.

The FOS is operationally independent of the FCA. This means the FCA can't get involved in the decisions the FOS makes on individual complaints. If a consumer does not agree with a FOS decision, they can choose not to accept it. A consumer could then consider legal action against the firm. Legal advice may wish to be sought if considering this route and there may be certain time limits in place.

The FOS has its own process for dealing with concerns about its service. Service complaints about the FOS can include concerns about its impartiality and not following its complaints processes. Where a service complaint cannot be resolved by the FOS, it can be referred to the Independent Assessor (IA) for an independent review.

The FCA's statutory role with respect to the FOS is that the FCA must take 'such steps as are necessary' to ensure that the FOS, is at all times, capable of carrying out its role. In practice this is limited to approving the FOS's budget and appointing the FOS's Directors, with HMT's approval in the case of the Chair. The FCA's Oversight Committee provides support and advice to the FCA Board about this role that the FCA has.

More broadly, our website provides further information on organisations that can assist where consumers have concerns about discrimination or fraud. This includes information on the Equality Advisory & Support Service and Action Fraud.

General advice on options for consumers can be provided by Citizens Advice.

International

46. I am writing to raise a regulatory concern regarding the challenges Irish-regulated financial advisory firms face in assisting clients who have historical or ongoing relationships with UK-based financial product providers. Following Brexit, we are increasingly encountering difficulties in acting on behalf of: Clients who were formerly UK residents (with financial products established during their time in the UK) and have since relocated back to Ireland, and• Irish resident clients with financial arrangements in the UK, for whom UK advisers are unwilling or unable to continue providing service due to residency restrictions. UK providers are consistently declining to engage with us on behalf of these clients, citing our lack of FCA authorisation, despite the fact that we are fully regulated by the Central Bank of Ireland (CBI). The fact of our Irish regulation appears to be dismissed, with no consideration of equivalency, cooperation mechanisms, or any cross-border

framework. As a result, these clients are placed in a regulatory grey area, where:●They can no longer access the services of their original UK advisors, and ●Irish-regulated professionals are not recognised by UK firms, even for communication or representation purposes. We are seeking clarification and guidance from the FCA on the following:

Is there any formal guidance for UK firms when dealing with EU (specifically Irish) regulated advisers acting on behalf of clients who are no longer UK residents?

The FCA published guidance for UK firms when conducting business between the UK and European Economic Area (EEA) following Brexit. This can be found here: https://www.fca.org.uk/firms/considerations-firms-after-transition-period

Are there any mechanisms (e.g., temporary permissions, passporting equivalents, or agency frameworks) that can enable Irish advisers to engage with UK providers for the benefit of clients with legacy UK arrangements?3.Has the FCA considered bilateral engagement with EU regulators (such as the CBI) to facilitate smoother interaction in situations where clients reside in one jurisdiction but hold products or advice arrangements in the other?4.What advice, if any, would the FCA give to these impacted clients to ensure continuity of service, and avoid being left without access to advice or representation? This issue impacts not only financial firms, but also consumers who may be left in a vulnerable position through no fault of their own. Any clarity or direction the FCA can provide would be greatly appreciated.

Passporting between the UK and EEA ended on 31 December 2020. Firms conducting cross-border business must now comply with local laws and regulatory requirements, including seeking local authorisation where needed. See here for more information: https://www.fca.org.uk/firms/considerations-firms-after-transition-period.

To manage Brexit transition, the UK introduced:

- Temporary Permissions Regime (TPR): Allowed EEA firms passporting into the UK to operate for three years (until 31 December 2023) while seeking UK authorisation.
- Financial Services Contracts Regime (FSCR): Enables EEA firms not in TPR to wind down UK business; for some, this ends 31 December 2025.
- Temporary Marketing Permissions Regime (TMPR): Still in place for EEA investment funds marketed in the UK at transition, pending

recognition under the Overseas Funds Regime (https://www.fca.org.uk/firms/temporary-permissions-regime).

Has the FCA considered bilateral engagement with EU regulators (such as the CBI) to facilitate smoother interaction in situations where clients reside in one jurisdiction but hold products or advice arrangements in the other?

The FCA has strong bilateral relationships with EU regulators, including the Central Bank of Ireland (CBI). We are also a very active regulator within international standard setting bodies and often exchange information and shape international standards with our regulatory counterparts to ensure the global system is protecting consumers. We have a formal MOU with the CBI which facilitates this cooperation (https://www.fca.org.uk/publication/mou/mou-central-bank-ireland-boe-fca.pdf).

We are aware of broader cross-border banking issues impacting consumers residing in the border areas of Northern Ireland as reflected in the report by the committee for Finance Inquiry into the Northern Ireland Banking and Financial Services Landscape (https://www.niassembly.gov.uk/globalassets/documents/committees/2022-2027/finance/reports/banking-and-financial-services-landscape/report-on-banking-and-financial-services-landscape.pdf) and we are engaging with the CBI on the matter.

What advice, if any, would the FCA give to these impacted clients to ensure continuity of service, and avoid being left without access to advice or representation? This issue impacts not only financial firms, but also consumers who may be left in a vulnerable position through no fault of their own. Any clarity or direction the FCA can provide would be greatly appreciated.

The FCA published guidance for consumers when dealing with EEA firms and investment funds: https://www.fca.org.uk/consumers/dealing-eea-firms-and-investment-funds.

The government website also provides information for financial services firms and consumers following the end of the transition period: https://www.gov.uk/government/collections/financial-services-sector-end-of-transition-period-guidance

Investment Advice

47. 1) Why is it being made progressively more difficult for stockbrokers to give private investors advice on individual

shares? Many investors want to "have a punt" and all the suitability rules make this unnecessarily difficult.

2) It might be thought that the industry wishes to disempower investors. Certainly the overall effect is to make fees higher and higher if any advice is going to be available. As a small investor I learned most of what I know about investment from conversations with stockbrokers who were advising me. Why is this opportunity is denied to later generations?

3)What is being done this year to address this part of the "advice gap"?

We recognise there is currently an advice gap where consumers are unable to access appropriate financial support, meaning they could be missing out on longer-term benefits of investing. We want to see a thriving and trusted market for all forms of financial support, where consumers can access the support they need, at a cost they can afford, when they need it, so that they can make informed decisions about their finances.

That's why on 11 December 2025 we published our Policy Statement confirming the framework for targeted support – a new form of support which will help bridge the 'advice gap' in the UK between high-level guidance and paid-for financial advice.

Targeted support will allow firms to make recommendations designed for groups of consumers. They will be able to direct people to products or take actions with existing products that could put them in a better position in their financial lives.

It sits within a wider continuum of financial support, including guidance, simplified advice and full financial advice. We aim to consult in the coming months on any proposals relating to simplified advice and our review of existing rules related to financial advisers' ongoing services.

Investment Trusts

48. Can the FCA provide an update on the CCI framework and its application to investment trusts, after the proposals received strong criticism from the sector, and how it plans to avoid imposing the same issues faced under the cost disclosure regime?

The government has confirmed its legislative intention is for the CCI regime to apply to investment trusts. Investment trusts have costs that

are important for consumers to understand. We have already suggested significant changes to the PRIIPS regime to make these costs comparable to other CCI costs by removing the costs of gearing and maintaining real assets. We published our Policy Statement on this matter on 8 December.

Insurance

49. Please provide a statement about regulated firms blocking access to AGMs to ask questions about the accounts, as has happened this year. (NFU Mutual AGM, you know about this, in breach of the company's act)

We appreciate the time and effort you have taken to engage with us over several years regarding NFU Mutual. We have carefully considered and responded to each of matters you or your representatives have raised, and we hope our previous correspondence has been helpful.

While we regulate many aspects of firm activity, obligations around Annual General Meetings fall under the Companies Act 2006 responsibility which sits with the Government and the Department for Business and Trade.

