

Minutes

Meeting:	FCA Board	
Date of Meeting:	29 September 2015	
Venue:	25 The North Colonnade, Canary Wharf, London E14 5HS	
Present:	Andrew Bailey†	John Griffith-Jones (Chair)
	Catherine Bradley†	Tracey McDermott
	Amanda Davidson†	Jane Platt†
	Amelia Fletcher†	Christopher Woolard
Apologies:	Mick McAteer	Sir Brian Pomeroy
†	Participated by telephone	
In attendance:	Set out in Annex A	

Quorum and Conflicts

The Meeting noted there was a quorum present and proceeded to business.

1 Payment Protection Insurance

Mr Griffith-Jones summarised the discussion that had taken place at the meeting of the Board on 24 September 2015 and drew the Board's attention to the updated paper presented to the meeting.

The Board considered the paper and discussed whether there was a case for further intervention by the FCA in the PPI complaints process. It noted that although the process was resulting in consumers receiving redress, there was also evidence of trends that were not in the interest of consumers. The Board also recognised that there continued to be uncertainty about the ultimate impact of PPI complaints on financial firms. The Board also considered carefully the risks of any intervention at this stage.

After discussion, the Board concluded that the evidence supported the case for the FCA consulting on a proposal to intervene by imposing a two-year deadline for complaints (from the date on which the proposed rules take effect) preceded by a consumer communications campaign.

The Board then considered the merits of making additional rules and guidance about how firms should handle PPI complaints in the light of the Supreme Court decision in *Plevin –v- Paragon Personal Finance Ltd*. The Board noted that the *Plevin* decision is in the public domain and that complaints relying upon the judgment have already been made to firms and the Financial Ombudsman Service (FOS). It was felt that intervention by the FCA at

this stage would facilitate firms taking a fair and consistent approach. It was also recognised that it would be easier for the FCA, as a policy-making body, to set out a framework approach than it would be for the FOS.

The Board considered carefully the risks associated with issuing rules and guidance relating to the Plevin judgment at this stage.

After discussion, the Board concluded that the FCA should consult on proposed new rules and guidance to firms about how they should handle PPI complaints in the light of the Supreme Court decision on Plevin.

The Board was of the view that such interventions would:

- advance the FCA's market integrity objective by protecting and enhancing the orderly operation of financial markets; and
- advance the FCA's consumer protection objective by securing an appropriate degree of protection for consumers.

The Board then considered whether it should issue a statement announcing its decision to consult. It also considered carefully the form that any such statement should take. The Board recognised that such a statement would contain inside information and noted the legal tests for the disclosure of such information. It concluded that it would be desirable to issue a statement about the matters on which the FCA planned to consult as such a statement would provide greater certainty and clarity to the market more quickly.

In considering this matter, the Board took account of the following factors:

- there is already widespread market and media speculation about the FCA's intentions in this area;
- understanding the FCA's proposed approach would help firms and the wider market to understand the potential implications of the Plevin judgment;
- a number of persons, at bodies such as HM Treasury, FCA, FOS and the PRA, are already aware of some or all of the FCA's likely proposals; and
- there is likely to be an extended period before the consultation paper is issued and so the possibility of a leak, and hence the release of information in a more disorderly fashion, is significant.

In view of these issues, the Board agreed that it would be appropriate to make a full statement about the measures on which it proposed to consult.

The Board recognised that the project team was still awaiting confirmation of some of the information that had been presented to the meeting. However, on the basis of the information provided, it agreed:

- the proposal to consult on a two-year deadline for complaints (from the date on which the proposed rules take effect) preceded by a consumer communications campaign;
- the proposal to issue new rules and guidance to firms about how they should handle PPI complaints in the light of the Supreme Court decision on Plevin; and
- the issue of a statement about the matters on which the FCA planned to consult.

Accordingly, the Board agreed that the final decision to issue the statement should be delegated to the Acting Chief Executive to make once the outstanding information had

been obtained and she was satisfied the proposed announcement described the FCA's intentions.

The Board discussed the proposed communications campaign and agreed to delegate to the Executive the decisions about the details of the proposed communications campaign to be set out in the consultation paper.

2 Any other business

There was none.

Simon Pearce
Company Secretary

ANNEX A: Attendees

Sean Martin	General Counsel
Simon Pearce	Company Secretary
Nausicaa Delfas	Director, Specialist Supervision Division
Simone Ferreira	Head of Department, Event Supervision
Nicholas Holloway	Manager, GCD Investment, Insurance and Redress
Christopher Preston	Manager, Complex Events 2
Marc Teasdale	Director, Market Oversight
Eleanor Searley	Manager, Chief Executive's Office

Relevant associates also attended the meeting.