

## Minutes

<b>Meeting:</b>	FCA Board
<b>Date of Meeting:</b>	28 October 2022
<b>Start time:</b>	09:00
<b>Venue:</b>	Boardroom and via Microsoft Teams

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<b>Members Present:</b>	Richard Lloyd (Chair) Alice Maynard Bernadette Conroy Jeannette Lichner	Liam Coleman Nikhil Rathi Sam Woods Tommaso Valletti
<b>In attendance:</b>	Set out in Annex A	
<b>Presenters:</b>	Set out in Annex A	
<b>Apologies:</b>	None	

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### 1 Declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 Sam Woods updated the Board on the professional interests of a close family member. The Board agreed that this did not constitute a conflict in relation to the items to be discussed.

### 2 Reports from the Chairs of Board Committees

- 2.1 The Board noted the report from the Chair of the People Committee, of the meeting held on 04 October 2022, specifically the Committee's focus on the colleague voice work.
  - 2.2 The Board noted the report from the Chair of the Risk Committee, of the meeting held on 13 October 2022. The Risk Committee received a verbal update on the consumer strategy and noted this would be a standing item on the agenda going forward to maintain assurance that short-term risks were being managed and on the longer-term delivery.
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- 2.3 The Chair of the Policy and Rules Committee gave a verbal update of the meeting held on 20 October 2022. The Committee had discussed the Future Regulatory Framework, wholesale data and the fees policy for 2023.

### **3 Report from the PRA**

- 3.1 Mr Woods briefed the Board on the business of the PRA that was of relevance to the FCA including the recent Mansion House speech, the Future Regulatory Framework and Solvency II.

### **4 Report from the Chief Executive**

- 4.1 Mr Rathi briefed the Board on a number of topical issues, including:
- i. External environment – The Board were briefed on work ongoing on Future Regulatory Framework/ Financial Services and Markets Bill, New Consumer Duty and the Government’s Crypto agenda. The FCA was continuing discussions with Treasury on policy proposals and reporting.
  - ii. Public commitments – The Board were keen to understand where projects are underpinned by the FCA’s public commitments. It noted that a strategy was in place to develop lead indicators for ongoing projects which was being overseen by the Executive Finance and Delivery Committee. The Board welcomed further assurance and reporting on the change portfolio as this work progresses.
  - iii. Cost of living pressure – The Board were briefed on the FCA’s continued work on the cost-of-living pressure and in particular on borrowers in financial difficulty. It noted a document with the FCA key findings would be published in the coming days framed in the context of the current economic situation and would outline examples of customer journeys and where firms had responded positively or should have done more to support the customers. The work on mortgages had confirmed the need for ongoing tailored forbearance requirements with industry, put in place after the pandemic. CEO roundtables with the major lenders and non-bank lenders were taking place to discuss these issues and collect information. The Board noted the importance of including small and medium enterprises in work on the cost of living pressure.
  - iv. Gilts/LDI markets – The Board were advised that while Gilts/LDI markets had been stabilised and there had been stabilisation in the Pension markets there was still work to do on the micro-structure which was being covered by the current supervisory work and in close collaboration with other regulators.

### **5 Future Disclosure Framework**

- 5.1 The Packaged Retail and Insurance-based Investments Products (PRIIPs) and disclosure requirements were onshored via the EU (Withdrawal) Act 2018. The Board considered proposals in this regard.

- 5.2 The Board also discussed the degree of alignment or divergence with EU legislation as retained EU law files are transferred to our Handbook, in the context of the proposed secondary competitiveness and growth objective for the FCA.

## **6 Regulatory Decisions Committee (RDC) Chair's Annual Report**

- 6.1 The Board noted the report from the RDC Chair including the continuing constructive relationship with enforcement, the recent review on the composition of the RDC and continuing progress made against the speed of decisions. The Risk Committee Chair welcomed continued positive engagement with the RDC Chair which provided assurance to the Risk Committee that learning was being incorporated into processes and procedures to make sure the RDC remains fit for the future.
- 6.2 The issue of non-financial misconduct, including matters such as violence and harassment outside the workplace, was discussed. It was noted that discussions were ongoing with Enforcement regarding further guidance and FCA policy in this area to ensure consistency and clarity of decision-making. It was reflected that the issue for FCA policy and guidance to address was that of the character of the individual concerned with the investigation and not that of the specific misconduct itself. It was noted that RDC sees only the minority of enforcement cases and those that are referred are often the most complex cases dealing with novel or controversial issues.
- 6.3 The Board sought assurance that the RDC, as a sub-committee of the Board, was managing cases in line with the FCA's risk tolerance and was providing good value for money as the complexity and profile of the caseload increases. It was agreed that the Risk Committee would lead on ensuring the RDC's strategic direction remains grounded in FCA policy, noting the element of independence the committee retains, and to ensure the public confidence risk is managed.