50. Please provide a statement about life long exclusion from fair market participation being caused as retaliation for bringing a high profile class action where the basis for doing so is at least partly explicitly disability discrimination and the business doing this is a regulated firm.

The FCA expects all regulated firms to uphold the highest standards of conduct, and ensure that all individuals entities are treated fairly and without prejudice. If you believe you have evidence of unfair conduct against these principles and FCA regulations, we encourage you to submit details through the FCA's reporting mechanism. Find out more: https://www.fca.org.uk/contact/report-wrongdoing-misconduct.

51. Please provide a statement about insurance firms still not even attending CCMC hearings for Covid BI claims as we approach the 6th year since the pandemic having regard to (i) the January 2021 Dear CEO letter, (ii) wider treating customers fairly expectations, (iii) Parliamentary critiques if delay, and (iv) established cases of suicide associated with these delays which are reported in the press.

Disputes surrounding business interruption insurance during the pandemic were complex and raised uncertainty. The FCA sought clarification on these issues from the Courts as part of a test case where it advanced

arguments on behalf of policyholders. The judgement provides authoritative guidance for on the interpretation of relevant policy wordings and claims.

The judgment does not determine how much is payable under individual policies, but provides the basis for doing so.

In our Dear CEO letters, we outlined our expectations that, where disputes regarding business interruption policies are subject to legal proceedings, firms should consider the significant costs faced by policyholders bringing legal proceedings to clarify any remaining areas of uncertainty. Firms should seek to narrow the issues in dispute to ensure that the litigation can proceed in the cheapest and quickest way possible, reflecting the firm's obligation to act fairly, honestly and professionally in the best interests of its customers.

Any issues relating to the running of the case, including reasons for moving or failures to attend a case management hearing, falls under the jurisdiction of the courts and should be directed accordingly. The court is best placed to consider whether any party's conduct is in question, taking into account the relevant circumstances of the case, and has powers to address any concerns it has.

52. The FCA recently received a Super Complaint from Which specific to various conduct by insurance firms, particularly in respect to types of home insurance. Coincidentally yesterday PWC acting as administrators of failed insurance firm Elite Insurance Company made the latest of multiple false representations to me made over the last 18 months specific to the insurance bought and paid for, for over 330 leaseholders at Canterbury Student Village in Kent.

We have established that the building guarantee insurance was bought and paid for but the 5 different FCA authorised and regulated insurance parties, ELITE, CGICE (the two insurance underwriters), and the various regulated intermediaries BCR Legal, CRL Management and EBA Nexus, involved in the sale and provision of the insurance and all of whom were paid for their role, have all made various false and/or misleading representations over the past 18 months or ignored correspondence altogether to the effect that multiple valid claims for latent defects continue to be denied due to this conduct by these authorised and regulated parties. Defects that site inspections by representatives of the insurer in 2021 confirmed were covered by the insurance.

We have passed on this information to our supervisory teams to consider.

53. My further concern here is that PWC who have repeatedly lied to me and these leaseholders, and repeatedly breached various FCA codes, were awarded the lucrative contract to handle all investigations for the FSCS. This means every victim of a collapsed authorised and regulated firm could be subject to the same extraordinary dishonesty and incompetence demonstrated by PWC in this case.

SEPARATE but highly relevant - I have concerns as to 336 leaseholders at Canterbury Student Village, not one of whom was aware that they could file a claim with the FSCS when their insurance company went into administration. There appears to be a widespread assumption that the FSCS only protects consumers if their bank fails and not if any FCA authorised firm fails. Can the FCA perhaps explore how to make the public more aware of the extent of protection the FSCS?

The FCA and PRA share oversight of the Financial Services Compensation Scheme (FSCS). FSCS protection extends beyond bank failures to include certain other authorised firm failures, including insurers and investment firms, depending on the product and the relevant compensation class under the FCA Compensation (COMP) Sourcebook (pdf).

FCA and PRA rules require authorised firms to clearly set out whether their products and services are FSCS-protected. This includes information provided on websites, in important documents, and terms and conditions.

We are always looking at ways to support consumer understanding, and include information on FSCS on our new online tool where consumers can check if a firm is regulated.

Midas

54. Left my 2 questions with yourself s these are very important. Kevin Rognaldsen questions for 9th October Alistair Greig had mortgages and flats with Yorkshire building society in 2008 , it was reported he committed hundreds of thousands pounds fraud . sally Waddington crime investigator with 30 years of experience. Told FCA after he was banned from mortgage company, that Alistair Greig and David lang also worked at Midas and was another FCA regulated fraudster, same as Greig .that she suspected they where both working in ring mortgage fraudsters. She told our lawyers she was very direct with FCA that they needed take action. they just ignored it let Greig and David lang carry on with Midas . cause 9 million pounds worth

damage people did die through this with metal stress as it wrecked so many lives .should been stopped then fraction people's savings would have been lost .In 2012 investor could not get his savings out of Midas ,it was in fraudulent scheme ,he contacted FCA and report was sent to Russel Shotton main man in FCA , this was massive red flag, but he mis placed report and filed it ,this mistake caused massive damage to peoples lives including mine never did anything just let Alistair carry on with fraudulent scheme .this is 2 massive mistakes in a long list .all FCA have done is apologise while our group had fork out 2 million lawyers fees do there job shocking. I lost £130000 of my life savings .then had fork out in 2 million court battle .only got fraction of my money back .all other investors got full compensation but our group 95 had fork out 2 million court fees ,so only got small amount back .if FCA done there job right I would not lost penny .we want our lawyers fees back 2 million for doing FCA job. can you add in to my questions that I lost my life savings in 2014 .so if FCA had acted on 2 massive red flags 2008 and 2012 would not lost penny

We have sympathy for investors who were victims of the Midas scheme. Mr Greig was responsible for the investment losses - he was found guilty of fraud and was sentenced to 14 years in prison.

The independent Complaints Commissioner considered a complaint about our actions and inactions in relation to Midas in May 2020. The Commissioner upheld 2 aspects of the complaint. We accepted that the FSA should have made further inquiries of Sense and/or Midas/Mr Greig. The Commissioner recommended that we apologise to investors, which we did in June 2020. The Commissioner concluded that it would not be appropriate for the FCA to pay compensation under the Complaints Scheme in this case.

55. The FCA apologised in writing for its failures over Midas Financial Solutions — failures that meant my parents and 95 others lost over £6.6 million. Because the FCA did not act when it should have, we were forced into collective legal action, incurring £2 million in legal costs. That bill was a direct result of the FCA's negligence. Yet despite apologising, the FCA refuses to cover those costs, instead hiding behind "we are immune from prosecution for negligence." I am a board member of a regulator in Scotland. If we made errors of that magnitude, the public would demand accountability, and rightly so. So I ask: when are you going to do the right thing, pay up, and cover the £2 million in legal costs your failures directly caused — instead of hiding behind excuses about immunity? If

the FCA will not put right failures it has admitted to, why should the public have any confidence in it as a regulator?

We have sympathy for investors who were victims of the Midas scheme.

The direct cause of their loss was the actions of Mr Greig who was found guilty of fraud and was sentenced to 14 years in prison.

The independent Complaints Commissioner considered a complaint about our actions and inactions in relation to Midas in May 2020. The Commissioner upheld 2 aspects of the complaint. We accepted that the FSA should have made further inquiries of Sense and/or Midas/Mr Greig. The Commissioner recommended that we apologise to investors, which we did in June 2020. The Commissioner concluded that it would not be appropriate for the FCA to pay compensation under the Complaints Scheme in this case.

Mini Bonds

56. Why are the FCA still failing to prosecute, or help in the prosecution of mini bond scams. Directors of mini bond companies such as Magna are left alone by the FCA and other authorities even though there is a lot of evidence to support prosecutions for fraud. The FCA still seems to see mini bond failure as businesses failing rather than recognising that mini bonds have been for many years nothing more than investment scams based on the Ponzi model. The FCA's failure in recognising these as investment scams is scandalous and the introduction of the changes that the FCA introduced by making mini bonds only available to sophisticated investors and wealthy individuals has done nothing to stop these investment scams. The FCA needs to recognise that systematic fraud is taking place and act forcefully against the criminals that are using these scams to defraud thousands of investors of their life savings. The FCA can no longer continue to adopt its failed softly, softly, approach to these scams and now needs to adopt a much more vigorous approach and actively seek prosecutions against the perpetrators of these scams.

