

Email:       foi@fca.org.uk

[By Email]

22 November 2018

Our Ref: FOI5973

Dear

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

Thank you for your request under the Freedom of Information Act 2000 (the Act), dated 29 August 2018, for the following information:

*"Please provide me with the cost of investigations taken by the Financial Conduct Authority into actions taken by Royal Bank of Scotland's global restructuring group (RBS GRG) since (but not including) the report conducted by Promontory on the FCA's behalf.*

*Please include:*

- the cost of external legal counsel*
- the cost of external consultants*
- internal scoping exercises*
- the oversight of reviews."*

Further to our email of 24 September 2018, you clarified that:

- By 'internal scoping exercises' you mean *"the cost of work done by FCA staff to determine the scope of investigations by external and internal parties, before they are officially commissioned"*.
- By 'oversight of reviews' you mean *"the cost of work done by FCA staff overseeing or participating in reviews of RBS GRG's activities such as November 2017's "A report on an independent review of Royal Bank of Scotland Group's treatment of small and medium-sized enterprise customers referred to the Global Restructuring Group"*.

Firstly, I would like to apologise sincerely for the delay in responding.

We have taken your request to refer to the costs of our formal Enforcement investigation work and the ensuing preparation of a public response only. This is as referred to in the November 2017 report entitled, *"A report on an independent review of Royal Bank of Scotland Group's treatment of small and medium-sized enterprise customers referred to the Global Restructuring Group,"* (the November 2017 Report)

and our, "*Statement on the Financial Conduct Authority's further investigative steps in relation to RBS GRG*", published in July 2018. The cost figure provided below accordingly includes no other FCA work.

On this basis, your request has now been considered and I can confirm the total cost of our investigation, as defined above, has been calculated as £524,089.14. As per your request we can confirm that the overall figure is inclusive of costs associated with:

- (i) The time recorded as at 18 October 2018 in relation to the FCA's Enforcement investigation for the period 27 October 2016 to 18 October 2018. This includes the work done since the closure of our investigation in preparing a public response, in accordance with Andrew Bailey's statement in July 2018. This work is ongoing.
- (ii) The time recorded in relation to the scoping of the investigation between June 2016 and 18 November 2016. Please note, while your request asks for the cost of investigations since the Promontory Report, which was received by the FCA in September 2016, we nevertheless considered it appropriate to include the full cost of our pre-investigation work from June 2016, given this is a part of the additional workstream.
- (iii) External legal counsel.
- (iv) External consultants. This relates to contractors engaged to assist the team (paralegals and an accountant) only. No other external consultant costs were incurred.
- (v) Oversight of the public response described at (i) above.

Please note that to the extent time spent on the November 2017 Report formed part of our Enforcement investigation and was accordingly recorded to it, the cost of this work is included in the above figure as it is not possible to separate it out. Otherwise, as the November 2017 Report was primarily connected to the work by Promontory, the cost of work relating to it has been deemed as falling outside the scope of your request.

The following caveats also apply:

The costs relating to the time recorded as spent by FCA staff have been calculated on the basis of the average cost for each grade of staff, rather than on the actual remuneration received by those individuals.

The cost of FCA staff time excludes VAT (since none was payable by the FCA), whereas external costs include VAT.

Whilst the above figure is based on the recorded information we have identified as falling within the scope of your request, additional time will inevitably have been spent by FCA staff, in particular in relation to oversight of the investigation, but also by Legal or other ancillary parts of the FCA, and will not necessarily have been captured in the above figure.

Yours sincerely

## Information Disclosure Team



### 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)