

14 August 2023

Our Ref: FCA Review PEPs

Dear Sir/Madam

Following Royal Assent of the Financial Services and Markets Act (the "Act") on 29 June 2023, the Financial Conduct Authority (FCA) will be undertaking a review. This will assess how FCA regulated firms are complying with their legal and regulatory obligations regarding the risk management and treatment of Politically Exposed Persons (PEPs), as well as their relatives and known close associates, and their application of the FCA's guidance FG17/6. We will publish the terms of reference for this review in September and complete it by the end of June 2024 (as set out in the Act). The findings will inform any subsequent steps and measures, which may include amending the aforementioned guidance.

In a letter dated 13 June 2023 from Baroness Penn to the FCA's Chief Executive Officer, Nikhil Rathi, the Minister set out an expectation that the FCA should engage with PEPs during the review, to understand the perspectives and concerns of those directly affected by the approaches taken by some FCA regulated firms. We agree this is a helpful and important part of the initial stages of the review process and intend to continue to engage Parliament as the review progresses.

We have already received information from a number of PEPs about their experiences. This has informed our approach and, to ensure our review is thorough, we are seeking further evidence on the experiences that UK PEPs have had when dealing with firms, particularly where this has proven to be negative. Therefore, we have provided some questions below and would be grateful for a written response to these as soon as practicable, ideally before the end of September so that your experience can be considered in the early stages of the review. Please note that you do not need to provide any supporting records or materials.

Where applicable, please provide a brief response to each of the questions:

1. Please summarise the nature and reason(s) regarding your complaint or negative experience, when did this occur and which Firm(s) was involved?

2. What products / services were involved in the events concerned?
3. Who was affected by the issues and circumstances (you, your family members, close known associates)?
4. What were the main consequences as a result of the issue(s), (for example the inability to access a service required, delays in finding and obtaining services from an alternative provider, any impact on your credit rating, other)?
5. Please provide a brief description of the Firm's communications and interaction with you regarding the events concerned. Please include details of any delays, the level of information provided by the Firm and the communication channel(s) used.
6. Can you provide any examples of a more positive experience in dealing with FCA banks / Firms? If so, when was this and why was it better?
7. Please indicate if you would be happy for us to mention your specific issue/experience, should we engage with the Firm concerned? Please note that the FCA will not adjudicate on individual cases as part of this review, but we will engage with firms and, in doing so, we may wish to cite examples of issues we have become aware of as we test their policies and processes. If you have ongoing concerns about any firm the appropriate course is to first complain to the firm and, if this does not resolve the issue, you may take the matter to the Financial Ombudsman Service.

I would like to thank you in advance for taking the time to complete this request. Please note that the information provided will be marked as 'FCA SENSITIVE' and stored in a restricted area with limited access to the review team members only. Below are details explaining how we manage information, to comply with the UK General Data Protection Regulation 2018. For the avoidance of doubt, I should make it clear that this request is entirely voluntary, we are not seeking to compel information and you do not have to reply to this letter if you do not wish to.

Managing Personal Information, pursuant to the UK General Data Protection Regulation 2018 (GDPR)

Please note that the information requested is necessary for the activities involved in our assessment of how Firms are meeting their obligations and complying with guidance regarding the treatment of Politically Exposed Persons, including relatives and known close associates. We expect this may involve the collection of some data meeting the definition of personal information. The lawful basis for processing the data is under Article 6(1)(e) of the UK GDPR, as this is necessary for the performance of a task carried out in the public interest.

Regarding data storage, the information provided in response to this request will be classified as FCA Sensitive, with restricted access, and will be stored in document sets classified as FCA Sensitive, and managed as such. We may pseudonymise the data, where possible, to reduce the risk of identification of the individual(s) at the earliest point practical.

Please find attached a link to the FCA [Privacy Notice for further information](#).

We ask you to ensure that you only provide information relevant to our request.