The issuance or selling of debt instruments such as mini-bonds and loan notes by a firm is generally not regulated for the purpose of FSMA, because Parliament has not legislated to require firms who do so to be authorised and regulated by us. Although any marketing or promotion of minibonds and loan notes must generally comply with the Financial Promotion Regime unless a valid exemption applies, our statutory powers over unregulated activities by unauthorised firms are more limited in

comparison with our powers over regulated firms, or where regulated activity is undertaken by unauthorised firms. Therefore, in cases where there appears to be a fraud being carried out by unauthorised firms, we will seek to refer such cases to other law enforcement agencies which are better placed than the FCA to investigate and prosecute the fraud.

We have close working relationships with law enforcement partners including the City of London Police, various regional organised crime units and overseas regulators. We collaborate with external partners to jointly tackle financial crime.

Mortgage Prisoners

57. Re-Mortgage Prisoners - Why are Open Book Mortgages allowed to hype interest rates while mortgage prisoners are not given any alternative? I am currently with Engage Credit which is collecting for Pepper UK Ltd.

We understand the difficulties that borrowers in closed books can face. We've taken steps within our powers to support borrowers who are unable to switch and would benefit from doing so, and have set clear expectations for firms to help customers in financial difficulty.

In 2019 we reduced regulatory barriers by allowing lenders to use a more proportionate affordability assessment for consumers who are up to date with their existing mortgage and want to switch to a more affordable mortgage without borrowing more. And our rules facilitate switching for all borrowers, regardless of whether they are in open or closed books. However, a lender's risk appetite is a commercial decision, and we cannot compel a firm to lend.

Our Mortgage Prisoner Review did not identify any further regulatory barriers or interventions which the FCA could deliver to support these borrowers. Our focus is on making sure that regulated closed book owners and administrators meet the standards of support we expect for all borrowers in financial difficulty, which are the same for all mortgage firms.

58. Mortgage Prisoners from Northern Rock, why are financially struggling mortgage prisoners not being helped and we are still struggling with high interest rates and arrears?

We understand the difficulties that borrowers in closed books can face. We've taken steps within our powers to support borrowers who are unable to switch and would benefit from doing so, and have set clear expectations for firms to help customers in financial difficulty.

In 2019 we reduced regulatory barriers by allowing lenders to use a more proportionate affordability assessment for consumers who are up to date with their existing mortgage and want to switch to a more affordable mortgage without borrowing more. And our rules facilitate switching for all borrowers, regardless of whether they are in open or closed books. However, a lender's risk appetite is a commercial decision, and we cannot compel a firm to lend.

Our Mortgage Prisoner Review did not identify any further regulatory barriers or interventions which the FCA could deliver to support these borrowers. Our focus is on making sure that regulated closed book owners and administrators meet the standards of support we expect for all borrowers in financial difficulty, which are the same for all mortgage firms.

59. Why is my closed book mortgage take no notice of closed book consumer duty and just charge what they want and don't help people in financial difficulty like myself

The Consumer Duty raises the standard of care which firms are expected to provide to all customers. It should be read alongside our Guidance on the Fair Treatment of Vulnerable Customers (FG21/1). Under the Duty, we expect all firms to act to deliver good outcomes for consumers. This includes acting in good faith, offering fair value, avoiding causing foreseeable harm and supporting consumers, particularly those who are vulnerable. However, it does not require firms to offer new deals or follow-on products. That is a commercial decision for the firm.

Under the Duty, mortgage firms are still able to set their own prices, in line with their appetite for risk, but they must be able to show they're providing fair value.

Motor Finance

60. The FCA's proposed redress scheme for car finance misselling envisages that lenders will pay interest on compensation payments at one percent above base rate for the prevailing period - typically a little above two percent. How does the FCA justify this decision given that a) the lenders charged those customers a multiple of that rate on borrowings and b) the FOS and courts typically award interest at eight percent? Lenders have deeper pockets than consumers, and are the parties in the wrong, and yet they're being treated with kid gloves

Our proposed scheme is designed to deliver fair and consistent outcomes across over ten million agreements taking into account a range of factors.

Court awards for pre-judgment interest are discretionary. In Johnson, the Supreme Court directed that interest should be added at an "appropriate commercial rate". Although the Court did not specify the rate, we consider it unlikely that a commercial rate would be as high as 8%. In a 2004 report, which also recommended that courts should award a pre-judgment interest rate of base rate plus 1ppt as standard, the Law Commission notes that it is usual for the Commercial Court to use a rate of base rate plus 1ppt.

Our proposed approach also aligns with the policy change announced by the Financial Ombudsman Service following its recent consultation. We consider that a base rate plus 1ppt rate strikes an appropriate balance between compensating consumers fairly and preventing undue financial strain on firms from the accumulation of interest on redress liabilities that may stretch back many years.

As part of our consultation, we have proposed that if consumers believe that interest at base rate plus 1ppt does not adequately compensate them for their loss they can seek a higher rate by providing appropriate supporting evidence. Examples of acceptable evidence would include bank statements showing insufficient funds following repayments under the agreement, evidence of subsequent borrowing, and correspondence indicating financial pressures or distress linked to motor finance repayments.

61. We have received information around the motor finance commission campaign via some finfluencers with a monetary value of £1 million. We would like to have details of how this is being funded?

It is important that consumers can make well informed choices about how to pursue compensation for any harm they may have suffered when sold motor finance. We will set out in April 2026 how we will recover costs associated with our motor finance work.

62. As you know that was a key extract from my call with the FCA on 24th February 2016 in which I made expert reports and whistleblower disclosures exposing the unlawful incentivised commission arrangements being used across the UK by Black Horse and other lenders.

In 2016 I alleged that it was unlawful because as a highly experienced Financial markets professional I knew it was a breach of

CCA and regulatory codes all of which had been corroborated by the FSA in 2009 and subsequently by the Supreme Court in Paragon vs Plevin in November 2014 in respect to PPI. Particularly that it was unlawful to price a product on the basis of what the parties believed a customer was prepared to pay or as I referred to it to you and the Ombudsman at the time 'A whatever they could get away with basis'.

As you know I also presented a substantial amount of smoking gun evidence including undercover calls I made to Black Horse posing as a car dealer and in which they spilled all of the sordid beans.

I argued in 2016 that victims were entitled to redress equal to the difference between the APR they received and the lowest APR that Black Horse afforded the dealer to set in their wide generic APR bands, and would have received but for the unlawful incentivised arrangements. I presented the FCA with significant evidence and further disclosures throughout 2016 as you know.

Why therefore did it take the FCA until August 2024 when you produced your 'Detailed Grounds' document for the High Court in support of the FOS decisions against Black Horse and Barclays to confirm exactly that which I had reported and alleged, and exactly the redress that I had said was appropriate back in 2016?

Please refer to the Annual Public Meeting live recording and transcript for our response.

63. I have recorded testimony from two separate FOS managers, one from 2019 and one from April of this year, both of whom confirm that the FOS bows to the FCA authority when it comes to complaints, and it was the FCA that determined the decision to deny the complaint I had submitted to the FOS in February 2016 at the same time as I had reported the widespread use of these unlawful practises to The FCA. Both also confirmed that the 'red flag' referred to in internal FOS emails from 2019 that I obtained was part of a system used when the FCA had pre-determined the outcome of complaints on a particular issue, that the FOS was then obliged to apply to all such complaints. They confirmed that it was the FCA that told the FOS in 2019, coinciding with the publishing of the FCA's dishonestly limited final notice on car finance, that all complaints specific to unlawful incentivised commission arrangements must be denied.

