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[By Email]

May 2017

Our Ref: **FOI5123**

Dear

Freedom of Information: Right to know request

Thank you for your request under the Freedom of Information Act 2000 (the Act). Your request has now been considered and has been answered in turn. Your full request can be found in Annex A.

"1) Please advise what steps the FCA has taken or will be taking to audit compliance by regulated organisations with its new rules on whistleblowing in the financial sector:

Monitoring compliance with the new rules on whistleblowing in the financial sector will primarily be undertaken in the course of day-to-day supervision of firms. Findings in the course of this work may lead to the use of other FCA tools as appropriate. Please refer to the answer to 2) for information around reviewing effectiveness.

2) Please also advise what plans the FCA has in place to evaluate the effectiveness of these rules and how the FCA plans to measure effectiveness.

The rules made in the Accountability and Whistleblowing Instrument 2015, as set out in PS15/24, took full effect from 7 September 2016. Monitoring firms' adherence to these rules will be primarily undertaken in the course of supervision of firms. In line with the FCA Mission, (Stage 4 – Evaluation) the FCA intends to evaluate the effectiveness of these rules once they have been in place for an amount of time that sufficient information to inform such an evaluation would be available. Ways of measuring effectiveness may include reference to, but are not limited to, data on disclosures before and after implementation and review of annual whistleblowing reports.

3) If there is any outcome data available from audits of compliance or evaluation of the effectiveness of the new measures, please share this.

There is not currently any data available to share on these points.

4) Please advise how many whistleblowing disclosures the FCA received in 2016/17 and if the FCA has kept a central record of the nature of concerns and outcome/ action taken

by the FCA in response to the disclosures. If a central record has been kept of the nature of disclosures and action taken in response, please disclose this data.

We have interpreted "2016/17" to mean that you are looking for the information that falls within scope that covers the financial year 2016/17.

During the financial year 2016/17 900 whistleblowing cases were raised.

In relation to 'nature of concerns' we have defined the sector which the cases were broadly related to (which is recorded against each case when raised).

Breakdown of whistleblowing disclosures by 'nature of concerns':

	2016/17
Sector	Number
Asset Management	24
Building Societies	4
Commercial Insurance	31
Consumer Credit	155
E Money	7
Financial Advisors	117
Friendly Societies	4
Investment Banking	72
Markets	64
Mortgage Intermediary	28
Mutuals & Credit Unions	10
Other/Not stated	169
Payments Services	8
Retail Banking	61
Retail Insurance	99
SIPP	6
Unauthorised Business	41
Total	900

We have used the breakdown of feedback we received from internal recipients of whistleblowing case intelligence to answer 'outcome/action taken'.

Breakdown of whistleblowing disclosures by outcome/action taken:

	2016/17
Classification	Number
Intelligence directly contributed to FCA enforcement activity or the protection of consumers through other intervention	7
Intelligence was of significant value to the FCA and contributed to the discharge of its functions	159

Intelligence was, or may be, of value to the FCA but is not currently actionable or does not meet current regulatory risk thresholds	259
Intelligence was of little value and is unlikely to assist the FCA in the discharge of its functions	48
Under assessment *	427
Total	900

*** It is natural that the 'under assessment' number is high, given the lifecycle of whistleblowing intelligence from receipt to ultimate conclusion of a case. Some of the cases are recent and full assessment and for any necessary actions to be taken will require differing lengths of time depending on the specifics of the case and matters involved.**

5) Please also disclose details of any spending on services by the whistleblowing organisation Public Concern at Work since 1 April 2014, broken down by financial year, and give details of the nature of services purchased from Public Concern at Work."

Whilst we may liaise with Public Concern at Work (PCaW), there is no formal relationship with this organisation and the FCA. Therefore we cannot comment on behalf of PCaW. We note that during the period the FCA has purchased spaces on PCaW training courses for FCA staff which cost £1440.00 (including VAT).

Yours sincerely

Information Disclosure Team

Annex A

"1) Please advise what steps the FCA has taken or will be taking to audit compliance by regulated organisations with its new rules on whistleblowing in the financial sector:

- **- appoint a Senior Manager as their whistleblowers' champion**
- **- put in place internal whistleblowing arrangements able to handle all types of disclosure from all types of person**
- **- put text in settlement agreements explaining that workers have a legal right to blow the whistle**
- **- tell UK-based employees about the FCA and PRA whistleblowing services**

- - **present a report on whistleblowing to the board at least annually**
- - **inform the FCA if it loses an employment tribunal with a whistleblower**
- - **require its appointed representatives and tied agents to tell their UK-based employees about the FCA whistleblowing service**
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- <https://www.fca.org.uk/news/press-releases/fca-introduces-new-rules-whistleblowing>

<https://www.handbook.fca.org.uk/handbook/SYSC/18/?view=chapter>

2) Please also advise what plans the FCA has in place to evaluate the effectiveness of these rules and how the FCA plans to measure effectiveness.

3) If there is any outcome data available from audits of compliance or evaluation of the effectiveness of the new measures, please share this.

4) Please advise how many whistleblowing disclosures the FCA received in 2016/17 and if the FCA has kept a central record of the nature of concerns and outcome/ action taken by the FCA in response to the disclosures. If a central record has been kept of the nature of disclosures and action taken in response, please disclose this data.

5) Please also disclose details of any spending on services by the whistleblowing organisation Public Concern at Work since 1 April 2014, broken down by financial year, and give details of the nature of services purchased from Public Concern at Work."