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By email: [cp20-10@fca.org.uk](mailto:cp20-10@fca.org.uk)

Dear Sir / Madam

**Financial Services Consumer Panel response to CP 20/10: Extending implementation deadlines for the Certification Regime and Conduct Rules**

We agree with the FCA's proposals to extend the implementation deadlines for the Certification Regime and Conduct rules until 31 March 2021. This will ensure that all solo regulated firms have the time they need to properly assess the fitness and propriety of their Certified Persons and train all staff on the Conduct Rules.

We welcome the FCA encouraging firms to meet the original deadline where possible and not delay removing staff who are not fit and proper. We believe the Senior Managers and Certification Regime (SM&CR) plays an important role in holding senior leaders to account and establishing a baseline for standards of conduct that can support improvements in consumer outcomes. The sooner the SM&CR is fully implemented, the sooner consumers will benefit.

The SM&CR will only reach its full potential in improving consumer outcomes if combined appropriately with other levers such as governance, compensation, and rewards and if the FCA uses it effectively to hold individuals to account for poor culture and conduct in their firm. We would therefore like to take this opportunity to encourage the FCA to be bolder and more consistent in using the SM&CR as a supervision and enforcement tool. The reminders to firms of the FCA's powers under the SM&CR in recent 'Dear CEO' letters<sup>1</sup> are a step in the right direction. However, it is important the FCA follows up with supervisory or enforcement action where required.

Finally, we wish to restate a point we made in our [response](#) to DP 20/1. Whilst the SM&CR will help to improve outcomes for consumers, it will not, and should not, be the sole impetus for firms to do the right thing. Putting the consumers' needs first and introducing a new duty of best interests are the actions most likely to truly improve outcomes for consumers in the financial services sector.

Yours faithfully,

Wanda Goldwag  
Chair, Financial Services Consumer Panel

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<sup>1</sup> For example: <https://www.fca.org.uk/publication/correspondence/dear-ceo-lending-small-businesses-coronavirus.pdf>