In February this year when testifying before the TSC James Dipple Johnstone, acting CEO of the FOS, was asked this question by Dame Siobhain McDonagh and he replied no. So my question to you is did Mr Dipple Johnstone lie to the TSC in February or did these two managers both lie to me six years apart? Notwithstandig that the documentary evidence I have corroborates what the two FOS managers told me.

As set out in further detail in our direct communication, we have sought to identify all correspondence relating to DCAs between the FCA and the Financial Ombudsman from the start of 2016. Having done so, we have found no records to suggest that the FCA told the Financial Ombudsman to reject complaints about DCAs.

We've been unable to find any evidence that the FCA put pressure on the Financial Ombudsman to enforce a predetermined position on DCAs, whether to reject the complaints you referred to it about DCAs or uphold the complaints about DCAs which were published by the FOS in January 2024.

64. The FOS manager I spoke with this year also confirmed that it was the FCA that told the FOS to uphold the complaints against Black Horse and Barclays that were published in January 2024. I have had this confirmed by other sources. Can you confirm if this is correct or if the FOS did, as UK finance put it when trying to manipulate the Treasury over reforms to oversight, 'act as a quasi-regulator acting against the opinions and wishes of the FCA on the subject of incentivised commission arrangements'?

Please refer to the answer above.

65. At the Lloyds AGM this year I asked the Board of they would be clawing back bonuses paid to employees and executives that were the result of the hugely inflated profits Black Horse had generated by way of the unlawful incentivised commission arrangements. Lloyds Chairman Robin Budenberg said they would not be clawing back any of the bonuses because Lloyds and its executives had believed they were acting lawfully at the time. Now, I and you know that was a false representation by Mr Budenberg. I have given the FCA the evidence proving that Black Horse denied emphatically denied these incentivised commission arrangements were being used at all in response to several complaints that I made to them specific to the practise, and made various other false representations including that the APR had been determined by the credit score obtained from

Experian. If Black Horse believed the practise to be lawful they would not have repeatedly lied to conceal the existence of of the practise. So, are you the FCA going to sanction Lloyds for using a practise they knew to be unlawful and for which enormous redress is about to be paid, and are you going to sanction Mr Budenberg for lying to me at the AGM and are you going to enforce a clawback of bonuses paid to Lliyds employees and executives?

If not why not?

I include a link here that the video/audio of that exchange with Mr Budenberg at the Lloyds 2025 AGM

https://x.com/Carlier_J87/status/1926651881054409032

We have passed on the information that you have provided to the relevant supervisory team to consider.

Enforcement is not our only tool, nor the only way of effectively deterring future poor conduct.

Our focus is on getting fair, just compensation to consumers - proposing lenders put billions back in the pockets of those who lost out. By doing so we want to draw a line under this issue, so all sides have certainty and the motor finance market can continue serving millions of people a year.

We have responded to your further allegations about Black Horse, Lloyds and the Financial Ombudsman in direct correspondence.

66. Given that I was years ahead of everyone else in terms of uncovering this unlawful practise and recognising it for the unlawful practise that it was, and have lived and breathed this scandal over a decade and know everything inside and out, why is the FCA seeking to exclude me from participating in the consultation it has launched in respect to the car finance redress scheme?

We published our open consultation in October 2025. It closed on 12 December 2025, providing different ways for all interested parties to respond. No-one has been excluded from responding.

67. Will the FCA investigate the conduct of the FLA and its head of car finance Adrian Dally in respect to false and/or misleading representations they have made for almost two years with intent to manipulate the truth and narrative regarding incentivised commission arrangements? For example in a recent BBC radio 4 documentary Mr Dally repeated claims that

incentivised arrangements were good for consumers and that often the dealers lowered the APR for the customer. As you know this is entirely misleading. As you know after 2014 the lenders and members of the FLA re-engineered the mechanics of these arrangements entirely to circumvent the CCA and the findings of the Supreme Court on Plevin and the rights afforded customers by them. Prior to this the lenders gave their car dealers a low base rate to offer customers, as low as 2 or 3% and then incentivised the dealer to increase the APR on a whatever they could get away with basis. This was now problematic for the lenders both legally and optically. And so they re-engineered the mechanics so that the agreements stated that the dealer should apply the highest APR within the wide APR bands, for which the dealer would receive the highest commissions but the dealer had the discretion to lower the APR if required and would then receive a lower commission the lower the rate they set. The lenders, their lawyers and the FLA believed that this got them around Plevin because technically they were not incentivising the dealer to INCREASE the APR on a whatever the dealer could get away with basis.

But this meant that the customer invariably got an even worse APR than when the dealers were encouraged to increase from a low starting rate, and received an APR still far worse than the lowest APR the lender was prepared to lend at, and the agreement still featured the same sliding scale of incentivised commissions which still meant the dealer was encouraged and incentivised to apply an APR on a whatever they could get away with basis.

Mr Dally, the FLA and its members are all aware of this manipulation of the mechanics, so all know is utterly disingenuous or false to claim that customers benefitted from this practise.

Indeed, Mr Dally's and the FLA's claims now contradict what Dally told me in 2019. He said that the FCA notice was out of date and that the FLA had put a stop to this bad practise in 2014. But now he claims it's a good practise for consumers?

Our proposed scheme is designed to compensate consumers who have lost out because they weren't adequately told about certain commission arrangements, including high commissions.

Our conduct requirements are for regulated firms and individuals. The Finance and Leasing Association (FLA) operates as a trade association and does not fall under our regulatory authority, nor does its Director of Motor

Finance and Strategy Adrian Dally. Consequently, we are unable to investigate any allegations made against this organisation or individual.

Payments

68. My question is about the FCA's oversight of e-money and PSP firms - a sector handling billions in foreign exchange payments. I blew the whistle nearly three years ago about a widespread "bait and switch" practice where clients are quoted excellent exchange rates when making comparisons, but once funds are sent, the margin is quietly increased. By then customers are effectively trapped, paying far more in hidden fees than they were led to expect. In one of many case I reported to you, a client expected costs of about £2,000 but the final cost was £65,000. The firm blamed "market conditions," but this was really a secret mark-up to exploit the clients commitment. Since then, in my view the FCA's response has been lacklustre at best with a single guidance document— with no penalties, no deadlines for improving standards, no redress for victims and no banning of bait and switch- and the practice still continues. So my question is: how can the FCA claim to be protecting consumers under these circumstances?

And

As one of the victims of UK fx broker financial fraud via undeclared extortionate commission, I would like to know why the FCA is not looking to compensate victims who have lost vast amounts of their savings due to fx commission fraud. The FCA Director of Payments & Digital Assets, Matthew Long, wrote to my MP 'Kate Osamor" regarding my concerns in respect of fx broker undeclared commission fraud advising that " The FCA recognises the serious impact financial loss has on consumer lives". He also advised that "consumer protection is one of the FCA's statutory duties". However, we the victims of commission fraud have not been protected by the FCA and fx brokerages/brokers should be forced to pay back victims of commission fraud. Why is the FCA not arranging for the recovery of fraudulent commission for consumers?

We do not regulate all foreign exchange activities. Our regulatory remit covers only certain types of foreign exchange activities that fall within the scope of the Financial Services and Markets Act 2000 (FSMA) or the Payment Services Regulations 2017 (PSRs). For example, we do not regulate spot FX transactions, overseas FX providers who do not operate in the UK or firms offering foreign exchange services without engaging in regulated activities.

For firms that are regulated, we published our Good and Poor Practice in International Payments Pricing Transparency findings in May 2025 and are planning to follow-up with firms to remind them of our expectations and requirements. Under the Consumer Duty, firms must communicate information to retail customers in a way which is clear, fair and not misleading, as set out in our Handbook (PRIN 2A.5.3R). The Consumer Duty also requires firms to act to deliver good outcomes by ensuring that their communications:

- Meet the information needs of retail customers.
- Are likely to be understood by retail customers.
- Equip retail customers to make decisions that are effective, timely and properly informed.

