

Supplier Code of Conduct

November 2019

How to respond

This FCA Supplier Code of Conduct is owned by the Supplier Management Team within the FCA Procurement function.

For further information, queries and notifications, please contact us at: FCAProcurement@fca.org.uk

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Foreword

I am delighted to introduce this first edition of the FCA Supplier Code of Conduct, which covers supplies to the FCA and to the Payment Systems Regulator. It has been developed out of a recognition that we rely on our suppliers to implement many important services and to help us deliver policy. It is important that our suppliers understand and align with the behaviours and standards expected from anyone working in, or with the FCA. In addition to setting out what we expect of our suppliers, this Supplier Code of Conduct includes commitments on how we will work with suppliers to build trust and ensure value.

The public expects the FCA and its suppliers to deliver in their interests and fulfil any promises made. They expect suppliers to behave ethically and treat end users, employees and subcontractors fairly and with respect. Suppliers also expect the FCA to be fair and transparent in all dealings with them.

Our Supplier Code of Conduct requires suppliers to support us in delivering our Mission in a manner consistent with our values, which are:

- deliver in the public interest
- act with integrity
- be ambitious
- work inclusively
- connect and deliver

Suppliers are an extension of the FCA's business, and employees of suppliers interact constantly with consumers and businesses on behalf of the FCA. This Supplier Code of Conduct outlines the standards and behaviours expected when working on an FCA contract. We expect all suppliers and the FCA to continuously meet these commitments and ensure that their employees, partners and subcontractors do the same. In the event of a supplier failing to meet these commitments we will review the situation and follow-up as appropriate with that supplier.

In selecting suppliers, we check that we are contracting with reputable bodies. These checks are conducted in line with procurement regulations to guarantee fair access to opportunities for all suppliers and equal treatment during selection processes. During the life of the contract, we expect delivery to be in line with the spirit of the contract, as well as its letter.

When delivering goods and services to, or on behalf of the FCA, we expect suppliers to act in a manner that is compatible with public service values, promotes innovation and expertise, and opens up markets to small and medium-sized enterprises in the UK. We expect our suppliers to communicate this Supplier Code of Conduct to their employees, parent company, subsidiaries and subcontractors. Likewise, we will communicate it to our employees.

This Supplier Code of Conduct is not intended to undermine our contracts with suppliers or the rules we set out when we procure our goods and services, which will always take precedence.

Sandra Paton, Chief Procurement Officer.

1 Deliver in the public interest

Meeting user needs

- 1.1** It is important that contracts with our suppliers meet the needs of service users. We will work together with suppliers to articulate these outcomes to ensure that the goods and services being provided meet the needs of users and we expect fully reciprocal behaviour from suppliers.

Vulnerable users

- 1.2** Some public contracts deliver services to service users with particular needs. For example, physical or mental impairments, medical conditions or other factors that place them in a vulnerable position. Suppliers will ensure that these service users are treated at all times with courtesy and that their dignity, safety, security and wellbeing is always treated as a priority.

Data quality

- 1.3** We rely on complete, accurate and timely data and information to make decisions and to operate effectively and efficiently. We expect suppliers to ensure the information they provide us with does not contain errors. If a supplier becomes aware that they have provided incorrect or misleading information to us they should notify us quickly, and correct any errors.

Value

- 1.4** The public expects the FCA to obtain value for every pound spent and to be able to show that long-term value is being achieved. This means that contracts should be priced to offer sustainable value throughout their life, including when changes are needed. We accept that our suppliers need to make a fair profit margin in return for the risk they are accepting and the commitments and investments they make to be able to deliver services for us. But, we do not expect suppliers to exploit an incumbent or monopoly position, an urgent situation or a disparity of capability or information to overprice.
- 1.5** We will engage constructively with suppliers about any required changes and we expect suppliers to reciprocate this. We expect suppliers to work in good faith to resolve any disputes promptly and fairly during the life of a contract through good relationship management and, where appropriate, contractual dispute resolution mechanisms, recognising that the FCA and supplier interests are rarely best served by protracted litigation.
- 1.6** We will seek to award contracts based on the 'Most Economically Advantageous Tender' response. We will measure supplier performance on relevant and proportionate indicators and apply proportionate contractual remedies for non-compliance.

Sustainable procurement

- 1.7** We expect our suppliers to be aware of, and support the FCA in, complying with all relevant environmental legislation and to work with us in achieving the aims of the [FCA Environmental Policy Statement](#). Our suppliers should help us to understand and reduce supply chain impacts. In the supply of goods and services, our suppliers should aim to:
- reduce their impact on climate change
 - reduce waste and follow the waste hierarchy
 - reduce the use of finite resources
 - limit pollution
 - promote energy efficiency
- 1.8** We expect suppliers to help us accurately report on product or service use and continually assess environmental impacts, by being open and transparent.
- 1.9** We are committed to becoming a more sustainable organisation and to limiting our impact on the environment. We will work with our suppliers to seek and implement sustainable practices.

