

Direct line:  
Email:

Via email

22 February 2017

Our Ref: FOI4961

Dear

Freedom of Information: Right to know request

We refer to your request under the Freedom of Information Act 2000 ("the Act"), for information relating to the FCA Thematic Review TR16/6 – Principals and their appointed representatives in the general insurance sector. In particular you are looking to obtain the following information:

1. *"How much money did the FCA spend on the thematic review looking into principal firms and the control and oversight of appointed representatives in the general insurance industry published in July 2016?"*
2. *"Which companies did the FCA take action against as a result of the review?"*

Your request has been considered. With regard to your first question, we have been able to provide the following costing for the review based upon the hours recorded by the FCA team that did the work. These costs are based on the time recorded by the staff involved using the average salary cost per hour for each grade of staff involved (in the relevant business area, based on a 7 hour working day). We have also included the expenses incurred by the FCA team that did the firm visits as part of this review.

Subject to the above, therefore, the total labour cost of undertaking the thematic review plus the expenses incurred during the firm visits was £417, 669.

With regard to your second question, I can confirm that we hold the information you have requested. However, we are not able to provide you with the names of the firms that the FCA took action against as a result of the review as we consider that the disclosure of the

information could prejudice the commercial interests of the firms concerned, were it to be made public, and therefore the exemption set out at section 43 (Commercial Interests) of the Act applies for the reasons set out in the Annex below.

I realise that you may be disappointed with this decision in relation to your second question but I hope you understand why we are not able to give this information to you.

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](http://www.ico.org.uk)

## Annex

- **Section 43 (Commercial interests)**

Section 43(2) of the Act provides that information is exempt information if its disclosure would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

The commercial interests of the firms could be harmed by us disclosing this information which could lead to unfair or unjustified adverse comment and speculation about the firms concerned. Such adverse comment and speculation would occur in the absence of due process. This could unduly and unreasonably affect the brand and reputation of the firm.

Disclosing the information requested may lead to further speculation. As there is no routine public disclosure of a firm's or individual's dealings with the FCA, an ad hoc public disclosure under the Act of the information requested, where this is not already in the public domain, would be likely to attract a disproportionate amount of attention to the firms in question. This would or would be likely to harm its commercial interests and/or their stakeholders, including employees.

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

*For disclosure:*

- Disclosure of the information requested would reassure the public about the effectiveness of the supervisory approach taken by the FCA.
- Disclosure may also provide information to consumers to assist them in making decisions about matters relating to their dealings or potential dealings with the firms regulated by the FCA.

*Against disclosure:*

- It is strongly in the public interest that the FCA has open and candid exchanges of information with the firms it regulates, regardless of the commercial sensitivity of the information.
- There are various provisions in the Financial Services and Markets Act 2000 that govern the disclosure of details of action taken by the FCA (for example s391 on publication of notices). Disclosure of firm names outside these statutory provisions could adversely affect our interaction with firms who could lose confidence in the regulator and the regulatory regime if the provisions of that regime are not followed. This could also prejudice the effective carrying out of future Thematic Review work.
- There is a strong public interest that statutory procedures setting out due process are followed. Firm and public confidence in the regulator could be prejudiced as disclosure outside the regulatory regime could affect the brand and reputation of firms or individuals involved in the absence of due process having been followed –

i.e. in the absence of any formal public announcement and without the relevant markets and/or entity having had the opportunity to comment.

- As there is no routine public disclosure of a firm or individual's dealings with the FCA, ad hoc public disclosure under the Act would be likely to attract a disproportionate amount of attention to those concerned.

We have balanced the public interest for and against disclosure for these exemptions. In this particular case, for the reasons described above, we have determined that the public interest in maintaining the exemptions outweighs the public interest in disclosure of the information falling within these exemptions.