

Minutes

Meeting: FCA Board

Date of Meeting: 16 April 2021

Venue: Meeting held via Microsoft Teams

Present:	Charles Randell (Chair)	Alice Maynard
	Liam Coleman	Nikhil Rathi
	Bernadette Conroy	Jeannette Lichner
	Tommaso Valletti (from 17.15)	Richard Lloyd

In attendance: Set out in Annex A

Apologies: Sam Woods

1 Quorum and declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 No interests were declared in the items to be discussed.

2 Proposed approach for making ex gratia compensatory payments to LCF Investors

- 2.1 The Board was briefed on the further work undertaken by the team to develop proposals for making ex gratia compensatory payments under the FCA Complaints Scheme to investors in London Capital & Finance (LCF) and asked to make a final decision of the proposed approach.
 - 2.2 It was noted that the FCA had received final details of the compensation scheme that HM Treasury intended to put in place for LCF investors, and letters from Gina and Alan Miller, and Shearman & Sterling, a law firm acting for certain LCF investors.
 - 2.3 The Board was advised that the proposals should be considered in light of the relevant factors in the Complaints Scheme, and the FCA's statutory framework, including (as part of consideration of the consumer protection objective) the role of consumer responsibility. It was noted that, having regard to the public sector equality duty (PSED), final decisions on individual complaints would be considered in light of the PSED.
 - 2.4 Having considered the analysis of the relevant factors in the Complaints Scheme, the Board agreed:
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- i. to award payments under the FCA Complaints Scheme to LCF investors who were provided incorrect information by the FCA in direct communications where that information may have led the individual to invest, or to refrain from withdrawing their investment, in LCF. This was subject to a final review as the complaints are individually responded to;
 - ii. that those payments should be described as 'ex gratia compensatory payments' (as opposed to payments specifically for financial loss or distress and inconvenience);
 - iii. not to award *ex gratia* compensatory payments to other investors, subject to a final review as the complaints are individually responded to.
- 2.5 The Board considered different options for calculating the amount of any compensatory payments. The Board concluded that two principles should guide the approach; that investors should not be overcompensated, and they should not receive in total more than Financial Services Compensation Scheme (FSCS) limit of £85K from all sources. The Board discussed various options and **agreed** the methodology to be applied to calculate the payments.
- 2.6 The Board noted that the decision in this case reflected the exceptional circumstances of LCF.
- 2.7 The Board **agreed** that the final communications on this subject should be signed off by the Chair and Chief Executive.

3 AOB

- 3.1 There being no further business the meeting closed.

Annex A

Attending for all, or substantially all of the meeting:

Beverley Walker	Manager, Central Secretariat
Sheree Howard	Executive Director, Risk and Compliance Oversight
Sean Martin	General Counsel

Attending for the following items:

2	Martin Boffey	Head of Department International and Governance, GCD
	Andrew Clark	Interim Head of Department, Complaints R&CO
	Robin Jones	Director, Review Implementation, R&CO
	Pritheeva Rasaratnam	Head of Department, Independent Investigations and Assurance R&CO