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9 June 2016

Our Ref: FOI4555

Dear

Freedom of Information : Right to know request

We refer to your request under the Freedom of Information Act 2000 ("the Act") for information in relation to the FCA's current review of financial advice suitability.

Your request has now been considered and we can confirm that we hold information that falls within the scope of your request. We will address each point in turn.

1. *The total number and names of all advice firms being assessed as part of the FCA's current supervision exercise on the suitability of financial advice.*

The total number of firms that have been assessed is 690.

We are unable to provide you with the names of the firms concerned as disclosure would, or would be likely to, prejudice the exercise by the FCA of its functions for the purpose of ascertaining whether circumstances which would justify regulatory action in pursuance of any enactment exist or may arise. Therefore, the information you have requested is exempt from disclosure under section 31. For the reasons set out in Annex A, we have determined that the public interest in maintaining this exemption outweighs the public interest in disclosing the information falling within the exemption.

2. *The total projected cost of this suitability review.*

This work is part of our standard supervisory work programme for 2016-17 and, as such, there is no additional cost.

3. *The number of firms who had submitted their 'advice registers' and online survey responses at the date this request is answered.*

As at 18 May 2016, 94.2% of firms had submitted their 'advice registers' and 95.1% of surveys had been completed.

4. *The number of firms who had not submitted either their advice register or their online survey by the 3 May deadline set by the FCA.*

The number of 'advice registers' / surveys that had not been received / completed by 3 May is 140. Many of those firms will have been granted extensions to the original deadline of 3 May for various reasons. We are not unduly concerned about this apparent lack of response, particularly bearing in mind the response rates noted above.

5. *How many files, and of what nature – how many are related to investment recommendations, life and pensions products respectively, for example - have been collected at the date this request is answered.*

As at 18 May, only nine files had been received (four non-pension investment files, three pension accumulation files and two pension decumulation files). We are requesting files in tranches and are typically giving firms two weeks to supply those files, so this is in line with our expectations.

6. *The names and resultant cost of any and all external consultants engaged by the FCA to review firms' advice data.*

No external resource has been or will be used to undertake file reviews.

Yours sincerely

Information Access Team
Financial Conduct Authority

Your right to complain under the FoI Act

If you are unhappy with the decision made in relation to your request, you have the right to request an internal review. If you wish to exercise this right you should contact us within three months of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone: 01625 545 700. Website: www.ico.org.uk

Annex A

- **Section 31 (Law enforcement)**

The qualified exemption in section 31(1)(g) of the Act applies (for the purpose set out in 31(2)(c)) because, disclosure of the information requested would, or would be likely to, prejudice the exercise by the FCA of its functions for the purposes of ascertaining whether circumstances which would justify regulatory action in pursuance of any enactment exist or may arise.

This exemption is qualified and we have balanced the public interest for and against disclosure as required by the Act.

Factors for disclosure:

- There is a strong public interest in favour of transparency, and in the public being reassured about the effectiveness of our regulatory approach.

- Disclosure of the information would demonstrate how we respond to matters arising within the markets we regulate and would enable regulated firms to better understand why and how we make decisions on regulatory matters.

Factors against disclosure:

- There is a strong public interest in the FCA being able to carry out its functions in the most effective manner possible.
- Disclosure of the names of the firms concerned could make the firms less likely to cooperate further with this particular review or, indeed, future reviews of a similar nature. In more general terms, it could affect the way that we interact with firms and risk the need for the FCA to use its statutory information-gathering powers, which may lead to delays and disputes with firms when gathering information.
- Furthermore, disclosure of the information could hamper the FCA's ability to write the ultimate report, as it would need to consider at every stage whether the report risked inadvertently identifying or criticising individual firms who had been revealed in an earlier list.
- Disclosure of the information could also lead to further speculation which, in the absence of any further background information, could be taken out of context and could lead to the wrong conclusions being drawn in respect of our decision-making processes.

On this occasion we have concluded that the balance of the public interest is in favour of maintaining the exemption under section 31 of the Act, for the reasons set out above.