As noted in the findings of our Payments Consumer Multi-Firm Review, (published in October-24), if we find significant shortfalls in firms' implementation of the Consumer Duty and/or risks of poor consumer outcomes resulting from this, we require firms to implement mitigation programmes. In the case of unmitigated or potential harm, we will consider our full range of regulatory tools and intervene, where appropriate, to prevent further harm.

We are continuing to explore how firms are meeting our expectations under the Consumer Duty across multiple sectors on specific Consumer Duty themes and issues, including amongst payments firms, such as money remitters. We believe there is real opportunity to learn from different industry areas, and we want to support good practice across financial services.

Philips Trust

69. Regarding Philips Trust Corporation, while it was an unauthorised firm, introductions were made by firms that were authorised, namely building societies. They made those introductions in return for commissions, which were not disclosed to consumers. Does the FCA believe that the receipt of undisclosed commissions may constitute a breach of its Principles for Business, or even an offence under the Bribery Act? If so, does it intend to take further regulatory action against the firms and individuals responsible?

Building societies did have introducer agreements with the Estate Planning Group (EPG) entities, for which they were remunerated. These were unregulated introductions which fall outside the definition of regulated activities set out in the Financial Services and Markets Act 2000

(Regulated Activities) Order 2001 (RAO). The receipt of commission payments does not in itself mean it is a regulated activity.

We have considered whether the Principles could have applied to the unregulated introductions made by the building societies to the EPG entities. Whilst the Principles can, in certain circumstances, apply to the unregulated activities of authorised firms, from the evidence we have seen, it does not appear to us that that any of the relevant Principles would have applied to the introductory activities of the building societies.

The FCA does not have powers to determine breaches of the Bribery Act 2010, which is a matter for law enforcement authorities.

70. Regarding the Philips Trust Corporation / Building Society Scandal, why wont the FCA talk to the action group representing the victims - who are all elderly people targeted by financial advisors working for building societies? PTAG have offered to talk to the FCA on behalf of the victims but you do not engage.

We have engaged directly with the Philips Trust Action Group (PTAG). This includes responding in detail to questions in writing and meeting with them in November 2024, at the request of the APPG on Investment Fraud and Fairer Financial Services, to hear their concerns directly. We recognise the distress caused by the failure of Philips Trust Corporation and the impact on those affected. We have carefully considered all the information provided and explained the reasons for our decisions.

71. The financial scams described by victims of car finance, Bank of America in addition to Philips Trust (which I represent) in the room are horrific. Why are you not arranging to meet and discuss these issues with the victims who have been damaged so badly?

We sympathise with all victims of financial wrongdoing and fighting financial crime is one of our 4 strategic priorities for the next 5 years. We will focus our effort on crime committed by firms or individuals within our regulatory perimeter.

While we do not routinely meet with individual victims of financial wrongdoing, this does not mean victims' experiences are ignored. The FCA gathers input through consultations, consumer groups, and data from the Financial Ombudsman Service and law enforcement, which are the appropriate channels for individual complaints and compensation claims. These mechanisms allow the FCA to address root causes and strengthen protections for all consumers. More information on how we engage with and learn from consumers is laid in the answer to Q.28.

PPI

72. What is the FCA's view on the continued attempts by certain law firms to keep the PPI issue going and them misleading potential claimants.

Our PPI deadline came into effect on 29 August 2019; however, it doesn't apply to litigated claims. That means it's still possible to take claims about PPI claims to the courts - you can find more information about this on our website: https://www.fca.org.uk/consumers/ppi-complaints.

Law firms are regulated by the Solicitors Regulation Authority, and the Advertising Standards Authority is the regulator for advertising. Any concerns about misleading advertising should be reported to these organisations.

Raising concerns about a firm

73. One area of concern is that firms remain authorised, their permissions intact, long after consumers have identified and raised unremedied concerns about their conduct. Would the FCA consider adding a 'notify us of concerns' button beside the Register listing of every firm, so consumers could alert you to problems? The FCA would then have to decide whether to continue to authorise the firm despite those concerns or to suspend or remove permissions or the firm's authorisation until it dealt with those outstanding complaints

We already provide consumers with a way to report a concern via our website (https://www.fca.org.uk/contact?consumers-tab). We take all concerns very seriously – all reports are logged and, where possible, we act. We currently don't plan to add a specific feature to report concerns to Firm Checker or the Register.

Regulatory Burden

74. Given the high compliance costs and increasing regulatory requirements, how is the FCA ensuring that smaller regulated firms in payments and financial services remain competitive, innovative, and viable — and that market diversity and consumer choice are not diminished in favour of large incumbents?

We are committed to reducing the burden on firms, including SMEs. We have started decommissioning RegData regulatory returns and have

committed to continually review what information we ask for. This ensures we're only collecting what we need and will use. As a result, during 2025 we switched off five returns, reduced the frequency of reporting for two returns and stopped asking firms to submit nil returns for one return. This has reduced burden for approximately 36,000 firms saving firms an around £26.3m annually. We have published a Quarterly Consultation paper on 5 December to switch off a further three regulatory returns for insurance firms and reduce frequency of reporting for one more return. If this proposal goes ahead, it will take the estimated annual savings to firms to an estimated £33m.

We have listened to firm feedback on how long they get to respond to our ad hoc information requests and have introduced a default response time of eight weeks, recognising these requests are less predictable for firms.

Again, taking firm feedback particularly from smaller firms into account, we have improved our regulatory reporting platform, launching My FCA in March 2025. This has resulted in fewer calls to our Supervision Hub, firms submitting data earlier, fewer late fees and 73% of firms saying they now find it easy or very easy to use. We continue to work to make it easier for all firms to manager their users on My FCA.

We've also made improvements to the speed at which we assess firms who want to be authorised or vary their permissions, with 98% of applications across all metric areas determined within the statutory deadline.

Regulatory Failure

75. A long list of misconduct cases were raised at the Annual Public Meeting, the common thread between them being regulatory failure and, in many cases, cover-up. Do you accept that when people lose money in such circumstances and the regulator neither arranges for them to be compensated nor protects others from the perpetrators, they tell friends, colleagues and family members, fatally damaging their trust in the financial sector? If the FCA instead got the victims their money back and locked up the bad actors - or at least chased them out of the industry - they would instead tell their friends that the industry is well-regulated, and can safely be transacted with

We sympathise with those who have lost money. Helping consumers is one of the FCA's strategic priorities and where consumers suffer harm we prioritise redress where we can.

In the last financial year, we secured over £442 million for investors and consumers through redress schemes, settlements, and civil proceedings. In addition, we took enforcement action last year against three firms for their poor treatment of borrowers facing financial difficulties, with those firms delivering voluntary redress schemes worth an estimated £354 million.

Protecting consumers is crucial for building trust and confidence in financial services. We aim for all consumers, including those in vulnerable circumstances, to have increased confidence in the UK financial services industry. We also expect the Consumer Duty to help drive more positive outcomes for consumers.

76. On behalf of the UK regulators can I invite the FCA chairman to apologise to Tom Hayes and others wrongly convicted for any part the UK regulators played in those outcomes

The criminal convictions formed the basis upon which the FCA took its action. As soon as they were quashed by the Supreme Court we ended our action against Tom Hayes and revoked the prohibition of Carlo Palombo. We have made clear we will take no further action against either individual.

77. Now that the UK Supreme Court has rightly overturned the convictions of Tom Hayes and Carlo Palombo, can the FCA confirm if it played any part in the burying of whistleblower disclosures I made to the CFTC and U.S department of justice in June and July 2015 and reports I made to the FCA and SFO in June and August 2015, specific to false representations made by UBS to U.S regulators that secured it immunity from prosecution and spared it from fines in respect to FX misconduct? Disclosures and reports that I understand were buried because they potentially exposed the prosecution of Tom for the sham it was and absolutely exposed UBS and their lawyers who were principal players in helping the SFO drive the prosecution against Tom.

