

Telephone: 020 7066 8080  
Email: [foi@fca.org.uk](mailto:foi@fca.org.uk)

(By E-mail)

28<sup>th</sup> January 2016

Our Ref: FOI4352

Dear

### **Freedom of Information: Right to know request**

Thank you for your request under the Freedom of Information Act 2000 (the Act), for information about our decision to discontinue the thematic review in relation to culture in banks ('the project'). A copy of your request is set out in Annex A.

Before answering your request, I would like to clarify one point about the decision made on the project. You refer to the FCA having "*shelved plans to openly review the banking industry culture*". In fact, the decision we made was to not continue the project once the initial phase was completed rather than to undertake a second phase. We decided the best way to support and drive on-going efforts to improve culture is to continue to engage individually with firms to encourage their delivery of cultural change as well as supporting other initiatives outside the FCA.

I will now turn to your request. You ask for the relevant emails and minutes which form the basis of our decision to discontinue the project. The FCA appeared before the Treasury Select Committee (TSC) on 20 January to explain the rationale for the decision you are enquiring about. As part of the TSC's inquiry, we provided the TSC with the relevant documents upon which the decision was made. These documents have now been published on the Parliamentary website. Links to these documents can be found below, including an email explaining the nature of the documents.

- An email explaining the nature of the documents: <http://www.parliament.uk/documents/commons-committees/treasury/Email-from-FCA-to-Committee-Clerk-140116.pdf>
- An email chain confirming the decision to close the project: <http://www.parliament.uk/documents/commons-committees/treasury/FCA-decision-Redacted-email-chain.pdf>
- The decision paper:

<http://www.parliament.uk/documents/commons-committees/treasury/FCA-decision-paper.pdf>

- Two versions of the draft ExCo paper (v39 and v47), together with two versions of an attached power point presentation: <http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-A.pdf>  
<http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-A-annex.pdf>  
<http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-B.pdf>  
<http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-B-annex.pdf>

You also ask for relevant emails or records containing any input to the process from external parties. A draft paper (v39 (see link to version A above)) on the subject of culture was prepared with the intention of submitting this to the FCA's Executive Committee. This document discussed a broad range of FCA work on culture. It proposed, under the heading of "Culture thematic project", to "stop 'traditional' thematic work following the initial research phase in the retail sector and instead act as a catalyst to drive faster change in line with the supervisory approach outlined above". The draft paper was not ultimately finalised nor submitted to an FCA Executive Committee. However, it was shared with individuals at working level at the PRA on 14 September 2015. We received no comments back from the PRA on the paper. The decision to close the review was taken by the Acting Chief Executive of the FCA on the 19 October 2015 on the basis of a separate recommendation paper (see link to decision paper above).

Lastly, I have also included a link to a paper we published detailing the rationale for the decision and the wider context of our ongoing focus on culture: <http://www.fca.org.uk/your-fca/documents/foi/foi4350-information-provided>

I trust this answers your questions. If you have any further queries please contact me.

Yours sincerely

**Information Access Team**

**Annex A**

*"On what basis have you shelved plans to openly review the banking industry culture? This request is for the relevant recorded emails and minutes.*

*Given ??60Bn of banking fines in recent years and only one conviction it is clear that the banking industry has a long way to go to demonstrate a reformed culture since the banking bailout.*

*As a regulator of a recently failed industry the proposal to drop a commitment to openly review banking culture appears to be an act of neglect and cover up.*

*Ideally if you can send me the relevant minutes and emails relating to this issue. In particular if there is any input to your process from external bodies or advisors."*