

# Supplier Code of Conduct

December 2020

## 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: [FCASupplierManagement@fca.org.uk](mailto:FCASupplierManagement@fca.org.uk)

## Contents

<b>Foreword</b>	3
<b>1</b> About us	4
<b>2</b> Deliver in the public interest	6
<b>3</b> Act with integrity	9
<b>4</b> Be ambitious	12
<b>5</b> Work inclusively	13
<b>6</b> Connect and deliver	15
<b>7</b> Your thoughts	16

## Foreword

May I begin by thanking all our suppliers who have been working, and continue to work, tirelessly to maintain supply of goods and services to the Financial Conduct Authority (FCA) and the Payment Systems Regulator (PSR) during this most exceptional of years. The adherence to the expectations set in the previous version of this document has been exemplary across all aspects of our supply chain. Working together to manage risks, resolve issues and deliver opportunities under such extraordinary conditions, we have been able to adapt our operations to deliver on our objectives.

The first edition of our Supplier Code of Conduct, launched in November 2019, recognised that we rely on our suppliers to implement many important services and to help us deliver policy. In this second edition, we continue to recognise how important it is that our suppliers understand, and align with, the behaviours and standards we expect from anyone working in, or with, the FCA and the PSR. Most changes are as a result of feedback from key stakeholders: we have clarified our expectations made a number of updates arising from changes in external or internal regulations.

This Supplier Code of Conduct includes commitments on how we will work with suppliers to build trust and ensure value for money. The public expects the FCA, the PSR and our suppliers to deliver in their interests, fulfil any promises made, behave ethically and treat end-users, employees and subcontractors fairly and with respect. Suppliers expect us to be fair and transparent in all dealings with them.

The Supplier Code of Conduct requires suppliers to support the FCA and the PSR to deliver our Mission and Purpose respectively, in a manner consistent with each organisation's values. It outlines the standards and behaviours expected when working on an FCA or a PSR contract. 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.

We expect all suppliers, the FCA and the PSR to meet these commitments continuously and ensure that employees, partners and subcontractors do the same. If any party fails to meet these commitments, we will review the situation and follow up as appropriate.

This document also allows potential suppliers a view of what is expected of them if they are looking to work for the FCA or the PSR. When 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.

This document is not intended to undermine, but to complement, our contracts with suppliers and the rules we set out when we procure our goods and services, which will always take precedence.

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.

**Sandra Paton, Chief Procurement Officer  
Financial Conduct Authority**

# 1 About us

## The Financial Conduct Authority (FCA)

**1.1** We are the conduct regulator of about 60,000 financial services businesses and financial markets in the UK and the prudential supervisor of about 49,000 of those businesses. We aim to make financial markets work well – for individuals, business and the economy as a whole.

**1.2** Our objectives are to:

- protect consumers – we secure an appropriate degree of protection for consumers
- protect financial markets – we protect and enhance the integrity of the UK financial system
- promote competition – we promote effective competition in the interests of consumers

**1.3** Our organisational values

	<b>Deliver in the public interest</b>	<ul style="list-style-type: none"> <li>• <b>Resourceful</b> - delivering the greatest public value for our money</li> <li>• <b>Public first</b> - putting the public's needs first</li> <li>• <b>Informed</b> - we always know what we're talking about when we talk about consumers and markets</li> </ul>
	<b>Act with integrity</b>	<ul style="list-style-type: none"> <li>• <b>Open &amp; honest</b> - we say exactly what we'll do-and then do it</li> <li>• <b>Courageous</b> - we stand up for what is right not what is easy, even under pressure</li> <li>• <b>Accountable</b> - we take responsibility for our decisions and actions</li> </ul>
	<b>Be ambitious</b>	<ul style="list-style-type: none"> <li>• <b>Fast &amp; fair</b> - staying focused, keeping things simple and delivering at pace</li> <li>• <b>Challenging</b> - using our judgement to challenge and change the status quo</li> <li>• <b>Forward thinking</b> - actively anticipating and preparing for the future</li> </ul>
	<b>Work inclusively</b>	<ul style="list-style-type: none"> <li>• <b>Keep an open mind</b> - ways be objective and fair, put your preconceptions in a box</li> <li>• <b>Get the full picture</b> - actively seek the input of others with different experiences</li> <li>• <b>Be a good colleague</b> - being caring, helpful, supportive and challenging so we can all work at our best</li> </ul>
	<b>Connect and deliver</b>	<ul style="list-style-type: none"> <li>• <b>Forge productive links</b> - create collaborative relationships across and outside the FCA</li> <li>• <b>Join things up</b> - seek ways to share knowledge and integrate work</li> <li>• <b>Support &amp; challenge</b> - stay focused on our priorities and support each other when under pressure</li> </ul>

## The Payment Systems Regulator (PSR)

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**1.4** Every time anyone uses a cash machine, transfers money, uses contactless, or gets paid, they use a payment system. Payment systems are always evolving and the PSR is here to make sure they work well for everyone.

