

Mr Matt Hammerstein  
Chair, FCA Practitioner Panel

Via email

10 April 2024

Dear Matt

### **FCA ENGAGEMENT WITH THE PRACTITIONER PANEL 2024/25**

Firstly, we would like to thank you for the Practitioner Panel's ongoing support for and challenge to the FCA, and, on a more personal note, for your time and effort steering the Panel as Chair since last summer. We value enormously the contributions from all our Statutory Panels, which help us deliver better outcomes for consumers, firms, and markets.

In the current environment we are, now more than ever, cognisant of the FCA's need to prioritise and focus its resources and efforts where they will have the biggest impacts. And in light of the Financial Services and Markets Act passed last year, and of our own strategy, business plan and workload, both the Board and ExCo have been reflecting on how the FCA can get the most valuable input from all of its Panels.

A central purpose of this letter is therefore to set out the areas that the FCA expects to prioritise when engaging with the Practitioner Panel in the year ahead. We also wish to share with you our views on other relevant matters, such as the Board's interaction with the Panel and with you as Chair. In thinking about both these areas, we have also been mindful of the Panel's discussions last autumn on your preferred 'ways of working' and the issues that you collectively identified as your own priorities for your work.

We are also writing in similar terms to the Chairs of our other statutory Panels.

### **Prioritisation**

At a high level, and subject of course to unforeseen events during the year, the Board and ExCo wish to prioritise engagement with you on the following FCA policy and operational areas:

- Help to identify **priorities** for the FCA, in line with our statutory objectives (including REUL file transfers) and provide views on how to balance any differing statutory objectives
- Alert us to **emerging risks/issues** in industry especially those relevant to our statutory objectives, including monitoring/managing the impact of external shocks
- Implementation of the **Consumer Duty** including the outcomes-based approach, implications for wider FCA rulebook, any unintended consequences
- Delivering the new secondary **international competitiveness and growth** objective in support of existing primary objectives
- Managing the opportunities and risks of **data and digitalisation**, including artificial intelligence
- Supporting consumers make **investment and pension choices** that are right for their circumstances, including advice/guidance and redress
- **Approach to enforcement** and the **Integrated Regulatory Model** work which will look at how cases are identified and progressed across the FCA as well as possible changes to our supervisory model

In doing so, we ask the Panel to operate, as always, as a “critical friend” to the FCA, providing advice and constructive challenge on current and future policies and FCA processes. We will endeavour to engage with you from an early stage in our work wherever possible, to help inform our thinking before we consult more widely. On matters of significant reform we would welcome your views on how we can best engage with external stakeholders.

We ask the Panel – and will ask our own teams also – to engage on these topics at a “strategic” or market level. We would welcome your input from across the whole Panel on most of these issues. But there may also be some more sector-specific issues where we would value strategic insights from a sub-group of members with more directly relevant expertise, including, where appropriate, from across different panels.

In all of this we fully recognise that you, as a Panel which has an independent voice, also have your own set of priorities on which you will want to engage with the FCA, even if there is overlap between the two lists.

We will use these lists to prioritise the issues on which we engage with the panel. However, where there is capacity to do so, we would also value your input on other relevant issues, as appropriate. The Secretariat, together with Matt Brewis as Panel sponsor director, will of course work

with the Panel and with relevant FCA teams in delivering on our engagement with each other, as part of its wider support.

### **Engagement with ExCo and the Board**

We expect that the Panel will continue to have access to and engage regularly with the FCA Chair, Board, Chief Executive and senior executives of the FCA, in line with the terms of reference agreed by the Board. We ask that you continue to submit a regular "Report to the Board" (which will also be considered by ExCo), and that this should focus on the two or three most important strategic themes that you wish to bring to the Board's attention. We will continue to have periodic Board lunches with the Panel Chairs, and see your annual report ahead of publication. And a member of ExCo will continue to endeavour to attend each of your formal meetings.

In addition, we propose to formalise an annual meeting between the FCA Chair and each of the Panel Chairs, one-to-one, to discuss the work of the Panel. This will be an opportunity to reflect on the previous year's interaction between the Panel and the FCA, informed by the Board's engagement as outlined above and any Panel effectiveness reviews conducted either by the Panel or the FCA during the year.

### **Looking forward**

We hope that you find this letter helpful in setting out, albeit rather formally, our expectations for our engagement with one another over the coming year, 2024-25. We look forward to continuing the constructive dialogue and close working relationships that we have built up over previous years.

Yours sincerely

**Ashley Alder**  
FCA Chair

**Nikhil Rathi**  
FCA Chief Executive