Will the FCA now investigate my disclosures and why the CFTC and SFO sought so desperately to bury them.

We do not have a record of a submission of a report related to this issue. If you wish us to consider, please provide further detail.

78. Regulatory Oversight Failures in Private Equity–Backed Acquisitions: In light of growing concerns about financial misconduct and due diligence failures in private equity

acquisitions — including cases where regulated firms have acquired or sold businesses with hidden liabilities or unresolved fraud allegations — can the FCA explain how it assesses the fitness and propriety of PE firms and their portfolio companies at the point of acquisition, and what enforcement powers it is willing to deploy when those entities later default or collapse?

The powers that the FCA has over acquisitions of portfolio companies by private equity (PE) firms depends on the nature of the transaction. Amongst other things, our powers and role vary according to whether the target company is FCA regulated or not. Most PE transactions will not involve FCA regulated companies being acquired and therefore the FCA will have limited direct role or powers pre-transaction to assess fitness and propriety of companies or their potential owners. There are however different UK authorities who may have remit over such acquisitions, e.g. the Competition and Markets Authority for competition and merger control reasons or the Takeover Panel in relation to public companies. Where control is subsequently acquired, PE firms we regulate may have other obligations to follow, for example transparency and disclosure obligations alongside specific restrictions that may also apply depending on the structure of transaction and the nature of the acquired company.

Where the company being acquired by a PE firm is itself an FCA regulated firm, and the transaction will result in the acquisition or increase in control for our purposes, change in control approval is generally required under FSMA. In such situations, the FCA's Change in Control Team assess the suitability of acquirers seeking to control FCA-regulated firms, as well as the financial soundness of the acquisition in order to ensure the sound and prudent management of the authorised firm. This assessment takes place on the basis the firm being acquired is regulated by the FCA, irrespective of whether the acquirer is regulated by the FCA or not. If the firm being acquired is dual-regulated, the Prudential Regulation Authority will also perform a change in control assessment.

Like all regulated firms, the ability of private equity firms to meet the FCA's Threshold Conditions, the minimum regulatory requirements that firms must meet and continue to satisfy to be allowed to operate within the UK financial services industry, is assessed at the point of authorisation. Controllers of an authorised firm must be suitable and inform us of any changes that may impact their suitability. We require sufficient information to be provided to us through notifications in order to make our assessment and determine suitability. This includes information to understand how the regulated company being acquired will continue to meet our Threshold Conditions, such as adequate financial resources and the risks in the business for the proposed acquisition and how these will

be mitigated.

If the FCA suspects a regulated firm may be guilty of misconduct, including misconduct relating to investments or acquisitions, the appropriate action will be considered from the range of Supervisory, Interventions & Enforcement tools available. Where serious misconduct is suspected, our publicly available Investigation opening criteria will be used to determine if an enforcement investigation should be opened.

Safe Hands

79. Why will you not honour the findings into the collapse of safe hands & pay victim's compensation for your failings

We have the utmost sympathy for the people who have lost money because of Safe Hands. We do not agree with the findings of the Complaints Commissioner.

The fact is that we had limited powers to act against funeral plan providers before Parliament gave us responsibility to regulate the sector from July 2022. We had received in April 2021 a single piece of anonymous intelligence that Safe Hands might be carrying out regulated activity but without our necessary permission to do so. Knowing by then that we would soon be approving funeral providers to do business, we logged this intelligence to consider when assessing whether Safe Hands was fit to be regulated by us. Starting in September 2021, we started to receive applications from firms wishing to offer funeral plans, including from Safe Hands. We warned them they were unlikely to meet our requirements and consequently the firm stopped trading in February 2022. We worked with Dignity and Co-op to help customers find new plans at a discounted cost.

In 2021, we received over 34,000 pieces of intelligence about firms or individuals potentially carrying out unauthorised business. There is no way we can immediately act on all.

We must decide how to prioritise our resources to protect consumers from suspected wrongdoing and in 2021 we focused our efforts on the complex process of bringing a whole new sector – funeral providers – within our remit.

We believe the steps we took were reasonable and proportionate based on the information we received. There is no evidence that alternative action from us would have led to different outcomes for Safe Hands customers.

Secondary International Competitiveness and Growth Objective

80. How is the FCA's approach to international firms changed due to the secondary growth and competitiveness objective?

We are doing more to help international firms understand how to navigate UK financial services regulation and our services. We recognise that major international investors want easier access to us and so we have established a presence in the United States and Asia too. The FCA is a key partner in the Office for Investment: Financial Services (OFI:FS), a new service supporting international investors in the UK's financial services sector. Our support services, including our pre-application support and innovation programmes, make it easy to interact with us and help firms who meet the UK's standards get authorised. This is part of our commitment to support growth and make sure the UK is the best place in the world for financial services firms to set up and thrive.

Sports Betting

81. Please confirm when HM Treasury informed you when your regulatory responsibility for sports and non-financial spread bets ceased?

As set out in our Perimeter Report, our regulatory framework is designed to protect consumers from the risks from investment activity. This framework does not account for the risks to consumers from gambling activity in relation to events which have no connection to the financial markets. HMT is responsible for setting what activities and investments fall within the FCA's regulatory perimeter. The FCA (and the FSA before) have taken the view that some sports and non-financial spread betting products may fall within the regulatory perimeter, where the instrument meets the conditions for being a contract for difference under Article 85 of the Regulated Activities Order. Consequently, some firms offering sports spread bets have been authorised and supervised by us and this position has not changed. Most sports and non-financial betting products will not be regulated investments within our perimeter, and will be licensed by the Gambling Commission. We view sports and non-financial spread bets as gambling rather than financial products, and think clarification of where the perimeter should lie for such products, and who should be responsible for regulating and licensing them, would be helpful. We are continuing to work with HMT on this.

Student Loans

82. Why does FCA not regulate Student Finance? A large proportion of the consumers have such large student finance

debt especially as the interest rates have drastically increased, this really impacts individuals financial capability and a large number of people will not pay this loan back fully before it is written off. Also, when 17 year old signed up for these loans, they were not making an informed decision - how is this in line with consumer duty principles? Also, the interest adding over the course of the year is often more than repayments so almost impossible to pay back and is treated as an education tax. Also, the repayments are end of each year while, these are collected from monthly pay check so each month interest is added on a higher loan.

Student loans are provided through a statutory scheme created by Acts of Parliament and they are excluded from the Consumer Credit Act 1974 and the Financial Services and Markets Act 2000. This means they fall outside the FCA's regulatory remit, so rules like the Consumer Duty do not apply.

Supervision and Enforcement

83. Supervision & enforcement: What areas do you see as the biggest risks for 2026, and how will the FCA be focusing its supervision in response?Can we expect the FCA to be quicker in acting on misconduct cases, given how long investigations can sometimes take?

Financial crime is a major risk for 2026 and beyond, driven by global instability and criminals' use of technology. Fraud remains the most common crime affecting UK citizens, and over £100 billion was laundered through the UK last year. Tackling this is a core priority in the FCA's five-year strategy.

Our approach involves identifying and disrupting harm faster using data, tech and our full toolkit. A new automated workflow has cut low-risk case handling from four hours to six minutes, closing 700 cases since May. We're working with industry and global partners to strengthen controls and combat organised crime.

We scan 100,000 websites daily to combat fraud and scams. In the first half of this year, we issued 688 takedown requests, amended or removed 6,732 financial promotions, removed 60 apps and published 1,445 alerts.

When it comes to deterrence, speed matters. Seven of our recent enforcement operations achieved public outcomes within 16 months—far quicker than before. Around half our enforcement work is criminal, and 70% targets financial crime.

84. I think the FCA are doing right by consumers, but I want to know what more can be done about organisations flouting the regulations. Are you planning on bringing stricter regulations and would you be involving a consumer panel. As I think that would be very interesting?