**1.5** Our objectives are to:

- ensure that payment systems are operated and developed in a way that considers and promotes the interests of all the businesses and consumers that use them
- promote effective competition in the markets for payment systems and services – between operators, Payment System Providers (PSPs) and infrastructure providers
- promote the development of and innovation in payment systems, in particular the infrastructure used to operate those systems

**1.6** Our organisational values

<b>INTEGRITY</b>	We are professional, honest and responsible. We respect our colleagues and stakeholders and we have the courage to make evidence-based decisions and do as we say.
<b>UNITY</b>	We act as a community, being supportive and respectful to each other. We have a positive attitude and communicate well.
<b>KNOWLEDGE</b>	We encourage and support each other. We strive to develop ourselves and our team, learn new things and take on the lessons from every piece of work.
<b>PURPOSE</b>	We think strategically, looking ahead and prioritising our work. We are proactive and take pride in what we do.
<b>ENGAGEMENT</b>	We are open with each other and take part in what's happening around us. We recognise and celebrate success together with enthusiasm.

## 2 Deliver in the public interest

**2.1** In this chapter, we set out our approach and expectations under the FCA value 'deliver in the public interest' and the PSR values of 'unity' and 'knowledge'.

### Meeting user needs

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

### Vulnerable users

**2.3** 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 with courtesy at all times, and that their dignity, safety, security and wellbeing are always a priority.

### Transparency

**2.4** We aim to be transparent in our dealings with suppliers; we expect suppliers to be open and honest in their dealings with us. We also expect them to comply fully with the updated principles published February 2017 on [The Transparency of Suppliers and Government to the Public](#).

### Data quality

**2.5** 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 give us does not contain errors. If a supplier becomes aware that they have given us incorrect or misleading information, they should notify us quickly, and correct any errors.

### Value

**2.6** The public expects the FCA and the PSR 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.

**2.7** We accept that our suppliers need to make a fair profit in return for any risks 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.

**2.8** We will engage constructively with suppliers about any required changes; we expect suppliers to reciprocate this. We expect them to work in good faith to resolve any disputes promptly and fairly during the life of a contract. They should do this through good relationship management and, where appropriate, contractual dispute resolution mechanisms, recognising that protracted litigation rarely serves the best interests of any party.

**2.9** 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**

**2.10** 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. We expect our suppliers to be aware of, and support us in, complying with all relevant environmental legislation and to work with us in achieving the aims of our Environmental Policy Statement.

**2.11** Our suppliers should help us 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 and harmful products
- limit pollution
- promote energy efficiency

**2.12** We expect suppliers to help us report accurately on product or service use, by being open and transparent. Suppliers should strive for continuous improvement by continually assessing their environmental impacts.

### **Confidentiality**

**2.13** The FCA, the PSR and our suppliers are 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.

**2.14** All parties may be privy to confidential information that is necessary for effective partnership. This information, even if it is not covered by contractual provisions, should be handled in line with our information classification and handling schemes (FCA scheme; PSR scheme) and with the same care as information of similar sensitivity including special category data (under GDPR regulation).

**2.15** Information should not be used for any purpose (eg advertisement or publicity) other than the business purpose for which it was provided, unless the owner of the information has authorised its use in advance.

**2.16** Despite this mutual understanding, we will disclose information if 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.

- 2.17** We expect our suppliers to comply with relevant Data Protection Legislation, including the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and the Law Enforcement Directive (LED), and the Market Abuse Regulation (MAR). Suppliers must tell us immediately if they become aware of anything which could affect our ability to keep the personal data of consumers, firms or employees safe and secure.
- 2.18** The FCA, the PSR and our suppliers are expected to comply with the relevant requirements of the Financial Services and Markets Act 2000 (FSMA) and the Financial Services (Banking Reform) Act 2013 including specific obligations in relation to confidentiality. Where the service provision involves the transfer of data which is confidential for the purposes of s.348 FSMA, disclosing data unlawfully is a criminal offence.

## 3 Act with integrity

- 3.1** In this chapter, we set out our approach and expectations under the FCA value 'act with integrity' and the PSR value of 'integrity'.

### Managing risk

- 3.2** We aim to ensure that we allocate risk to the organisation best able to manage it. We do not expect any party to be made responsible for managing a risk that is best managed by another.
- 3.3** 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 another party. All parties should be open and transparent about identifying, assessing and mitigating risks relating to what they supply to us. 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.
- 3.4** 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

- 3.5** 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.
- 3.6** 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.
- 3.7** 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 or PSR whistleblowing processes if appropriate.

