

## Minutes

Meeting: FCA Board  
Date of Meeting: 30 April 2020  
Venue: Meeting held via Skype

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Present:

Charles Randell (Chair)	Richard Lloyd
Catherine Bradley	Christopher Woolard
Liam Coleman	Tommaso Valletti (excl. items 4 & 5)
Bernadette Conroy	Alice Maynard
Sarah Hogg	Sam Woods
Jeannette Lichner	

In attendance: Set out in Annex A

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### 1 Quorum and declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 The Board noted that Jeannette Lichner was a board member of Miller Insurance Services LLP and **agreed** that she would absent herself from the discussion re: Covid-19: Insurance and Premium Finance Guidance.

### 2 Report from the Chief Executive

- 2.1 Mr Woolard briefed the Board on a number of topical issues, including:
  - i. Business interruption insurance: The Board was briefed on a range of options to address disputes associated with the interpretation of business interruption insurance policies in response to Covid-19. This included the FCA commencing legal proceedings to seek clarity on a range of policy wordings from across the market.

The Board was supportive of the innovative use of legal proceedings in this context and considered the potential scope and accompanying resource implications.

The Board **approved** the commencement of legal proceedings in relation to the interpretation of business interruption insurance.

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- ii. Coronavirus Business Interruption Loan Scheme (CBILS): The Board was briefed on the establishment of the Small Business Unit to coordinate the FCA's response to the issues arising in the SME banking market. This included enabling SMEs to access loans or other funding to support the continuation of business and in particular the CBILS.

### **3 Macro-economic implications of the Covid-19 pandemic**

- 3.1 The Board was briefed on the macro-economic developments stemming from the impact of the Covid-19 pandemic on the UK economy and financial services markets, including the impact of the policies designed to mitigate these developments. Associated scenario planning was based on data gathered from across as well as outside the FCA, with new data sets being added as they became available.
- 3.2 The Board was supportive of the scenario based approach and discussed the importance of capturing the impact on consumers, including issues of vulnerability, as well as the longer-term impact on firms.

### **4 FCA's response to Covid-19**

- 4.1 The Board was briefed on the FCA's short term response to the Covid-19 pandemic, which had focussed on addressing the immediate harm facing consumers, firms and markets and putting in place urgent guidance and interventions.
- 4.2 The medium term workplan focussed on vulnerabilities across portfolios as well as the continued protection of consumers. The impact of Covid-19 on sector view harms was also being assessed and the Board discussed how this influenced the current supervisory approach. Work was also underway to assess the impact of the FCA's response to Covid-19 on delivery of its business plan, including the re-prioritisation of planned work where necessary.
- 4.3 The need for workplans to remain agile and ready to adapt to a continually evolving environment was noted. The Board was also keen that the organisational lessons learned from operating during the pandemic were captured and that these informed the delivery of the FCA's work going forward.

### **5 Report from the PRA**

- 5.1 Mr Woods briefed the Board on the business of the PRA that was of relevance to the FCA.

### **6 Resolution Strategy**

- 6.1 The Board was briefed on the potential impact of Covid-19 on the firms prudentially supervised by the FCA. Strategies were being developed for each portfolio with priority given to protecting client assets, segregated funds and unpaid redress. The operational implications for the FCA, across a number of divisions, of resulting firm failures, were also being considered. In support of this the Recovery and Resolution Division had been established to blend the right skills, achieve scale and focus efforts. This was accompanied by ongoing engagement with the Financial Services Compensation Scheme, HM Treasury and the Prudential Regulation Authority regarding a number of strategic issues.
- 6.2 The Board discussed the resource implications of the strategy. The Board considered that prompt and pre-emptive supervisory intervention, based on a careful triaging of firms, was

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essential to reduce the amount of resource that would need to be devoted to dealing with the consequences at the stage that firms failed.

## **7 Covid-19: Insurance and Premium Finance Guidance**

- 7.1 The Board was briefed on proposals to communicate the FCA's expectations for firms dealing with insurance customers during the Covid-19 pandemic. This included guidance reminding firms of their obligations to consider whether their products continue to offer the intended value and to take appropriate action if not and guidance clarifying the expectations of firms dealing with insurance payment difficulties.
- 7.2 The Board recognised the benefits of keeping support measures consistent for consumers, but acknowledged the unique features of the insurance market. The Board also reemphasised the importance of consumers already in financial difficulty, or who become subject to financial difficulty during any period of deferral, continuing to receive appropriate forbearance under existing rules.
- 7.3 The Board considered the benefits of extending the consultation deadline for responses relating to product value, given the complexities of the issue.
- 7.4 The Board **agreed** guidance relating to the following areas for consultation, with the consultation period for each to be defined by the Chief Executive:
- i. to insurance firms on considering product value, as a result of Covid-19
  - ii. to insurance and premium finance firms on customers facing temporary payment difficulties, as a result of Covid-19
- 7.5 The final guidance and rules would be submitted to the Board for approval following conclusion of the consultation period and consideration of the associated responses.

