

16 June 2020 7.24 pm

## **Jim Shannon (Strangford) (DUP)**

Before we start, may I say that, on the fourth anniversary of the death of Jo Cox, I associate my party with what has been said and convey to all her family and friends our sincerest thoughts at this present time. She certainly was a wonderful and marvellous voice in this House. Everyone can honestly say from the bottom of their heart that they miss her contributions. Even four years later, that soreness and that sense of missing are still there.

**May I say that it is good to see the Minister in his place? There would not be a banking debate where he and I were not involved in some way.** I am pleased to see the new shadow Minister, the right hon. Member for Wolverhampton South East (Mr McFadden), in his place, and I wish him all the best in the future as well.

I thank the Minister for bringing this issue forward. Although this measure merely ensures that the protection established under current legislation continues, **it gives me the opportunity to highlight the work that must be done for consumers in the financial industry—the Minister will know of that. We are pleased with some of the progress that has been made, but we look for more. He will have listened to me numerous times on the failings of banks, and sometimes on the need for the auditing sector and the financial sector as a whole to do the right thing for the little man. From Lloyds to HBOS, with many in between, it has long been my aim in this House to see the introduction of effective mechanisms to protect those who are not on the level playing field.**

The issue of over-the-counter derivatives is another area that needs special consideration, and I hope the Minister will respond on it, as we need enhanced protection. An OTC derivative is a financial contract arranged between two counterparties with minimal intermediation or indeed regulation. OTC derivatives do not have standardised terms and they are not listed on asset exchange, so an inherent aspect of them is the lack of formal regulation. Although the regulation offers lip service to that, as with so many other banking aspects it is my belief that more is needed, and many right hon. and hon. Members agree with that view. Hon. Members already know that some derivative products in the past were the basis of a number of problems during the financial crisis in 2008-09, and we now find ourselves in another crisis, perhaps something equal to that time. **As the Minister knows, I have recently written to him about the 200 to 300 legacy cases for the Business Banking Resolution Service. I would like him to respond on that or to indicate when I can expect a response on the way forward. If that is possible, I would appreciate it.**

This debate is about our position post-Brexit, and therefore Westminster will have control. It is our responsibility, as elected representatives, and the responsibility of the Government and legislators, to ensure that the FCA and other regulatory bodies have the appropriate regulatory powers in the future for consumer protection. **I look forward to the Minister's reply on the BBRS.** The legislation is great to continue, but I believe we need more. It is not enough, but it is a giant step in the right direction.

7.27 pm

## **John Glen**

It is a pleasure to be able to respond to the points made by the right hon. Member for Wolverhampton South East (Mr McFadden), and the hon. Members for Glasgow Central (Alison Thewliss) and for Strangford (Jim Shannon). **The latter made a number of points about the conduct issues associated with banks and his exchanges with me on the BBRs. I am sensitive to the fact that in the context of the loans and interventions the Government have made there are conduct challenges, but I think it would be appropriate for me to address that on a separate occasion. However, I note his correspondence.**