Confidentiality

- 1.10** The FCA and suppliers are both expected to comply with the provisions in our contracts and any legal requirements to protect commercial and sensitive information. This includes confidential proprietary and personal information. The FCA and suppliers may both also be party to confidential information that is necessary to be effective partners. This information, even if it is not covered by contractual provisions, should be handled with the same care as information of similar sensitivity including special category data (under [GDPR](#) regulation). Information should not be used for any purpose (eg advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorisation from the owner of the information.
- 1.11** Despite this mutual understanding, this does not prevent us from disclosing information where we are compelled to do so. For example, by law or parliament, or to comply with the principles stated in [The Transparency of Suppliers and Government to the Public](#).
- 1.12** We expect our suppliers to comply with the [DPA 2018](#), [GDPR](#) legislation and [Market Abuse Regulations](#) and to advise the FCA immediately if they become aware of anything which could impact our ability to keep the personal data of consumers, firms or employees safe and secure.
- 1.13** The FCA and suppliers are expected to comply with the requirements of the [Financial Services and Markets Act 2000](#) including specific obligations in relation to confidentiality.

Transparency

- 1.14** We aim to be transparent in our dealings with suppliers and we expect suppliers to be open and honest in their dealings with us, and be in full compliance with the updated principles published February 2017 on [The Transparency of Suppliers and Government to the Public](#).

2 Act with integrity

Management of risk

- 2.1** We aim to ensure that risk is allocated to the party best able to manage it. We do not expect suppliers or the FCA to be made responsible for managing a risk that is best managed by the other party. We do not expect suppliers to pass down risk inappropriately to subcontractors, or to assert that they can manage risk that is in fact better managed by the FCA. All parties should be open and transparent about their identification, assessment and mitigation of risks relating to supplies to the FCA. They should also share intelligence of supply chain risks. This will allow material commercial and operational risks (for example the impact of losing a key supplier) to be mitigated. We expect suppliers to have appropriate arrangements in place to ensure continuity of supply to us, including having appropriate and effective business continuity and disaster recovery plans. Where appropriate we expect suppliers to cooperate with us and with the Cabinet Office to ensure that Resolution Plans are documented.

Professional behaviour

- 2.2** We will work constructively and collaboratively with our suppliers. We expect suppliers to be prepared to invest in their relationships with us and establish trust with our employees and with other suppliers involved in delivery. We also expect suppliers to be able to speak out if we or other suppliers are not upholding the values embedded in this Supplier Code of Conduct. It is important that suppliers speak out, without fear of consequences, when a project or service is unlikely to succeed because of our behaviours or a lack of good governance. We expect the same behaviour when a contract is no longer fit for purpose, for example, in its contractual stipulations or measures. Suppliers, their partners and subcontractors are expected to have in place appropriate whistleblowing arrangements. We will work with our supply chain to ensure that concerns raised about matters covered by the Public Interest Disclosure Act are properly recorded and investigated and that appropriate actions are then taken. Suppliers, their partners, subcontractors and employees can also raise concerns via the FCA whistleblowing process if appropriate.

Reputation and public trust

- 2.3** We want to work with suppliers who are proud of their reputation for fair dealing and quality delivery. We want working with the FCA to be seen as reputation enhancing for the supplier. We expect all parties to be mindful of the need to maintain public trust and ensure that neither they, nor any of their partners or subcontractors, bring the FCA into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in us. We expect suppliers to notify us of any situation which could potentially be damaging to our reputation. This is not intended to limit any supplier's legal obligations, or constrain whistleblowing or their ability to fairly criticise the FCA or FCA policy.

Cyber security

- 2.4** It is essential that suppliers safeguard the security and privacy of their systems and our data, and comply with relevant FCA policies and standards. Suppliers must inform us immediately in the event of a cyber security incident and/or loss of FCA information. Doing so minimises any potential impact on our consumers, firms and employees and

ensures compliance with legal and/or regulatory requirements. We expect suppliers to co-operate fully with us, when appropriate, in any investigation, root cause analysis and follow-up actions.

Conflict of interests

- 2.5** We expect suppliers to mitigate appropriately against any real or perceived conflict of interests through their work with the FCA. A supplier with a position of influence gained through a contract should not use that position to unfairly disadvantage any other supplier or reduce the potential for future competition. For example, by creating a technical solution that locks in the supplier's own goods or services. We expect our suppliers to notify us if they become aware of any real or perceived conflict of interests. Potential conflicts may be organisational or individual in nature. We will require organisations or individuals to take additional steps to mitigate these and we will request individual suppliers to declare those interests as part of our attestation register.

