

# Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Sophie Stern,  
Governance & Professionalism Policy  
Strategy & Competition Division  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

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Dear Sophie,

## **DP16/4 – Overall responsibility and the legal function**

This is the Financial Services Consumer Panel's response to DP 16/4.

The Panel believes that the legal function in a firm is often responsible for more than just the provision of legal advice. Lawyers may be involved in product development or approval processes, for example. Regardless of where the legal person works within the organisation, a senior manager should be responsible for monitoring their legal advice and taking responsibility for the quality of that advice.

We are aware that firms are arguing for this function to remain outside of the regime. The FCA does not need to wait for evidence before establishing that personal accountability at a senior level is necessary to drive better conduct. The FCA should act now and capture the position within the SM&CR.

However, we do not believe this role's inclusion within the regime should prevent the ability to provide privileged legal advice.

Questions

**Q1: Do you agree with our summary in Chapter 3 of the key policy arguments for and against inclusion of the management of the legal function in the SMR? Have we missed any key arguments?**

Agree

**Q2: Do you believe that the SM&CR should include a requirement to allocate overall responsibility for the management of the legal function to a Senior Manager? Why?**

Yes. There may be times when someone with a legal function reports into a non-legal position. There must be senior manager accountability for the legal function regardless of where it sits within the organisation.

Yours sincerely

Sue Lewis  
Chair  
Financial Services Consumer Panel