### Reputation and public trust

- 3.8** We want to work with suppliers who are proud of their reputation for fair dealing and quality delivery. We want working with us to be seen as reputation enhancing for the supplier. We expect all parties to be mindful of the need to maintain public trust. They should ensure that neither they, nor any of their partners or subcontractors, bring the FCA or the PSR 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 be damaging to our reputations. This is not intended to limit any supplier's legal obligations, or constrain whistleblowing or their ability to fairly criticise us or our policies.

## Cyber security

### 3.9 Suppliers must:

- safeguard the security and privacy of their systems and our data
- seek accreditation, where appropriate, with a relevant cyber certification scheme (eg Cyber Essentials)
- comply with relevant policies and standards
- inform us immediately of any cyber security incident and/or loss of our information – this minimises any potential impact on our consumers, firms and employees and ensures compliance with legal and/or regulatory requirements
- co-operate fully with us in any investigation, conduct root cause analysis and follow up actions.

## Conflicts of interest

**3.10** We expect suppliers to mitigate appropriately against any real or perceived conflicts of interest through their work with us. A supplier with a position of influence gained through a contract should not use that position to unfairly disadvantage any other suppliers or reduce the potential for future competition. For example, no supplier should create a technical solution that locks in the supplier's own goods or services.

**3.11** Those suppliers whose employees and subcontractors have access to our systems or information, or both, must:

- maintain a certain level of information on the personal or financial relationships of those individuals
- undertake conflict-clearing checks against the work undertaken for the FCA or the PSR

**3.12** We expect our suppliers to notify us if they become aware of any real or perceived conflicts of interest. Potential conflicts may be organisational or individual in nature. We will require organisations or individuals to take additional steps to mitigate these and will ask suppliers to declare those interests.

## Countering fraud and corruption

**3.13** Suppliers must adhere to anti-corruption and financial crime laws, including 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. 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

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

### Health and safety

- 3.16** 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 in achieving this goal and to comply with our Health and Safety Policy and with health and safety legislation.
- 3.17** Suppliers must ensure that their employees and contractors are properly trained and competent. They must provide information, instruction, training and supervision as 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 they follow health and safety procedures and report incidents accordingly.
- 3.18** When appropriate, suppliers may be required to participate in investigations and root cause analysis. 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 they take those actions and monitor activities to ensure that their actions are to agreed standards.

## 4 Be ambitious

**4.1** In this chapter, we set out our approach and expectations under the FCA value 'be ambitious' and the PSR value of 'purpose'.

### Continuous improvement

**4.2** We expect our suppliers to use recognised industry practices in the delivery of goods and services to, or on behalf of, the FCA and the PSR. 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

**4.3** 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
- encourage innovation in their supply chains to increase the value or quality of supply

**4.4** We expect suppliers to have adequate oversight of the subcontractors and suppliers in their supply chain.

## 5 Work inclusively

**5.1** In this chapter, we set out our approach and expectations under the FCA value 'work inclusively' and the PSR value of 'unity'.

### Diversity, inclusion and social mobility

**5.2** We aim to be a fully inclusive employer, where we value difference in our people and use these differences to make us a stronger and more effective regulator. Alongside the 'protected characteristics' defined in law (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), we have a strong commitment to improving social mobility.

**5.3** We expect our suppliers to share our commitments and to:

- comply with all Equalities legislation
- work actively towards having a diverse mix of people at all levels in their organisation, recognising the importance of the socio-economic background of their employees as well as protected characteristics
- offer, where possible, apprenticeship/graduate/internship routes into their organisation and work-experience placements for those from under-represented socio-economic backgrounds
- consider the impact of their policies and practices on different groups in the wider population
- be committed to creating an inclusive working environment, in which each employee is able to fulfil their potential and maximise their contribution

### Ethical behaviour

**5.4** 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

**5.5** Our employees, those of our suppliers, and service users have the right to respectful treatment regardless of any protected characteristics.

**5.6** We will not tolerate discrimination, harassment or victimisation in the workplace or in connection with any FCA or PSR service. We expect our suppliers to provide the same commitment, including to their own employees.

### **Corporate governance and corporate responsibility**

- 5.7** 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**

- 5.8** The FCA, the PSR and our suppliers must 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**

- 5.9** The FCA and the PSR are Living Wage Employers. 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.

## 6 Connect and deliver

- 6.1** In this chapter, we set out our approach and expectations under the FCA value 'connect and deliver' and the PSR value of 'engagement'.

### End-to-end delivery

- 6.2** 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 us – this is to ensure that the right service outcomes are achieved. 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

- 6.3** We expect our suppliers to work with us honestly and openly to investigate complaints made against them or their employees, including notifying the FCA or the PSR 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.
- 6.4** Complaints against the FCA or the PSR should be made in line with the Complaints Scheme. More information can be found on the FCA website.

## 7 Your thoughts

- 7.1** We are continually looking to improve – if you have any feedback on this updated version, including requests for clarification, additions, amendments and or deletions, please contact us at [FCASupplierManagement@fca.org.uk](mailto:FCASupplierManagement@fca.org.uk).



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