In 2023, we introduced the Consumer Duty, which sets high standards of consumer protection across financial services, and requires firms to put their customers' needs first. We're seeing a significant number of firms across all sectors reflecting on the requirements of the Duty, and acting genuinely and within its spirit, to change things. We've seen improvement but there's more to be done. We are working across sectors to test firms' implementation and embedding, take action against those not adhering to the rules, and will continue to share good practice to support the industry and ensure consumers have good outcomes.

Our approach is to take enforcement action in cases of strategic significance where we can deliver the greatest deterrent impact and where there is the greatest harm. We will collect data from firms to assess their compliance with the Duty and identify practices that cause poor customer outcomes. Firms should expect us to ask for the results of testing, outcomes monitoring, and their Board reports, and provide details of how they measure that consumers are receiving good outcomes.

We will also carry out a post-implementation review of the Duty to understand how firms have implemented it and whether it is having the intended effect, in due course.

The FCA Financial Services Consumer Panel has a role to play as an independent panel that represents the interests of consumers of financial services including small businesses. It provides advice and challenge to the us in relation to our statutory duties in particular our consumer protection objective.

The Duty is not a once and done exercise. Firms need to make sure they are improving continuously and evidence this in their annual board report.

<u>Sustainability</u>

85. There's a lot of focus on green finance - how is the FCA tackling the risk of "greenwashing" in financial promotions?

For sustainable finance to thrive, consumers must be able to navigate the market confidently. To support this, we introduced the Sustainability Disclosure and Labelling Regime in 2024, which includes an Anti-Greenwashing Rule for all FCA-authorised firms. The Sustainability

Disclosure Requirements (SDR) aim to build trust, protect consumers, and raise industry standards as a long-term change. The Anti-Greenwashing Rule applies whenever regulated firms communicate with UK clients about products or services or make financial promotions.

By providing standardised information on products' sustainability characteristics, SDR enables informed decisions and reduces greenwashing risks. Research by the Investment Association shows most firms believe SDR has successfully curbed greenwashing. We monitor the market and act on potential cases, prioritising supervisory intervention over enforcement, though enforcement remains an option for serious breaches. Our goal is to tackle greenwashing effectively and maintain consumer confidence in sustainable finance.

Ulster Bank

86. 1)Would the FCA agree that Exposure Value calculated for derivatives in respect of Counterparty Credit Risk is a calculation required by prudential regulation that banks have to comply with and is not solely an internal risk measure?

And

2)Would the FCA agree that the 4 methodologies allowed by regulation to calculate Counterparty Credit Risk are objective in nature?

And

3)Would the FCA agree that Exposure Value is a good representation of a customer's potential "financial commitments and other additional obligations"?

The methodologies and metrics referred to are part of the PRA's prudential rules. It is not for the FCA to comment on another regulator's policy stance; we do however maintain a close working relationship with the PRA and pass on relevant feedback.

4)Would the FCA agree that COBS 14.3.2 is explicit that disclosure of the nature of the risks, the quantum of the risks and the security, in lieu of margin, that the bank will rely on is explicitly required?

COBS 14 contains our rules on providing information about investments and services to clients. The extent of the information depends on the type of investment and whether the client is retail or professional. It may

be right to include specific details such as 'margin requirements' but that will depend on who the investor is and what they are investing in.

In its recent work on Ulster Bank, did FCA seek specific external legal advice on Ulster Bank's loan contracts, to check they weren't IRHPs? If not, why not?

No. We undertook a lot of work to assess the concerns raised about the nature of Ulster Bank's historic business loans, including applying the legal advice we had previously to the Ulster Bank materials we reviewed.

Unregulated individuals

87. **Will there be any plans to mandate financial event organisers to clearly disclose the regulatory status of all individuals presented as financial experts or investment professionals in event materials and communications? This question arises from increasing concerns about individuals being promoted as credible investors, fund managers, or financial advisors without public clarity on whether they are authorised by the FCA or any other regulatory body. A notable example is Charmaine Hayden, who was widely presented as a venture capital fund manager with Goodsoil VC at various UK startup and investment events, despite no evidence of FCA authorisation or oversight. This lack of disclosure contributed to misleading perceptions among founders and attendees, some of whom have since raised complaints after financial losses or unmet commitments. Clear labelling of regulatory status much like disclaimers in financial advertising could help prevent misrepresentation and protect consumers and early-stage entrepreneurs from harm.**

We recognise that many event organisers are likely to be unregulated individuals. For the FCA to make rules regarding their activities, we would need HM Treasury (HMT) to introduce new legislation. We have no plans to recommend this to HM Treasury at this point, as we believe the current consumer protections are sufficient and proportionate.

To help protect investors, we strongly encourage anyone considering an investment to check our Financial Services Register or use our new Firm Checker tool. This allows consumers to verify the regulatory status of people or firms offering financial advice.

We are taking action where we see potential harm. In 2024, we ramped up interventions on financial promotions, leading to nearly 20,000 amendments or withdrawals by authorised firms (up 97.5%) and over 2,200 public alerts about unauthorised or scam entities.

We are increasingly worried about firms and influencers promoting high-risk products on platforms such as Instagram and Telegram, often targeting retail consumers with misleading or illegal content. We are urging tech platforms to proactively prevent illegal financial promotions and support the Online Safety Act and Home Office Online Fraud Charter to enhance consumer protection.

We want to work with influencers, so they keep on the right side of the law. But we will not hesitate to act against those who flout the rules and communicate illegal or non-compliant financial promotions.

In October 2024, during a dedicated 'week of action' against unlawful 'finfluencers', we issued 38 alerts and made over 120 takedown requests for social media accounts with a combined following of over 6 million. We also interviewed under caution 20 finfluencers suspected of illegally promoting financial products.

A second week of action took place in June 2025, alongside international partners. This led to 3 arrests (with support from the City of London Police), invitations for 4 finfluencers to attend interviews, 7 cease-and-desist letters, and 50 warning alerts. Our alerts will result in 650 takedown requests for social media accounts and more than 50 websites run by unauthorised finfluencers.

There is still much work to be done by all social media platforms. We want to see them to take stronger action to proactively spot and prevent illegal financial promotions from reaching consumers.

By clamping down on illegal investment promotions and scams, we are creating space for legitimate firms to interact with consumers, which in turn helps drive consumer funds into genuine investment opportunities that support growth in the real economy.

Wellesley

88. Wellesley investors Action Group (WIAG) have been waiting 4.5 years for a reply to our very serious and in-depth complaint about the Wellesley Group with the FCA. This contains 33 questions. Can you advise WIAG, this is the fourth time of asking at each APM since 2021? When will we have our full complaint fully attended too? What actions are you to take against the scandalous actions of the Wellesley Group? We are now calling for a restitution order.

The FCA conducted an Enforcement investigation into Wellesley & Co Ltd. The investigation's focus was whether investors had been given misleading information and defrauded by WCL. This investigation was closed with no further action in September 2025. The FCA identified that the risks were fairly explained to investors and did not find evidence suggesting the funds were misused.

More information is available via: https://www.fca.org.uk/news/statements/fca-closes-wellesley-co-limited-investigation

Whistleblowers

89. I believe a dispassionate observer of the Annual Public Meeting would conclude that when things go wrong in the financial services industry, victims and whistleblowers walk away from the FCA broken and angry, while perpetrators walk away broadly grateful. Until this changes, does the FCA accept that the industry will continue on its current path of gentle decline?

Whistleblowing provides the FCA with unique and valuable insights. It has allowed us to identify and correct problems including consumers being mis-sold loans, unauthorised firms taking on customers, and failings in firms' own internal whistleblowing procedures. In 2023, we set out several actions to increase the confidence of whistleblowers in us – including sharing further information with whistleblowers on how we have acted on their information; improving the use of information provided by whistleblowers; and improving how we capture information from whistleblowers. The FCA is committed to learning from every case and to improving our processes so that those who raise concerns are treated fairly, respectfully, and with empathy. We have recently published quarterly whistleblowing data to increase transparency and accountability.