Countering fraud and corruption

- 2.6** Suppliers must adhere to anti-corruption and financial crime laws, including but not limited to the [Bribery Act 2010](#), anti-money laundering and terrorist financing regulations. We expect suppliers to have robust processes to ensure that the subcontractors in their supply chain also comply with these laws. We have zero tolerance for any form of corrupt practices including extortion and fraud and we expect suppliers to be vigilant and proactively look for fraud, and the risk of fraud, in their business. Suppliers should immediately notify us if such practice is suspected or uncovered and disclose any interests that might impact their decision-making or the advice that they give us.

Prompt payment

- 2.7** We expect both the FCA and suppliers to be fair and reasonable in their payment practices. Suppliers should aim to pay subcontractors within 30 days on FCA contracts and comply with the standards set out in the [Prompt Payment Code](#) on all other contracts.
- 2.8** We aim to pay 100% of undisputed, valid invoices which are supported by a Purchase Order within 30 days of receipt by the FCA Accounts Payable Department.

Health and safety

- 2.9** We are committed to providing a safe and healthy working environment for all employees, visitors and contractors. We expect all suppliers to co-operate with us, as appropriate, in achieving this goal and to comply with our Health and Safety Policy and with Health and Safety legislation. Suppliers must ensure that their employees and contractors are properly trained and competent by providing information, instruction, training and supervision as is necessary to secure their health and safety at work and the health and safety of others who may be affected by their actions. Suppliers are expected to work with us to ensure that health and safety procedures are followed and incidents are reported accordingly. When appropriate, suppliers may be required to participate in investigations and root cause analysis. When necessary, we expect suppliers to take preventative actions to avoid incidents that may cause injury to persons or damage to premises. We expect suppliers to ensure that those actions are taken and to monitor activities to ensure that they are to agreed standards.

3 Be ambitious

Continuous improvement

- 3.1** We expect our suppliers to use recognised industry practices in the delivery of goods and services to, or on behalf of, the FCA. We also expect suppliers to continuously improve these goods and services and bring innovation, ideas and expertise to help us address our strategic challenges. We aim to create the right conditions to allow suppliers to innovate both during the procurement process and the life of a contract. If appropriate, we will inform suppliers of our innovation requirements during the procurement process.

Treatment of supply chain

- 3.2** We expect suppliers to deal fairly with the subcontractors and suppliers in their supply chain. We expect suppliers to seek to reduce barriers to the use of small and medium-sized enterprises who are qualified to provide goods or services, and to encourage innovation in their supply chains to increase the value or quality of supply.
- 3.3** Suppliers to the FCA are expected to have adequate oversight of their subcontractors and suppliers in their supply chain.

4 Work inclusively

Ethical behaviour

- 4.1** We expect the highest standards of business ethics from suppliers and their agents in the supply of goods and services. We expect suppliers to be explicit about the standards they require of executives, employees, partners and subcontractors and to have governance and processes to monitor adherence to these standards.

Respectful treatment

- 4.2** Our employees, those of our suppliers, and service users have the right to respectful treatment regardless of age, disability, gender identity or expression, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation ('protected characteristics'). We will not tolerate discrimination, harassment or victimisation in the workplace or in connection with any FCA service. We expect our suppliers to provide the same commitment, including to their own employees.

Corporate governance and corporate responsibility

- 4.3** We expect our suppliers to adhere to good corporate governance principles underpinned by robust processes. We also expect our suppliers to be good corporate citizens by upholding the values of this Supplier Code of Conduct, taking into consideration social value legislation in delivering goods and services. Suppliers should, where appropriate, comply with the UK Corporate Governance Code.

Human rights and employment law

- 4.4** The FCA and suppliers must both comply with all applicable human rights and employment laws in the jurisdictions in which they work. This includes complying with the provisions of the Modern Slavery Act 2015. In addition, suppliers must have robust means of ensuring that the subcontractors in their supply chain also comply.

Living Wage and London Living Wage

- 4.5** The FCA is a Living Wage Employer. We expect our suppliers to pay living wages and to ensure that wages are always enough to meet basic needs and to provide some discretionary income.

5 Connect and deliver

End-to-end delivery

- 5.1** Some contracted services are complex and involve multiple suppliers to provide the end to end delivery, with no single supplier having complete contractual responsibility for the service. In these cases, we aim to create and maintain a culture that facilitates collaboration between all suppliers and the FCA to ensure that the right service outcomes are achieved. To achieve this, we expect suppliers to be aware of how they contribute to that overall delivery, and to work collaboratively with us and other suppliers to manage mutual dependencies and ensure that their product or service is used effectively in the delivery of a high-quality service.

Complaints

- 5.2** We expect our suppliers to work with us honestly and openly to investigate complaints made against them or their employees, including notifying the FCA of any relevant complaints that they receive. We will work with suppliers to understand the circumstances and details of any complaint and, as appropriate, to agree action to rectify a problem and avoid any recurrence.

