

Minutes

Meeting: FCA Board
Date of Meeting: 28 January 2021
Venue: Meeting held via Microsoft Teams

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

In attendance: Set out in Annex A

1 Quorum and declarations of interest

- 1.1 The meeting **noted** there was a quorum present and proceeded to business.
- 1.2 In relation to item 6 (Financial Promotions Framework), Richard Lloyd reminded the Board that he was a Board member of the Advertising Standards Authority.

2 Report from the Chief Executive

- 2.1 Mr Rathi briefed the Board on a number of topical issues, including:
 - i. Covid-19 Pandemic: The closure of schools, restrictions on households mixing and other lockdown restrictions had created increased caring responsibilities and had impacted on the wellbeing of FCA staff. Ongoing measures were being developed to relieve the burden on staff members whilst supporting efficient working. The Board recognised that it may be necessary to reprioritise work to take account of this burden, and endorsed that continued support be given to staff.
 - ii. The Executive also continued to monitor the impact of the pandemic on the future landscape of financial services.
 - iii. LCF & Connaught Independent Reviews: Constructive meetings between senior executives across the FCA and the independent reviewers had been held and work continued to address the recommendations of the reviews.
 - iv. Perimeter report: A constructive meeting had been held with the Economic Secretary to the Treasury to discuss the report.
 - v. Funeral Plans: Onboarding the sector was expected to commence by the end of January to a very tight timetable.
-

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.

4 Woolard Review into Change and Innovation in the Unsecured Credit Market

- 4.1 The Board was **briefed** on the conclusions of the Woolard Review (the Review) into change and innovation and building a sustainable unsecured credit market. It was noted that the Review covered change in the market, the impact of Covid-19 and how public authorities might adapt.
- 4.2 The Board welcomed the Review and was supportive of its conclusions. In discussing the recommendations of the Review, the Board was committed to working together with stakeholders to take them forward.
- 4.3 In particular, the Board considered the merits of bringing the Buy Now Pay Later (BNPL) market under regulation and supported ongoing engagement with HM Treasury to explore how this could be achieved.
- 4.4 The Board **agreed** that it was pertinent that the Executives advise the Board on how the recommendations, directed to the FCA, could be taken forward as part of business planning for the 2021/2022 year and beyond and to work with other organisations on implementing the recommendations where necessary.
- 4.5 The Board **agreed** that the FCA should publish a response to the review and that the Chair should write to the Economic Secretary to the Treasury to convey the Board's views with regard to regulation of the BNPL market.

5 Future Regulatory Framework (FRF)

- 5.1 The Board was **briefed** on the FCA's engagement with HM Treasury regarding development of its proposals for the future regulatory framework following the UK's withdrawal from the EU.
- 5.2 The Board considered the importance of ensuring the clarity of the FCA's objectives and the overall regulatory framework, especially for users of financial services. The Board also discussed specific examples of legislative issues which might be included in discussions around the legislative framework.
- 5.3 The Board recognised the importance of ensuring the regulatory framework supported the FCA's ability to act swiftly to address potential harm and ensure the FCA is held accountable as a public body in an efficient and effective way. The Board agreed the team should support HM Treasury in its work, to ensure the proposals deliver an appropriate regime for users of financial services. As part of this, it was agreed the FCA should coordinate with the Bank of England which is also subject to the proposals.

6 Financial Promotions Framework

- 6.1 The Board was **briefed** on the financial promotions regime.
- 6.2 The Board acknowledged the limitations of the current regime. The Board noted the work carried out in relation to consumer investments including the Call for Input. The importance of a holistic financial promotions strategy, which utilised the FCA's powers to best effect and
-

was rooted within the FCA's wider consumer investments work was discussed. In tandem, it was noted that engagement with HM Treasury regarding the limitations of the accompanying legislation would continue.

- 6.3 The Board noted that a holistic financial promotions strategy would be submitted for its consideration in due course.

7 Rules and Guidance and Technical Standards to be determined

- 7.1 The Board **resolved** to make the following instruments:
- i. Fees (Trade Repositories and Securitisation Repositories) Instrument 2021 (FCA 2021/1).
 - ii. Markets in Financial Instruments (Tick Sizes) Instrument 2021 (FCA 2021/2). The Board recognised that whilst the instrument brought parity between different trading venues it did constitute a minor divergence from EU Regulation.
 - iii. Listing Rules (Open-ended Investment Companies) Instrument 2021 (FCA 2021/3).

8 Decisions of the Board

- 8.1 The Board **approved** the appointment of Jeannette Lichner to the IRHP Review Committee.
- 8.2 The Board **approved** the appointment of Clare Woodman and David Livingstone as members of the FCA Markets Practitioner Panel from 1 Feb 2021 to 31 Jan 2024.

9 Monthly Reports from the Independent Panels

- 9.1 The Board **noted** the reports from the Independent Panels.

10 Papers for noting

- 10.1 The Board noted the following:
- i. The update on the work on Pension Transfer advice.

11 AOB

- 11.1 There being no further business the meeting closed.

Annex A: Attendees*

Attending for all, or substantially all of the meeting:

| | |
|-----------------|--|
| Andrea Bowe | Chief of Staff and Joint Director of Transformation |
| Megan Butler | Executive Director, Transformation |
| Nausicaa Delfas | Executive Director, International |
| Sheree Howard | Executive Director, Risk and Compliance Oversight |
| Wayne Laramee | Private Secretary, Chief Executive Office |
| Sean Martin | General Counsel |
| Sheldon Mills | Executive Director, Consumers and Competition |
| Simon Pearce | Company Secretary |
| Ian Runacres | Private Secretary to the Chair |
| Mark Steward | Executive Director, Enforcement and Market Oversight |
| Andrew Whyte | Director, Communications |

Attending for the following items:

| | | |
|---|---|--|
| 4 | Christopher Woolard Wesley Ball | Chair, Woolard Review into the Unsecured Credit Market Manager, Review Team |
| 6 | Edwin Schooling-Latter Alex Smith Caroline Halstead-Smith Sarah Raisin | Director, Markets Policy Manager, Culture & Governance Manager, Strategy Technical Specialist, Policy |
| 8 | Alex Roy Kate Hinchy Claudine Hilton | Head of Department, Consumer Distribution Manager, Retail Distribution Manager, Financial Promotions |
| 9 | Adam Wreglesworth Helen Boyd Martin Ostberg | Manager, Capital Markets Policy Team Head of Department, Markets Policy Technical Specialist, Funds & Wholesale, GCD |

* Relevant associates and business support staff were also in attendance