

FT Advisor - 6 March 2020

## MPs raise 'serious concerns' over FCA performance



MPs have raised "serious concerns" about the Financial Conduct Authority's culture, transparency and its "insufficient" speed of action against areas of harm in the market.

In a report published yesterday (March 5) the Treasury committee warned it would be keeping a "close eye" on the watchdog Andrew Bailey is leaving behind, as his appointment as the next governor of the Bank of England was confirmed.

Whilst the MPs said they had faith in Mr Bailey's "professional competence and personal independence", they warned of a clear gap between public expectations and the current performance of the FCA.

Mel Stride MP, chairman of the Treasury committee, said: "The Treasury committee has approved Andrew Bailey's appointment, but it has also raised a number of serious concerns regarding the performance of the FCA both before and during his time as its chief executive.

"Many of these concerns – specifically around culture, transparency and insufficient speed of action – will remain a key focus for the committee.

"The committee is clear that it has an important role in improving the performance of the FCA. We will be holding a rigorous pre-appointment hearing with the new chief executive to consider further the issues raised in yesterday's session."

The outgoing chief executive of the FCA gave evidence to the committee yesterday, as is procedure for an incoming governor.

MPs grilled Mr Bailey [over a "record level of complaints"](#) from staff at the FCA amid an "explosion" of bullying and harassment claims at the regulator during his three and a half year tenure at its helm.

The FCA boss defended the claims arguing they did not "accord" with his own experience and in its report the Treasury committee unanimously approved his appointment as the Bank's next governor.

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In yesterday's session Mr Bailey promised more evidence in response to concerns raised by MPs, which the committee intends to publish.

The committee said: "In the last parliament our predecessor committee published a report on the perimeter of regulation and we also propose to return to that, as well as the speed and transparency with which the FCA acts, later in this year.

"Our work will include assessing the effectiveness of the government in implementing its responsibilities in relation to the remit and powers of the FCA."

In October the government [denied calls for the FCA to receive formal powers](#) to request changes in its regulatory remit, which some campaigners claimed would make it easier for the watchdog to crack down on unregulated business in light of the London Capital & Finance scandal that the regulator faced last year.

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