## **8 Compensatory payments under the Complaints Scheme**

- 8.1 The Board was briefed on the complaints scheme (the Scheme) including the current approach to compensatory payments.

## **9 Rules and Guidance to be determined**

- 9.1 The Board **resolved** to make the following instruments:
- i. Pension Guidance and Relevant Provisions (Miscellaneous Amendments) Instrument 2020 (FCA2020/19)

## **10 Monthly Reports from the Independent Panels**

- 10.1 The Board **noted** the monthly reports and its appreciation for the work of the Independent Panels.

## **11 Decisions of the Board**

- 11.1 The Board **approved** the minutes of the meetings held on 26 March 2020 and 1 April 2020.
- 11.2 The Board **noted** the following decisions taken by written procedures since the last meeting:

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- i. FCA response to Covid-19: pause on the implementation of retirement outcomes review rules, investment platform transfer rules and pension transfer specialist qualification rules
  - ii. FCA response to Covid-19: temporary support to consumers holding a range of consumer credit products (package 2).

11.3 The Board **approved** the following appointments to Board Committees:

- i. Bernadette Conroy as a member of the Audit Committee and Remuneration Committee with effect from 1 May 2020.

11.4 The Board **approved** the following appointments to the PSR Board:

- i. Aidene Walsh as a non-executive director of the PSR, for a three-year term, with effect from a date to be confirmed. The appointment to be subject to satisfactory references being obtained.
- ii. Simon Ricketts as a non-executive director of the PSR, for a second three-year term, with effect from 1 July 2020.

11.5 The Board **approved** the following Panel appointments:

- i. Julian Parrot as a member of the Smaller Business Practitioner Panel, for a three-year term, with effect from 1 May 2020
- ii. Susan McInnes as a member of the Practitioner Panel, for a three-year term, with effect from 1 May.

11.6 The Board **approved** the reappointment of Jenny Watson CBE as a non-executive director of the Financial Ombudsman Service, for a two-year term, with effect from 1 June 2020.

## **12 Papers for noting**

12.1 The Board **noted** the following:

- i. the Committee Chair report from the Oversight Committee meeting held on 31 March 2020
- ii. the progress with the matters arising from previous meetings
- iii. the results of the employee survey 2020.

## **13 Any other Business**

13.1 There being no further business, the meeting closed.

**Charles Randell**  
Chairman

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## ANNEX A: Attendees\*

### Attending for all, or substantially all of the meeting:

Megan Butler	Executive Director, Supervision – Inv., Wholesale and Specialist
Jonathan Davidson	Executive Director, Supervision – Retail & Authorisations
Nausicaa Delfas	Executive Director, International
Sheree Howard	Executive Director, Risk and Compliance Oversight
Sean Martin	General Counsel
Sheldon Mills	Interim Executive Director, Strategy & Competition
Georgina Philippou	Chief Operating Officer
Simon Pearce	Company Secretary
Mark Steward	Executive Director, Enforcement and Market Oversight
Andrew Whyte	Director, Communications

### Attending for the following items:

3	Kate Collyer	Interim Director of Competition and Chief Economist
	Kate Blanchford-Hick	Head of Department, Wholesale & Investments Competition
	Graeme Reynolds	Deputy Chief Economist, Head of Economic & Financial Analysis
	Chris Gee	Manager, Competition & Economics
	Neil Marshall	Senior Manager, Retail Competition
4	Robin Jones	Director, Operation Resilience, Response Coordination & OPBAS
6	Alison Barker	Director, Recovery & Resolution Strategy & Delivery unit
	Emad Aladhal	Head of Department, Resolution, Operation & Client Assets
	Richard Fox	Interim Director, Firms & Emerging Policy
	Dan Hurl	Head of Department, Financial Resilience
	Jane Moore	Manager, Resolution, Operation & Client Assets
7	Richard Fox	Interim Director, Firms and Emerging Policy
	Alex Roy	Head of Department, Consumer Distribution Policy
	Roma Pearson	Head of Department, General Insurance & Protection
	Edward Oxley	Manager, General Insurance Policy
8	Pritheeva Rasaratnam	Head of Department, Investigations, Complaints & Assurance
	Dean Harwood	Manager, Complaints
	Jeannette Bateman	Senior Manager, Risk & Independent Reviews
	Martin Boffey	Head of Department, GCD International

\* Additional associates were also in attendance