## **7 Rules, Guidance and Technical Standards to be determined:**

- 7.1 The Board **resolved** to make the following instruments:
- i. Supervision Manual (Reporting No 18) Instrument 2022
  - ii. Pension Schemes (Information to Dashboards) Instrument 2022. The Board sought assurance on the operationalisation of the dashboard data quality and integrity. It was noted that the Department for Work and Pensions' regulations had been laid before Parliament but not yet made and that the FCA rules would need to be revisited should the regulations not be made in the form laid before Parliament.

## **8 Decisions of the Board**

- 8.1 The Board **approved** the minutes of the meetings held on 29 September 2022 and 04 October 2022.
- 8.2 The Board noted the action log and **approved** the closure of completed actions.
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- 8.3 The Board discussed and **approved** the proposed approach to implementing the S21 gateway, including to consult on new rules and guidance. The Board **agreed** to the high-level approach to Authorisations and Supervision & Enforcement and to consult on the basis of not extending FOS cover to the approval of financial promotions.
- 8.4 The Board **approved** the amendments to the People Committee Terms of Reference as presented in the paper and **delegated** approval of those highlighted in the meeting to the Chair of PeopleCo and Company Secretary.
- 8.5 The Board **approved** the eight FCA Important Business Services as proposed.

## 9 Papers for noting

- 9.1 The Board noted the following:
- i. The reports from the Independent Panel Reports and in particular the risks highlighted in the professional indemnity insurance (PII) market that financial advisers and smaller brokers could withdraw from the market. The Board requested assurance on the FCA's planned approach to PII to mitigate these risks.
  - ii. The review of the Office of the Complaints Commissioner's Budget Submissions for 2021/22.
  - iii. The Core Investment Advice Regime Consultation paper. The Board noted this would provide a review of the regime within the existing framework, and in support of the consumer investment strategy and the New Consumer Duty. Once the consultation had closed, feedback would be reviewed and discussed at the Policy and Rules Committee.
  - iv. The delivery of Our Strategy – the Board noted the six-monthly report and stocktake.

There being no further business the meeting closed.

## Annex A: Attendees, presenters and observers

### In attendance:

Sheree Howard – Executive Director, Risk and Compliance Oversight  
 Sheldon Mills – Executive Director, Consumers and Competition  
 Sarah Pritchard – Executive Director, Markets  
 Jessica Rusu – Executive Director, Chief Data, Information and Intelligence Officer  
 Emily Shepperd – Executive Director, Authorisations  
 Mark Steward – Executive Director, Enforcement and Market Oversight  
 Nicholas Holloway, Head of Department, General Counsel (alt for Steven Braviner Roman)  
 Mike Bazzano – Manager, Chief Executive Office  
 Ian Runacres – Manager, Chairman’s Office  
 Sarah Day – Technical Specialist, Deputy Company Secretary  
 Sarah Smart (observing) – Chair, The Pension’s Regulator

### Presenters and observers:

<b>Item 1 - Declarations of interest</b>	No attendees
<b>Item 2 – Reports from the Chairs of Board Committees</b>	No attendees
<b>Item 3 - Report from the PRA</b>	No attendees
<b>Item 4 - Report from the Chief Executive</b>	No attendees
<b>Item 5 - Future Disclosure Framework</b>	Nike Trost – Head of Department
<b>Item 6 - RDC Chair's Annual Report</b>	Tim Parkes – Chair of RDC Mark Roberts - Manager
<b>Item 7 - Rules and Guidance and Technical Standards to be determined</b>	No attendees
<b>Item 8 – Decisions of the Board</b>	No attendees
<b>Item 9 - Papers for noting</b>	No attendees

Other relevant associates were also in attendance.