90. Will the FCA act on all intelligence received from whistle blowers eg Blackmore Bonds and to be seen to be proactive against financial ponzi schemes?

Whistleblowing is an important and valuable source of intelligence for the FCA. It helps us identify and disrupt harm at an early stage. The FCA has a dedicated Whistleblowing Team who listen to whistleblowing concerns submitted to them and manage the relationship with the whistleblower. The Whistleblowing Team review and assess all whistleblowing reports received and ensure the information provided is prioritised and then appropriately shared via an anonymised intelligence report with those who may need to take action. The FCA is unable to act on everything we

receive, rather we ensure that we focus our resources in an effective and efficient way to deliver maximum impact for our strategic priorities.

Last year we received over 1100 reports. And during the year we closed over 1000 WB reviews – with 52% leading to some form of direct action. In 24/25, 46% of opened reports were closed within a year, demonstrating the increased pace that our new processes are driving. We have prioritised fighting financial crime – we have and do take action against Ponzi schemes and illegal CISs. For example:

- Daniel Pugh - set up a Ponzi scheme that netted over £1m, stealing money from over 230 investors. Investigated and prosecuted by FCA, found guilty of fraud 7 August. Sentencing is set for 6 October (to be updated).
- John Burford – investigated by FCA and pled guilty to a £1 million pound fraud, sentenced to 2 years in prison on 5 September.
- Guy Flintham – found guilty of fraud and sentenced to 6 years in prison for a £19m Ponzi scheme with 240 investors. Earlier this year we secured a confiscation order against him for the £6 million he has remaining in assets (all investors will be fully recompensed with this and APP CRM refunds) – showing we will not only prosecute but we will also go after the assets.

Alongside Pugh and Burford, the first six months of 25/26 saw 6 convictions for fraud, ML, and insider dealings, as well as some sizeable fines for significant failings in firms' financial crime systems and controls. We have another 13 trials, with a total of 34 defendants, scheduled over the next two years for fraud, ML, and unauthorised business.

Woodford

91. Woodford Investment Management (WIM) has been fined 40M by the FCA in relation to it's failures concerning the WEIF. If the fine is upheld, who will benefit from this fine?

FCA fines are paid to the Government, which uses them for general expenditure on public services like the NHS, police, and schools. A portion of the fines representing certain enforcement costs are retained by the FCA and used as a rebate to the periodic fees paid by certain firms (excluding those who have had a penalty imposed upon them) in the following financial year. Details of how our fines are used can be found here: https://www.fca.org.uk/publications/corporate-documents/financial-penalty-scheme

92. The FCA told the Sanction Hearing for Link Fund Solutions that losses caused by the mismanagement of the Woodford

Equity Income Fund's liquidity constituted only a subset of investors' losses, and that you would deal with the rest in due course.Yet when you announced your intention to enforce against Neil Woodford and Woodford Investment Management Limited, the only wrongdoing you accused them of and the only losses mentioned were those relating to liquidity. Woodford invested money from a retail equity income fund into high-risk start-ups that could not legally be marketed to retail customers and that did not pay an income. Many of those firms were connected to Neil Woodford. Is this because the FCA strongarmed him into using Link Fund Solutions as Authorised Corporate Director and therefore he has leverage over you, given the extent to which you protected Link (formerly Capita Financial Managers) from the consequences of its wrongdoing in relation to Arch Cru and Connaught?

Following a detailed investigation, we concluded that Link Fund Solutions, WIM and Mr Woodford had breached our rules as a result of their mis-management of the WEIF's liquidity. It is on this basis that we secured up to £230m of compensation for investors, representing a return of 77% in relation to those losses. We did not conclude that there had been any other wrongdoing, for example a breach of investment mandate.
We recognise that investors have suffered losses going beyond those triggered by the wrongdoing on liquidity management, but this is beyond the remit of the redress we have secured based on our findings. We have always been clear, including at the Sanction Hearing, that losses due to investment performance would not form part of the redress scheme.

Mr Woodford has not exercised any leverage over the FCA's investigation or outcomes, which involve very significant financial penalties for WIM and Mr Woodford and which they are actively contesting before the Tribunal.

93. How is the FCA preparing for Neil Woodford and Woodford IM's appeal of its enforcement action to the Upper Tribunal and are you worried your decision may be overturned as a result?

The Upper Tribunal operates in much the same way as a court. It is an independent, impartial decision-maker with procedural rules that are generally designed to enable the Tribunal to consider all the evidence, including, where appropriate, testimony from relevant witnesses, as well as submissions from each of the parties involved, before determining the appropriate action for the FCA to take.

The FCA has published its view of the misconduct it considers to have been committed by Woodford Investment Management Ltd and Mr

Woodford, and the appropriate action to take as a result but acknowledges the right of subjects to refer such action to the Upper Tribunal. We are now preparing for the contested hearing of the matter, and will advance the FCA's case robustly. We will consider carefully the Tribunal's determination.

94. When do you expect to conclude the investigations into Neil Woodford and Woodford Investment Management?

The FCA published its Decision Notices in relation to Woodford Investment Management Ltd and Mr Woodford in July 2025. Both have referred the FCA's decisions to the Upper Tribunal. The Upper Tribunal will set the hearing date as it considers appropriate. We presently expect that the case is unlikely to be heard at trial before 2027, and the Upper Tribunal's decision may not be issued for some months thereafter.

95. The FCA has only partially dealt with the losses of investors, and today has ignored the significant and material issue of LFSL "fire sales" and the post suspension losses suffered by retail investors, which was no fault of the investors in LFWEIF. Who is responsible for this disastrous outcome? With losses of over £1bn noted as at today? If LFSL are not responsibility, but NW and WIM are, Will the FCA arrange a compensation scheme for retail investors to compensate for this this travesty?

We are sympathetic to the losses suffered by investors. Where these losses have been down to breaches of our rules we have taken action and secured compensation. However, we cannot secure compensation for poor investment performance.

Our statutory notices (the Link Final Notice and the WIM and NW Decision Notices) set out the regulatory failings we identified were limited to failures to manage appropriately the liquidity of the WEIF. The total losses we attributed to failures of liquidity risk management we assessed at £298 million. The Link Scheme of Arrangement will cover up to £230 million of this and we are not proposing any additional compensation scheme. The scheme was not intended to, and does not, reflect losses relating to investment performance.

We have monitored Link's extensive programme of asset sales over a long time period. In the circumstances, this balanced the desire to return money to investors with getting favourable terms for any asset sales.

96. Neil Woodford has now been fined by the FCA £5.9m, and so has his business entity a separate sum of £40m. Needless to say, this will be challenged by Mr Neil Woodford in Court. The

outcome will probably remain unknown for some time. When do you expect the hearing will be held?

The Tribunal determines the hearing dates for its cases. We expect that the case is unlikely to be heard any earlier than the latter part of 2026, and a determination may not be reached until some time later.

97. The failure of Rutherford Health PLC by NW and WIM is monumental. Losses of £107m to LFWEIF investors, and £80m to the unfortunate investors in WPCT. NW and WIM invested in this company providing 55% of the capital funding via LF Woodford Equity Income Fund (LFWEIF) defies any logic. This investment along with many unknown investments (e.g., Industrial Heat and BenevolentAI) were totally inappropriate and not fit for an equity income and growth funds. Do you agree? if so, they need to be considered in any compensation to investors as well?

It is not the role of the FCA to assess the suitability or advisability of the investment by a fund in individual assets, providing that doing so does not contravene regulatory requirements. In this case, the regulatory breaches identified by the FCA concerned inappropriate liquidity risk measurement and management of the WEIF. While this involves a determination of inappropriate investment decisions across the fund as a whole, the FCA has not determined that any individual investment contravened regulatory requirements.